

# CITY OF CAYCE, SOUTH CAROLINA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2019

CITY OF CAYCE, SOUTH CAROLINA

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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YEAR ENDED JUNE 30, 2019

WITH

REPORT OF INDEPENDENT AUDITOR

Issued by:  
Finance Department

CITY OF CAYCE, SOUTH CAROLINA

CITY OF CAYCE, SOUTH CAROLINA

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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YEAR ENDED JUNE 30, 2019

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CITY OF CAYCE, SOUTH CAROLINA

## INTRODUCTORY SECTION



CITY OF CAYCE, SOUTH CAROLINA

Mayor  
Elise Partin

Mayor Pro-Tem  
Tara S. Almond

Council Members  
Phil Carter  
Eva Corley  
James E. Jenkins

City Manager  
Tracy Hegler

Assistant City Manager  
James E. Crosland



December 20, 2019

## 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, 2019 (FY 2019). 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 unmodified opinion on the City of Cayce's financial statements for the year ended June 30, 2019 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, 2019.

## 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 14,086 and is empowered to levy a property tax on both real and personal property located within its corporate limits. It is also empowered by State Statute to extend its corporate limits by voluntary annexation, which occurs periodically when deemed appropriate by the City Council.

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

The City is empowered to levy a property tax on both real and personal properties located within its boundaries. Such taxes are levied and collected by Lexington County and Richland County and remitted to the City.

The annual budget serves as the foundation for the City's financial planning and control. The South Carolina General Statutes require all governmental units to adopt a balanced budget by July 1<sup>st</sup> of each year for all funds for which an annual budget is required. Activities for the General Fund, and the Water and Sewer Utility Fund are budgeted annually. The annual budget is prepared by Fund and department. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by 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 1<sup>st</sup> to June 30<sup>th</sup> fiscal year. During the spring of each year, the budget process begins with department heads submitting requests and plans to the City Manager who is responsible for presenting the budget request to City Council. A detailed description of the budget process is included in the Notes to Budgetary Comparison of the Required Supplementary Information section in this report.

## **Legislative**

The Mayor and four members of City Council are elected to staggered four year terms. Elections are held in November of even numbered years. The Mayor and Council make policy and enact laws, rules and regulations in order to provide for future community and economic growth. Additionally, the Council provides the necessary support for the orderly and efficient operation of City services.

Council meetings are generally held at 6:00 p.m. on the first Tuesday and at 5:00pm the third Wednesday of each month at Cayce City Hall, located at 1800 12<sup>th</sup> Street Ext.

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

At June 30, 2019, elected officials were as follows:

**MAYOR**

*Elise Partin*

[elisepartin@outlook.com](mailto:elisepartin@outlook.com)

Telephone: 803-361-8280

**MEMBERS OF COUNCIL**

**District 1**

*Tara Almond*

[almondcaycecouncil@gmail.com](mailto:almondcaycecouncil@gmail.com)

Telephone: 803-309-1564

**District 2**

*James "Skip" Jenkins*

[skip\\_jenkins@hotmail.com](mailto:skip_jenkins@hotmail.com)

Telephone: 803-730-2601

**District 3**

*Eva Corley*

[eacorley22@gmail.com](mailto:eacorley22@gmail.com)

Telephone: 803-479-0097

**District 4**

*Phil Carter*

[phillipacarter@yahoo.com](mailto:phillipacarter@yahoo.com)

Telephone: 803-518-9384

**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, 2019, 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. It is located from the border of the City of West Columbia to the Timmerman Trail that connects to the Lexington County Recreation and Aging Commission Tennis Center next to I-77. This is a joint effort among several agencies. SCANA Corp., now Dominion Energy, has also connected their corporate headquarters to the Cayce Riverwalk through the Timmerman Trail for the enjoyment of their employees and visitors. Due to the flooding throughout the Midlands in October 2016, a section of the park has undergone repairs. This was funded through The City of Cayce and FEMA matching funds, and was completed in February 2019. Most of the FEMA matching funds have been received, and we do expect the rest in the next fiscal year.

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 Cayce Riverwalk Park includes a public nature park along the river with amenities such as lighted boardwalks and concrete walkways, picnic shelters, park benches, and river over-looks 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. In August 2017, the City issued an \$8,000,000 Tax Increment Financing (TIF) Revenue Bond to obtain funds to develop a portion of the City. This is enhancing economic development to include the demolition and redevelopment of parcels along Knox Abbott Drive, electric utility improvements and street-scaping projects. Expanding the Cayce Riverwalk Park and connecting it with local commercial businesses, along with expanding and upgrading the regional wastewater treatment plant, has positioned the City to participate in the continued economic growth that is occurring in the Columbia Metropolitan area.

Economic development on the 12<sup>th</sup> Street Extension corridor continues. The Lexington County Medical Park that was finished in 2018 will continue to add to the City's tax base and enhance the master plan. The townhome project known as Otarre Point was completed in 2018, adding 299 upscale townhomes, and construction was completed last year on a 100 unit Marriott Hotel. An approximately 60 acre tract of land, sometimes referred to as Otarre Center, is still currently under contract to be sold. The proposed development includes approximately 300,000 square feet of retail space of an outlet shopping mall. A development of this type and size will serve as a catalyst for the development of the surrounding area and supporting corridors. Matheson Gas and Liquid Oxygen has submitted drawings for new construction in 2020. This company will be supporting CMC Steel and will help to grow the property tax and business license base.

Construction was completed last fiscal year on Knox Abbott for a 224 unit upscale apartment community called The Tremont, recently renamed Advenir at One Eleven. Permitting for a 22 unit upscale single family housing development called Congaree Bluff off of Axtell Drive was issued and construction is continuing, with over half of the units already sold. In December 2019 Steel Hands Brewery opened. This is an on premises brewery and restaurant that manufactures their own brand of beer to sell to the public and to other commercial businesses in the area.

The Southern First Bank building at the corner of Knox Abbott Dr. and Axtell Dr. was 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. An upscale apartment community similar to Advenir at One Eleven called Indigo at Brickworks is under construction with the first 3 buildings finished and one more expected to be finished in February 2020. When all apartments are finished, there will be 186 units available. The City started the Knox Abbott Streetscape Project in May 2019 and expects to finish in early 2020. We were also happy to see a new Starbucks coffee shop open up on Knox Abbott. We believe this will help breed new restaurants and will continue to enhance the Knox Abbott corridor.

The City of Cayce has established and is now developing an Art District to encourage an artist community and pre-vitalize the historic downtown State Street area.

Other known projects include the Saxe Gotha Industrial Park that Lexington County is continuing to expand in the unincorporated area abutting Cayce City Limits. The City of Cayce has agreements in place to provide water and sewer service to the industrial park. This more than 400 acre industrial park is being developed off of 12<sup>th</sup> Street and will extend almost to the 12<sup>th</sup> Street interchange of Interstate 77 at Exit 2. Lexington County has expanded 12<sup>th</sup> Street to four lanes to accommodate the expected growth.

As most know, Amazon has a 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 built within the Industrial Park, has also helped maintain good water and sewer sales.

Lexington School District 2 has finished the Brookland Cayce High School Arena. This arena is also an event space that will bring various tournaments into the City and help develop local economic growth. Lexington School District 2 finished construction on a new Career and Technology Education Center (Innovation Center) in October 2019. This new innovative career center will be another draw for employers to the area.

The City continues providing water and sewer service to the South Carolina State Farmer's Market. The farmer's market, relocated from Bluff Road in Richland County (across the street from USC's William Brice Stadium) to Lexington County on US Highway 321, 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. To help provide the highest standards for our residents, the City Council did implement a Hospitality Tax that is being used for the upkeep and expansion of our Parks system.

The City finished the development of the Cayce Riverwalk Park on the Congaree River through the extension of the Parkway to I-77 last fiscal year. The City partnered with the River Alliance, Department of Natural Resources, S C Parks Recreation and Tourism, Lexington County and SCANA Corp to establish the "12,000 Year History Park". This should continue to attract local economic interest and grow the City's tourism.

### **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, 2018. 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 every year since the June 30, 2003, CAFR. 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. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, and that the financial statements are free of any material misstatements.

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

## **Budgetary and Accounting Policies**

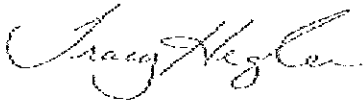
By June 30<sup>th</sup> of each year, the City enacts, through passage of an ordinance, a legal budget along with the establishment of property tax levy (millage) for the upcoming fiscal year. Annually, the City gathers information about assessed values of real and personal property located within the City limits. The total assessments are then applied to the applicable tax rates in order to determine estimated tax revenues. The City's 2018-2019 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 #68, *Accounting and Financial Reporting for Pensions*; however, they are presently unfunded. The City implemented GASB Statement #75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, which became effective for the year ended June 30, 2018. Under GASB #75, the City will be required to obtain biennial actuarial valuations. Disclosures related to actuarial valuations and accounting treatment of the benefit in effect at June 30, 2019 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,

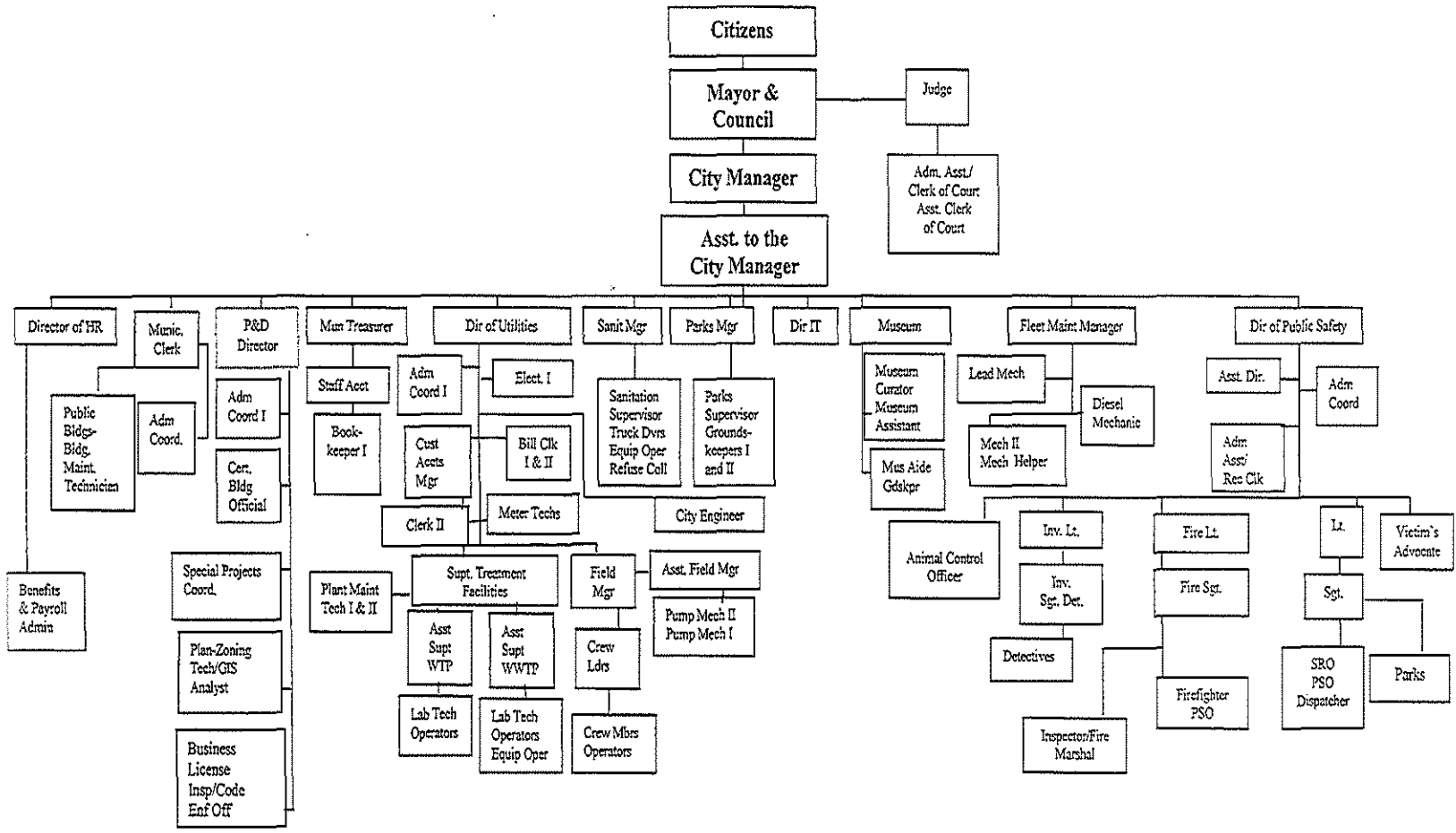
A handwritten signature in cursive script that reads "Tracy Hegler".

Tracy Hegler, AICP  
City Manager



# Organizational Chart

VIII





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, 2018**

*Christopher P. Morrill*

Executive Director/CEO

CITY OF CAYCE, SOUTH CAROLINA

## 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, and aggregate remaining fund information of the City of Cayce, South Carolina (the "City"), as of and for the year ended June 30, 2019, 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, each major fund, and the aggregate remaining fund information of the City of Cayce, South Carolina, as of June 30, 2019, 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**

### ***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 2018 audited financial statements, and in my report dated January 19, 2019, I expressed an unmodified 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.



December 20, 2019  
Columbia, South Carolina

CITY OF CAYCE, SOUTH CAROLINA

**City of Cayce, South Carolina**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2019**

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, 2019. 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, 2019 were \$207.6 million and exceeded total liabilities and deferred inflows by \$109.3 million. Of the total net position at June 30, 2019, there was a \$10.0 million deficit in unrestricted funds available to support short term operations of the City.

Per the Government-wide *Statement of Activities*, the City's total net position increased by \$3.0 million for the year ended June 30, 2019. The Governmental Activities resulted in a net increase of \$75,498, while the Business-type Activities contributed a positive net change in net position of \$2.9 million, which was substantially funded by capacity charges and other capital contributions recognized during the year.

The City continues to comply with the new accounting principles – Governmental Accounting Standards Board Statement (GASB) No. 68, *Accounting and Financial Reporting for Pensions*, which required the reporting of a Government-wide liabilities of \$19.9 million (plus deferred inflows of \$.8 million and less deferred outflows of \$5.5 million) at June 30, 2019. The City's post-employment benefits other than pensions (OPEB) equaled \$3.4 million at June 30, 2019.

**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*.

## Overview of the Financial Statements (continued)

### Government-Wide Financial Statements (continued)

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). 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 \$109.3 million at the close of June 30, 2019.

Below is a 'condensed' Statement of Net Position at June 30, 2019, which depicts the major components of the City's assets, deferred outflows, liabilities and net position (with comparative amounts for June 30, 2018).

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
<b>Assets and Deferred Outflows</b>						
Cash and cash equivalents:						
Unrestricted	\$ 6,268,845	\$ 6,151,517	\$ 3,664,553	\$ 2,867,166	\$ 9,933,398	\$ 9,018,683
Restricted	5,237,383	10,585,009	10,616,634	16,975,812	15,854,017	27,560,821
Other current assets	1,319,386	2,063,481	2,710,666	2,833,689	4,030,052	4,897,170
Other assets, net of accumulated amortization	127,530	85,000	430,115	472,787	557,645	557,787
Capital assets, net of accumulated depreciation	23,808,847	18,495,708	147,961,351	145,008,676	171,770,198	163,504,384
<b>Total assets</b>	<b>36,761,991</b>	<b>37,380,715</b>	<b>165,383,319</b>	<b>168,158,130</b>	<b>202,145,310</b>	<b>205,538,845</b>
Deferred outflows of resources:						
Deferred outflows related to OPEB	382,598	451,658	128,869	152,131	511,467	603,789
Deferred outflows related to pensions	3,134,953	3,580,530	1,304,747	1,755,521	4,439,700	5,336,051
Losses on bond refundings	—	—	566,135	671,722	566,135	671,722
<b>Total deferred outflows of resources</b>	<b>3,517,551</b>	<b>4,032,188</b>	<b>1,999,751</b>	<b>2,579,374</b>	<b>5,517,302</b>	<b>6,611,562</b>
<b>Total assets and deferred outflows</b>	<b>40,279,542</b>	<b>41,412,903</b>	<b>167,383,070</b>	<b>170,737,504</b>	<b>207,662,612</b>	<b>212,150,407</b>
<b>Liabilities, Deferred Inflows and Net Position</b>						
Current liabilities	1,245,717	2,230,986	902,745	1,084,190	2,148,462	3,315,176
Current liabilities payable from restricted assets	300,000	290,000	4,343,912	6,497,985	4,643,912	6,787,985
Non-current liabilities	24,148,543	24,074,148	66,563,867	70,446,474	90,712,410	94,520,622
<b>Total liabilities</b>	<b>25,694,260</b>	<b>26,595,134</b>	<b>71,810,524</b>	<b>78,028,649</b>	<b>97,504,784</b>	<b>104,623,783</b>
Deferred inflows of resources:						
Deferred inflows related to pensions	543,056	851,041	283,272	380,124	826,328	1,231,165
<b>Total deferred inflows of resources</b>	<b>543,056</b>	<b>851,041</b>	<b>283,272</b>	<b>380,124</b>	<b>826,328</b>	<b>1,231,165</b>
<b>Total liabilities, deferred inflows of resources</b>	<b>26,237,316</b>	<b>27,446,175</b>	<b>72,093,796</b>	<b>78,408,773</b>	<b>98,331,112</b>	<b>105,854,948</b>
Net position:						
Net investment in capital assets	17,383,993	16,595,971	87,473,689	84,289,609	104,857,682	100,885,580
Restricted	5,179,447	10,489,686	9,322,177	9,501,428	14,501,624	19,991,114
Unrestricted (deficit)	(8,521,214)	(13,118,929)	(1,506,592)	(1,462,306)	(10,027,806)	(14,581,235)
<b>Total net position</b>	<b>\$ 14,042,226</b>	<b>\$ 13,966,728</b>	<b>\$ 95,289,274</b>	<b>\$ 92,328,731</b>	<b>\$ 109,331,500</b>	<b>\$ 106,295,459</b>

Total net position equaled \$109.3 million at June 30, 2019 (\$106.3 million at June 30, 2018), of which \$14.0 million (\$13.9 million in 2018) represents net position of the City's Governmental Activities, and \$95.3 million in 2019 (\$92.3 million in 2018), represents Business-type Activities.

## Government-Wide Financial Analysis (continued)

By far the largest portion of the City's net position (\$104.8 million, or 95.9%) 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, \$14.5 million, or 13.3% 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, law enforcement, and pensions (*see Note 7* for further detail information). The remaining is a deficit in *unrestricted net position* (totaling \$10.0 million in 2019), which if positive, may be used to meet the government's ongoing obligations to citizens and creditors. This deficit is a result of recording the net pension liability balance of \$19.9 million (plus deferred inflows of \$.8 million, less deferred outflows of \$4.4 million) in accordance with GASB #68 and recording the total other post-employment benefit liability of \$3.3 million (less deferred outflows of \$0.5 million) in accordance with GASB #75.

Unrestricted net position in Governmental Activities resulted in a deficit totaling \$8.5 million in 2019 (as compared to a deficit of \$13.2 million in 2018) primarily resulting from recording net pension liabilities in accordance with GASB #68, and total other post-employment benefit (OPEB) liability in accordance with GASB #75.

Business-type Activities resulted in an unrestricted deficit of \$1.5 million in 2019 (as compared to \$1.4 million in 2018). This is primarily due to increases in the net pension liabilities and long-term debt related to future improvements to the Water and Sewer Utility and their respective infrastructures.

## Government-Wide Financial Analysis (continued)

The City's components of changes in net position (condensed from the Statement of Activities) for FY 2019 and FY 2018, are illustrated in the following table:

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
<b>Revenue</b>						
Program Revenue:						
Charges for services	\$ 1,479,312	\$ 1,229,471	\$ 18,442,059	\$ 17,431,831	\$ 19,921,371	\$ 18,661,302
Operating grants and contributions	407,577	1,327,406	—	—	407,577	1,327,406
Capital grants and contributions	100,043	139,354	2,701,677	2,888,039	2,801,720	3,027,393
General revenue:						
Property taxes	4,815,538	4,436,724	—	—	4,815,538	4,436,724
Accommodation and hospitality taxes	1,272,104	1,268,973	—	—	1,272,104	1,268,973
State shared and unallocated intergovernmental	480,101	408,982	—	—	480,101	408,982
Licenses and other	4,893,838	5,302,089	—	—	4,893,838	5,302,089
Other	164,297	488,807	32,092	21,927	196,389	510,734
<b>Total revenue</b>	<b>13,612,810</b>	<b>14,601,806</b>	<b>21,175,828</b>	<b>20,341,797</b>	<b>34,788,638</b>	<b>34,943,603</b>
<b>Expenses</b>						
General government	432,879	370,008	—	—	432,879	370,008
Information technology	67,575	115,260	—	—	67,575	115,260
Finance	86,242	83,901	—	—	86,242	83,901
Public safety	7,434,457	6,869,407	—	—	7,434,457	6,869,407
Public works	1,365,137	1,663,974	—	—	1,365,137	1,663,974
Planning and development	1,334,661	1,267,474	—	—	1,334,661	1,267,474
Parks and museum	889,747	903,950	—	—	889,747	903,950
Garage	262,379	266,391	—	—	262,379	266,391
Depreciation (unallocated)	1,389,879	1,032,413	—	—	1,389,879	1,032,413
Interest	274,356	266,732	—	—	274,356	266,732
Water and sewer utility	—	—	18,215,285	17,753,948	18,215,285	17,753,948
<b>Total expenses</b>	<b>13,537,312</b>	<b>12,839,510</b>	<b>18,215,285</b>	<b>17,753,948</b>	<b>31,752,597</b>	<b>30,593,458</b>
<b>Changes in net position</b>	<b>75,498</b>	<b>1,762,296</b>	<b>2,960,543</b>	<b>2,587,849</b>	<b>3,036,041</b>	<b>4,350,145</b>
Beginning net position	13,966,728	12,204,432	92,328,731	89,740,882	106,295,459	101,945,314
Ending net position	<u>\$ 14,042,226</u>	<u>\$ 13,966,728</u>	<u>\$ 95,289,274</u>	<u>\$ 92,328,731</u>	<u>\$ 109,331,500</u>	<u>\$ 106,295,459</u>



## Government-Wide Financial Analysis (continued)

Net changes in net position in Governmental Activities had a total increase of \$75,498 in 2019 compared to an increase of \$1.7 million in 2018, primarily due to reduced operating and capital grants and contributions. Changes in net position in Business-type Activities resulted in an increase of \$2.9 million in 2019 compared to a \$2.6 million increase in 2018, primarily due to fewer capital contributions received from developers (deeded infrastructure plus impact/capacity fees), and increases in pension expense.

Key Governmental Activities revenue highlights are as follows: Total Program Revenue equaled \$1.7 million in 2019 (as compared to \$2.7 million in 2018), primarily due to reduced FEMA grant reimbursements. General Revenues totaled \$11.9 million in 2019 and \$11.9 million in 2018 due to increases in capital grants and contributions, and in taxes and business licenses revenue. Most functional expense categories saw increases in 2019, as compared to 2018, primarily due to increases in salary/wages and related benefits costs due to the implementation of GASB #75 which changed the reporting for other post-employment benefits (OPEB). Public Safety expenses increased due to increased personnel and related expenses. Planning and Development expenses continued to increase due to the NPDES phase II project expenses.

Governmental Activities expenses totaled \$12.8 million in 2019 and \$12.8 million in 2018 and most departments increased due to the implementation of GASB #75 on reporting OPEB liabilities in addition to normal department increases.

Key Business-type Activity revenue highlights are as follows: Total Program Revenue for services totaled \$21.1 million in 2019 (compared to \$20.7 million in 2018) resulting in an increase of \$.8 million (or 4.0%), primarily due to increases in service rates. Expenses of operation and maintenance totaled \$18.2 million in 2019 (compared to \$17.7 million in 2018) resulting in an increase by \$.4 million (or 2.6%) due to the normal increases in the water and wastewater treatment plants, septage and grease center costs to operate, and increases in pension related expenses.

**Expenses and Program Revenues – Governmental Activities** – Governmental activities expenses (totaling \$13.5 million in 2019) are funded in part by program-specific revenues of fees for services, grants and contributions. As shown below, Governmental Activities were overall funded by 14.7% ‘program revenues’, leaving 85.3% 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	\$ (432,879)	\$ —	\$ (432,879)	0.0%	100.0%
Information technology	(67,575)	—	(67,575)	0.0%	100.0%
Finance	(86,242)	—	(86,242)	0.0%	100.0%
Public safety	(7,434,457)	1,055,568	(6,378,889)	14.2%	85.8%
Public works	(1,365,137)	777,579	(587,558)	57.0%	43.0%
Planning and development	(1,334,661)	50,336	(1,284,325)	3.8%	96.2%
Parks and museum	(889,747)	103,449	(786,298)	11.6%	88.4%
Garage	(262,379)	—	(262,379)	0.0%	100.0%
Depreciation (unallocated)	(1,389,879)	—	(1,389,879)	0.0%	100.0%
Interest	(274,356)	—	(274,356)	0.0%	100.0%
<b>Totals</b>	<b><u>\$(13,537,312)</u></b>	<b><u>\$ 1,986,932</u></b>	<b><u>\$(11,550,380)</u></b>	<b><u>14.7%</u></b>	<b><u>85.3%</u></b>

## Government-Wide Financial Analysis (continued)

As in prior years, depreciation 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 2019.

### General Revenues by Source – Governmental Activities

As shown in a table on the preceding page, General Revenues funded the City's Governmental Activities by 85.3% in the following categories.

	<u>2019</u>	<u>2018</u>
Property taxes	\$ 4,815,538	\$ 4,436,724
Accommodation and hospitality taxes	1,272,104	1,268,973
State shared revenue	480,101	408,982
Licenses and related fees	4,893,838	5,302,089
Miscellaneous	164,297	488,807
Total	<u>\$11,625,878</u>	<u>\$11,905,575</u>

Overall, the City experienced a slight decrease in General Revenues (or \$279,697 less in 2019 than 2018) primarily due to prior-period business licenses and related fees collected/settled in 2018 and the reduced disaster recovery reimbursements.

**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 potable water and providing sewage treatment 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 \$18.4 million in 2019 (as compared to \$17.4 million in 2018) and includes water sales and connection fees of \$5.7 million and \$11.5 million from sewer services and \$.8 million in septage and grease treatment services. Operating expenses totaled \$16.8 million in 2019 (compared to \$16.5 million in 2018) resulting in an increase of 1.2% primarily due to increases in pension expense. Operating income at year ended June 30, 2019, totaled \$1.7 million (as compared to \$895,327 in 2018). Capacity charges, consisting primarily of system enhancement, capacity (impact) fees, and capital contributions from developers totaled \$2.7 million in 2019 (as compared to \$2.9 million in 2018), or a 6.4% decrease. Both the water and sewer customers accounts increased during 2019, water from 7,822 in 2018 to 7,865 in 2019, while sewer customers grew from 12,714 in 2018 to 12,917 in 2019. The increases in customers resulted primarily from new development both in-city and outside-city. Consumption and revenue will not be significantly affected. As stated earlier, the change in net position of the Water and Sewer Utility Fund was primarily a result of increased charges for sewer, septage and grease pretreatment services, an increase in interest costs, decreases in capital charges and other contributions, and increases in pension expenses.

## **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 2018, actual General Fund revenues for 2019 totaled \$11,079,761, compared to \$12,163,842 in 2018, resulting in a decrease by \$1,084,081 (or 8.9%), due to decreases in business licenses and grants. Actual General Fund expenditures, net of Utility Fund overhead allocations and capital outlay, totaled \$12,660,372 in 2019 compared to \$12,347,121 in 2018. The General Fund's 'final' budgeted revenues totaled \$11,280,673 and actual revenues achieved equaled \$11,079,761, or \$.2 million less than budget primarily due to decrease in business licenses and grants. The City had actual General Fund expenditures before Other Financing Sources (Uses) of \$12,660,372 compared to a 'final' budget of \$12,896,302 for a favorable budget to actual variance of \$.2 million for the fiscal year ended June 30, 2019.

Decreases that contributed to several line-item expenditures being under final budget amounts in the General Fund include the installment purchase financing for vehicles and budgeted for in the sanitation, public safety, public works and garage equipment departments.

With continued pressures of state-mandated property tax millage 'caps', the City's final budget, before adjusting for fund balance appropriations, reflected a deficiency of estimated revenues over its appropriated expenditures before Other Financing Sources and Uses totaling \$1.6 million. The General Fund's other financing sources and uses budget included \$1.2 million in 2019 from the General Fund's portion of State Accommodations and Hospitality Tax plus an installment purchase contract.

The General Fund also allocates \$1.8 million in overhead and indirect costs to the Water and Sewer Utility Fund. As a final result, actual expenditures were below budget. The General Fund had a decrease in fund balance of \$389,369 for the year ended June 30, 2019, primarily due to reduction in business licenses (resulted from prior-year settlements) and less grant awards.

## General Fund Financial Analysis and Budgetary Highlights (continued)

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 2019 compared to 2018 actual amounts achieved.

General Fund	2019		Variances Favorable (Non- favorable)	2018
	Final Budget	Actual		Actual
<b>Revenue</b>				
Property taxes	\$ 3,647,000	\$ 3,848,870	\$ 201,870	\$ 3,420,752
Licenses and permits	4,956,150	4,930,242	(25,908)	5,387,772
Fines and forfeitures	240,200	187,075	(53,125)	181,171
State shared revenue	372,500	395,772	23,272	391,055
Current services	1,283,028	1,348,045	65,017	1,028,901
Grants and other	779,795	365,100	(414,695)	1,751,469
Interest income	2,000	4,657	2,657	2,722
<b>Total revenue</b>	<b>11,280,673</b>	<b>11,079,761</b>	<b>(200,912)</b>	<b>12,163,842</b>
<b>Expenditures</b>				
<i>Current (net of Utility Fund overhead allocations and capital outlay):</i>				
General government	485,473	524,291	(38,818)	448,499
Information technology	97,946	62,990	34,956	105,329
Finance	81,859	69,722	12,137	56,895
Public safety	7,080,374	6,961,528	118,846	6,304,196
Public works	1,349,644	1,310,603	39,041	1,283,275
Community relations	143,526	146,032	(2,506)	170,325
Planning and development	755,318	791,548	(36,230)	780,893
Parks and museum	912,788	832,604	80,184	839,029
Garage	248,357	240,245	8,112	234,362
Non-departmental and support services	34,896	(4,087)	38,983	31,055
Debt service	136,705	155,480	(18,775)	112,470
Capital outlay	1,569,416	1,569,416	—	1,980,793
<b>Total expenditures</b>	<b>12,896,302</b>	<b>12,660,372</b>	<b>235,930</b>	<b>12,347,121</b>
Excess (deficiency) of revenue over (under) expenditures	(1,615,629)	(1,580,611)	35,018	(183,279)
Other financing sources and (uses)	1,205,629	1,191,242	(14,387)	1,330,879
<b>Net change in fund balance</b>	<b>\$ (410,000)</b>	<b>\$ (389,369)</b>	<b>\$ 20,631</b>	<b>\$ 1,147,600</b>

## General Fund Financial Analysis and Budgetary Highlights (continued)

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets** – As of June 30, 2019, the City’s capital assets for its Governmental Activities totaled \$36.7 million, less accumulated depreciation of \$12.9 million for a net carrying value of \$23.8 million. For its Business-type Activities, total capital assets equaled \$201.1 million, less accumulated depreciation of \$53.2 million for a net carrying value of \$147.9 million. The City’s 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 vehicles, software upgrades, fire related equipment, and various building renovations and park improvements. In addition to capital infrastructure and plant improvements for the Business-type Activities (Water and Sewer Utility Fund), the City continues to maintain a strong maintenance and replacement program for infrastructure, machinery and equipment. 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 \$8,070,572, consisting of the remaining balances of \$7,425,000 Tax Increment Financing (TIF) Bond and \$645,572 installment purchase notes. Business-type activities long-term debt totaled \$61,187,416, consists of State Revolving Fund (SRF) loans totaling \$50,954,399, revenue bonds totaling \$9,355,000, and installment purchase contracts payable totaling \$878,017 at June 30, 2019. Additional information on the City’s long-term debt can be found in *Note 6* of this report.

Proceeds of the TIF Bonds continue to be used in Governmental Activities for various capital improvements in the City’s Redevelopment District, accounted for the Capital Projects Fund. The bonds are secured by incremental property tax revenues generated within the Redevelopment District, plus a pledge of Net Revenues from the Water and Sewer Utility System resulting in a junior-lien of the Water and Sewer Utility.

### REQUEST FOR INFORMATION

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

## BASIC FINANCIAL STATEMENTS

CITY OF CAYCE, SOUTH CAROLINA

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets and Deferred Outflows</b>			
Current assets:			
Cash and cash equivalents	\$ 6,268,845	\$ 3,664,553	\$ 9,933,398
Accounts receivable, net	1,081,143	2,470,134	3,551,277
Note receivable – current portion	—	26,197	26,197
Internal balances, net	56,510	(56,510)	—
Inventories and prepaid items	181,733	270,845	452,578
Total current assets	7,588,231	6,375,219	13,963,450
Non-current assets:			
Restricted cash and cash equivalents	5,237,383	10,616,634	15,854,017
Bond deposits	47,530	—	47,530
Capital assets not subject to depreciation	14,323,341	29,682,164	44,005,505
Capital assets, net of depreciation	9,485,506	118,279,187	127,764,693
Note receivable	—	49,506	49,506
Other assets, net	80,000	380,609	460,609
Total non-current assets	29,173,760	159,008,100	188,181,860
Total assets	36,761,991	165,383,319	202,145,310
Deferred outflows of resources:			
Deferred outflows related to OPEB	382,598	128,869	511,467
Deferred outflows related to pensions	3,134,953	1,304,747	4,439,700
Losses on bond refundings, net	—	566,135	566,135
Total deferred outflows of resources	3,517,551	1,999,751	5,517,302
<b>Total assets and deferred outflows of resources</b>	<b>\$ 40,279,542</b>	<b>\$ 167,383,070</b>	<b>\$ 207,662,612</b>
<b>Liabilities, Deferred Inflows and Net Position</b>			
Current liabilities:			
Accounts payable	\$ 408,113	\$ 190,240	\$ 598,353
Accrued expenses and other liabilities	323,516	154,978	478,494
Accrued compensated absences – current portion	145,416	83,333	228,749
Construction contracts and retainages payable	11,961	68,268	80,229
Accrued interest payable	11,713	2,348	14,061
Unearned revenue, deposits and prepayments	50,823	66,108	116,931
Installment purchase contracts payable – current portion	294,175	337,470	631,645
Current liabilities payable from restricted assets	300,000	4,343,912	4,643,912
Total current liabilities	1,545,717	5,246,657	6,792,374

— CONTINUED —



CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF NET POSITION

— CONTINUED —

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Liabilities, Deferred Inflows and Net Position (continued)</b>			
Long-term (non-current) liabilities:			
Accrued compensated absences	255,143	87,548	342,691
Installment purchase contract payable	351,397	540,547	891,944
Unearned revenue – future capacity charges and credits	—	1,130,698	1,130,698
SRF loans and revenue bonds payable	7,517,647	57,534,198	65,051,845
Net pension liabilities	13,212,425	6,699,352	19,911,777
Total other post-employment benefit (OPEB) liability	2,811,931	571,524	3,383,455
Total long-term liabilities	24,148,543	66,563,867	90,712,410
Total liabilities	25,694,260	71,810,524	97,504,784
Deferred inflows of resources:			
Deferred inflows related to pensions	543,056	283,272	826,328
Total deferred inflows of resources	543,056	283,272	826,328
<b>Total liabilities and deferred inflows of resources</b>	<b>26,237,316</b>	<b>72,093,796</b>	<b>98,331,112</b>
Net position:			
Net investment in capital assets	17,383,993	87,473,689	104,857,682
Restricted for:			
Debt service	1,426,238	1,186,086	2,612,324
Capital projects and redevelopment plan	2,048,940	7,634,362	9,683,302
Tourism and community development	843,192	—	843,192
Law enforcement	17,885	—	17,885
Pensions and employee benefits	843,192	501,729	1,344,921
Unrestricted (deficit)	(8,521,214)	(1,506,592)	(10,027,806)
<b>Total net position</b>	<b>14,042,226</b>	<b>95,289,274</b>	<b>109,331,500</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 40,279,542</b>	<b>\$ 167,383,070</b>	<b>\$ 207,662,612</b>

*See accompanying notes to financial statements.*

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

Functions and Programs	Program Revenue				Net (Expense) Revenue and Changes in Net position		
	Expenses	Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
<b>Primary Government:</b>							
<u>Governmental activities:</u>							
General government	\$ (432,879)	\$ —	\$ —	\$ —	\$ (432,879)	\$ —	\$ (432,879)
Information technology	(67,575)	—	—	—	(67,575)	—	(67,575)
Finance	(86,242)	—	—	—	(86,242)	—	(86,242)
Public safety	(7,434,457)	677,456	378,112	—	(6,378,889)	—	(6,378,889)
Public works	(1,365,137)	752,949	—	24,630	(587,558)	—	(587,558)
Planning and community development	(1,334,661)	47,871	2,465	—	(1,284,325)	—	(1,284,325)
Parks and museum	(889,747)	1,036	27,000	75,413	(786,298)	—	(786,298)
Garage	(262,379)	—	—	—	(262,379)	—	(262,379)
Depreciation (unallocated)	(1,389,879)	—	—	—	(1,389,879)	—	(1,389,879)
Interest	(274,356)	—	—	—	(274,356)	—	(274,356)
Total governmental activities	(13,537,312)	1,479,312	407,577	100,043	(11,550,380)	—	(11,550,380)
<u>Business-type activities:</u>							
Water and sewer utility	(18,215,285)	18,442,059	—	2,701,677	—	2,928,451	2,928,451
Total business-type activities	(18,215,285)	18,442,059	—	2,701,677	—	2,928,451	2,928,451
Total primary government	\$ (31,752,597)	\$ 19,921,371	\$ 407,577	\$ 2,801,720	(11,550,380)	2,928,451	(8,621,929)
<b>General Revenue</b>							
<u>General Revenue:</u>							
Property taxes					4,815,538	—	4,815,538
Accommodation and hospitality taxes					1,272,104	—	1,272,104
State shared and unallocated intergovernmental (unrestricted)					480,101	—	480,101
Business licenses, taxes, and penalties					4,893,838	—	4,893,838
Unrestricted investment earnings					25,296	30,910	56,206
Gain on sale of property and other					139,001	1,182	140,183
Total general revenue					11,625,878	32,092	11,657,970
<b>Changes in net position</b>					75,498	2,960,543	3,036,041
Net position – beginning of year					13,966,728	92,328,731	106,295,459
Net position – end of year					\$ 14,042,226	\$ 95,289,274	\$109,331,500

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2019

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 6,185,044	\$ —	\$ 83,801	\$ 6,268,845
Receivables, net	694,605	—	4,466	699,071
Due from other funds	58,049	—	72	58,121
Inventories	76,405	—	—	76,405
Prepaid items	105,328	—	—	105,328
Restricted assets:				
Cash and cash equivalents	948,466	2,050,326	2,238,591	5,237,383
Bond deposit	—	—	47,530	47,530
<b>Total assets</b>	<b>\$ 8,067,897</b>	<b>\$ 2,050,326</b>	<b>\$ 2,374,460</b>	<b>\$ 12,492,683</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 406,380	\$ —	\$ 1,733	\$ 408,113
Accrued liabilities	313,115	—	—	313,115
Construction and retainage payable	10,575	1,386	—	11,961
Other liabilities	10,401	—	—	10,401
Deposits and prepayments	50,823	—	—	50,823
Due to other funds	—	—	1,611	1,611
<b>Total liabilities</b>	<b>791,294</b>	<b>1,386</b>	<b>3,344</b>	<b>796,024</b>
Fund balances:				
Nonspendable in:				
Inventories and prepaid items	181,733	—	—	181,733
Restricted for:				
Debt service	—	—	1,426,238	1,426,238
Tourism and community development	—	—	843,192	843,192
Capital projects and redevelopment plan	—	2,048,940	—	2,048,940
Law enforcement	—	—	17,885	17,885
	—	2,048,940	2,287,315	4,336,255
Committed for:				
UST program	25,000	—	—	25,000
Assigned for:				
Christmas in Cayce	6,738	—	—	6,738
Congaree Blue Grass Festival	9,737	—	—	9,737
Museum	—	—	83,801	83,801
History park	948,466	—	—	948,466
	964,941	—	83,801	1,048,742
Unassigned	6,104,929	—	—	6,104,929
<b>Total fund balances</b>	<b>7,276,603</b>	<b>2,048,940</b>	<b>2,371,116</b>	<b>11,696,659</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,067,897</b>	<b>\$ 2,050,326</b>	<b>\$ 2,374,460</b>	<b>\$ 12,492,683</b>

— 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	\$ 11,696,659
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund financial statements.	23,808,847
Other assets not available to pay for current period expenditures and therefore, not reported in the fund financial statements.	462,072
Certain deferred outflows related to pensions are not available to pay for current expenditures and , therefore, are not reported in the fund financial statements.	3,517,551
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:	(24,899,847)
Certain deferred inflows related to pensions are not due and payable in the current period and , therefore, are not reported in the fund financial statements.	<u>(543,056)</u>
Net position, end of year – Governmental Activities	<u><u>\$ 14,042,226</u></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, 2019

	General Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenue</b>				
Property taxes	\$ 3,848,870	\$ —	\$ 979,111	\$ 4,827,981
Accommodation and hospitality taxes	—	—	1,272,104	1,272,104
Licenses and permits	4,930,242	—	—	4,930,242
Fines and forfeitures	187,075	—	—	187,075
State shared revenue	395,772	—	84,329	480,101
Current services	1,348,045	—	—	1,348,045
Grants and other	365,100	65,730	31,515	462,345
Interest income	4,657	19,038	1,601	25,296
Total revenue	<u>11,079,761</u>	<u>84,768</u>	<u>2,368,660</u>	<u>13,533,189</u>
<b>Expenditures</b>				
Current:				
General government	524,290	—	—	524,290
Information technology	62,989	—	—	62,989
Finance	69,722	—	—	69,722
Public safety	6,961,529	—	—	6,961,529
Public works	1,310,604	1,500	—	1,312,104
Community relations	146,032	—	—	146,032
Planning and community development	791,549	—	363,114	1,154,663
Parks and museum	832,604	2,346	—	834,950
Garage	240,244	—	—	240,244
Non-departmental and support services	(4,087)	—	—	(4,087)
Debt service	155,480	—	569,063	724,543
Capital outlay	1,569,416	5,100,548	—	6,669,964
Total expenditures	<u>12,660,372</u>	<u>5,104,394</u>	<u>932,177</u>	<u>18,696,943</u>
Excess (deficiency) of revenue over expenditures	<u>(1,580,611)</u>	<u>(5,019,626)</u>	<u>1,436,483</u>	<u>(5,163,754)</u>
<b>Other Financing Sources (Uses)</b>				
Installment purchase contract	283,556	—	—	283,556
Proceeds from sales of assets	40,145	—	—	40,145
Transfers in	867,541	—	16,500	884,041
Transfers (out)	—	—	(884,041)	(884,041)
Total other financing sources (uses)	<u>1,191,242</u>	<u>—</u>	<u>(867,541)</u>	<u>323,701</u>
<b>Net change in fund balances</b>	<b>(389,369)</b>	<b>(5,019,626)</b>	<b>568,942</b>	<b>(4,840,053)</b>
Fund balances, beginning of year	<u>7,665,972</u>	<u>7,068,566</u>	<u>1,802,174</u>	<u>16,536,712</u>
Fund balances, end of year	<u>\$ 7,276,603</u>	<u>\$ 2,048,940</u>	<u>\$ 2,371,116</u>	<u>\$ 11,696,659</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	\$(4,840,053)
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.	5,324,780
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, etc.) is to decrease net position.	(11,634)
Revenues in the Statement of Activities do not provide current financial resources are reported as revenues in these funds.	(12,453)
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.	(644,975)
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>259,833</u>
Change in net position — Governmental Activities	<u>\$ 75,498</u>

*See accompanying notes to financial statements.*

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

JUNE 30, 2019

	<u>Business-type Activities – Enterprise Fund Water and Sewer Utility</u>
<b>Assets and Deferred Outflows</b>	
Current assets:	
Cash and cash equivalents	\$ 3,664,553
Receivables, net:	
Water and sewer accounts, net	2,419,062
Other accounts	51,072
Note receivable – current portion	26,197
Prepaid expense	44,906
Inventories	225,939
Total current assets	<u>6,431,729</u>
Non-current assets:	
Restricted cash and cash equivalents	10,616,634
Capital assets not subject to depreciation	29,682,164
Capital assets, net of depreciation	118,279,187
Note receivable	49,506
Other assets, net	380,609
Total non-current assets	<u>159,008,100</u>
Total assets	<u>165,439,829</u>
Deferred outflows of resources:	
Deferred outflows related to other post-employment benefits (OPEB)	128,869
Deferred outflows related to pension	1,304,747
Losses on bond refundings, net	566,135
	<u>1,999,751</u>
<b>Total assets and deferred outflows</b>	<b><u>\$ 167,439,580</u></b>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

— CONTINUED —

	<u>Business-type Activities – Enterprise Fund Water and Sewer Utility</u>
<b>Liabilities, Deferred Inflows and Net Position</b>	
Current liabilities:	
Accounts payable	\$ 190,240
Accrued payroll and related taxes	153,485
Accrued compensated absences – current portion	83,333
Installment purchase contract payable – current portion	337,470
Construction contract payable	68,268
Accrued interest	2,348
Other liabilities	1,493
Due to other funds (internal balances)	56,510
Customer prepayments	66,108
Current liabilities payable from restricted assets	4,343,912
Total current liabilities	<u>5,303,167</u>
Long-term (non-current) liabilities:	
Accrued compensated absences	87,548
Unearned revenue – future capacity charges and credits	1,130,698
Installment purchase contract payable	540,547
SRF loans payable	48,476,544
Revenue bonds payable	9,057,654
Net pension liability	6,699,352
Total other post-employment benefit (OPEB) liability	571,524
Total long-term liabilities	<u>66,563,867</u>
Total liabilities	<u>71,867,034</u>
Deferred inflows of resources:	
Deferred inflows related to pension	283,272
	<u>283,272</u>
Net position:	
Net investment in capital assets	87,473,689
Restricted for:	
Debt and capital projects	8,820,448
Pension and employee benefits	501,729
Unrestricted (deficit)	(1,506,592)
Total net position	<u>95,289,274</u>
<b>Total liabilities, deferred inflows and net position</b>	<b><u>\$ 167,439,580</u></b>

*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, 2019

	<b>Business-type Activities – Enterprise Fund Water and Sewer Utility</b>
<b>Operating Revenue (pledged as security for loans and revenue bonds)</b>	
Water:	
Sales	\$ 5,630,878
Connection fees	105,370
Sewer:	
Service charges	11,468,057
Connection fees	3,750
Septage/grease services:	
Sales and permits	754,003
Pretreatment set-up fees	93,875
Re-connection fees	30,890
Penalties	179,711
Miscellaneous income	175,525
<b>Total operating revenue</b>	<b>18,442,059</b>
<b>Operating Expenses</b>	
Administrative	697,255
Utility billing	799,786
Water treatment plant	1,596,206
Water distribution and maintenance	1,402,646
Wastewater treatment plant	3,054,456
Sewer collection and outfall lines	1,612,901
Septage and grease receiving station	893,187
Non-departmental and support services	1,800,000
Depreciation and amortization expense	4,895,008
<b>Total operating expenses</b>	<b>16,751,445</b>
<b>Operating income</b>	<b>1,690,614</b>
<b>Non-Operating Revenue (Expenses)</b>	
Interest income	30,910
Gains from sale, disposal of equipment	1,182
Interest expense	(1,349,059)
Amortization of bond refinancing losses	(105,587)
Fiscal agent fees	(9,194)
<b>Total non-operating revenue (expenses)</b>	<b>(1,431,748)</b>
<b>Income (loss) before contributions</b>	<b>258,866</b>
<b>Capital Contributions</b>	
Capacity charges and other capital contributions	2,701,677
<b>Change in net position</b>	<b>2,960,543</b>
Net position, beginning of year	92,328,731
Net position, end of year	<b>\$ 95,289,274</b>

*See accompanying notes to financial statements.*

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2019

	<u>Business-type Activities— Enterprise Fund Water and Sewer Utility</u>
<b>Cash Flows from Operating Activities</b>	
Cash received from:	
Usage fees	\$ 17,987,927
Tap fees	109,120
Service and miscellaneous charges	480,001
Cash paid to (for):	
Employee salaries and related costs	(4,380,322)
Water treatment and distribution costs	(1,629,323)
Sewer treatment and collection costs	(2,996,226)
Septage and grease treatment and disposal costs	(837,170)
Other administrative and billing costs	(432,101)
Indirect (overhead) and support costs	(1,800,000)
Net cash provided by (used in) operating activities	<u>6,501,906</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Proceeds from sale of capital assets	3,510
Acquisition and construction of capital assets	(8,050,151)
Interest and fiscal agent fees paid on capital related debt	(1,255,941)
Principal payments on bonds and notes	(3,680,018)
Capacity charges and other capital contributions	887,993
Net cash provided by (used in) capital and related financing activities	<u>(12,094,607)</u>
<b>Cash Flows from Investing Activities</b>	
Interest received	30,910
Net cash provided by investing activities	<u>30,910</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,561,791)</b>
Cash and cash equivalents, beginning of year (of which \$16,975,812 is restricted)	19,842,978
Cash and cash equivalents, end of year (of which \$10,616,634 is restricted)	<u>\$ 14,281,187</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

— CONTINUED —

	<b>Business-type Activities— Enterprise Fund Water and Sewer Utility</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	\$ 1,690,614
Adjustments to reconcile operating income to net cash provided by operations:	
Depreciation and amortization expense	4,895,008
Changes in certain assets and liabilities:	
(Increase) decrease in accounts receivable	224,347
(Increase) decrease in inventory and prepaid items	(105,587)
Increase (decrease) in bond loss refunding deferred outflows	(49,378)
Increase (decrease) in accounts payable/accrued liabilities	(88,665)
Increase (decrease) in accrued interest	(161,855)
Increase (decrease) in amounts due to/from others	(23,370)
Increase (decrease) in customer deposits and prepayments	24,113
Increase (decrease) in unearned contracts	(274,164)
Increase (decrease) in total OPEB liability	10,874
Increase (decrease) in net pension liabilities	(40,477)
Increase (decrease) in OPEB related deferred outflows	23,262
(Increase) decrease in pension related deferred outflows	449,903
Increase (decrease) in pension related deferred inflows	(95,981)
Increase (decrease) in accrued compensated absences	23,262
Net cash provided by (used in) operating activities	<u>\$ 6,501,906</u>
<b>Supplemental disclosure of non-cash capital and related financing activities</b>	
Contributed property by developers	\$ 1,502,843
Amortization of revenue bond refinancing losses	\$ 105,587
Amortization of revenue bond premium/discount	\$ 14,490
Amortization of contract rights	\$ 14,097

*See accompanying notes to financial statements.*

CITY OF CAYCE, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2019

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 169,091
Total assets	<u>\$ 169,091</u>
<b>Liabilities</b>	
Amounts due to others	\$ 169,091
Total liabilities	<u>\$ 169,091</u>

*See accompanying notes to financial statements.*

CITY OF CAYCE, SOUTH CAROLINA

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

**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 maintains the Cayce Beautification Foundation and the Cayce Public Safety Foundation, both organized to enhance the City of Cayce in partnership with local residents, businesses and law enforcement. These entities are not material to the City, and therefore, no discretely presented component units are presented for the year ended June 30, 2019.

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 and the Capital Projects Fund as the “major” governmental funds and the Water and Sewer Utility Fund as the “major” proprietary fund. A schedule of non-major funds is presented separately as part of Other Financial Information. Because of the basis of accounting and reporting differences, summary reconciliations to the Government-wide financial statements are presented at the end of each applicable fund financial statement.

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 for law enforcement; state restricted funds for accommodation taxes and alcohol permits; restricted hospitality taxes; 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, 2019, 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 No. 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 \$14,696,302, (\$12,896,302 plus \$1,800,000 Utility Fund indirect costs and overhead allocated to the General Fund departments). Final budgeted revenue totaled \$11,280,673 and other financing sources (uses) totaled \$1,205,629, leaving a deficit net change in fund balance of \$410,000 which was covered by an appropriation of fund balance. 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 \$15,444,763 (including operation and maintenance, capital improvements, debt service principal amounts and coverages). Actual operating expenses totaled \$16,751,445 (including a charge of \$4,895,008 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, 2019.

**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 and prepaid items are recognized when 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 contract rights result from the purchase of expanded wastewater collection lines owned by a third-party (Red Bank Line) where the City uses the additional line capacity. The purchase price (cost) totaling \$563,864 is being amortized over the life of the contract (40 years). Amortization expense for the year ended June 30, 2019 totaled \$14,096. 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 and is to be amortized over the life of the contract (20 years). Amortization expense incurred for fiscal year totaling \$5,000.

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 acquisition 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, 2019. 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. The City plans to implement GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, beginning in the fiscal year 2020-2021 reporting period when such interest costs will no longer be capitalized.

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 and Proprietary financial statements, certain assets are not recognized in connection with a transaction before the earnings process is complete. These assets are generally offset by a corresponding liability entitled unearned revenue and represent various deposits. Unearned revenue in the Governmental Fund financial statements are not yet available to finance expenditures for the current fiscal.

Contract Obligation

Under an intergovernmental agreement, the City is obligated to provide financial credit to a wastewater treatment purchaser of \$1,950,000, which resulted from a prior-year receipt of wastewater capacity payments. The City applies the credit against future contract charges and services. At June 30, 2019, the current credit balance outstanding equals \$1,127,508.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and South Carolina Police Officers Retirement System (PORS) and additional to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the related plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Total OPEB Liability

For the purposes of measuring the Total OPEB Liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the *City of Cayce Postretirement Health Plan* and additions to/deductions from the plan's fiduciary net position have been determined on the basis of an actuarial report for the plan. The City does not have a separate Trust for the plan and the plan has no plan assets. For this purpose benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The Total OPEB Liability is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. Changes in the Total OPEB Liability that have not been included in OPEB expense are reported as deferred outflows or deferred inflows of resources related to OPEB.

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)**

Total OPEB Liability (continued)

The City's valuation method is the Entry Age Actuarial Cost Method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s).

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.

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.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**1. Summary of Significant Accounting Policies (Continued)**

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

Property Taxes (continued)

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 position (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 position (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, 2019, the City reported ‘deferred outflows of resources’ consisting of debt refunding losses (resulting from the difference between the new refunding debt (reacquisition price) and the net carrying amount of the old refunded debt), pension related, and OPEB related outflows. The debt funding losses amount is being amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

The City reported ‘deferred inflows of resources’ related to pensions at June 30, 2019.

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, 2019, the City had the following cash and investment balances:

Cash on hand	\$ 1,755
Carrying amount of deposits	23,020,009
Carrying amount of investments	1,501,279
Funds held in trust by State	1,480,993
Total	\$ 26,004,036

Statement of Net Position balances:

Cash and cash equivalents	\$ 9,933,398
Cash and cash equivalents – restricted	15,854,017
Bond deposits	47,530
Cash and cash equivalents – fiduciary	169,091
Total	\$ 26,004,036

Investments are categorized as follows:

Money Market Funds	\$ 1,501,279
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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, 2019, the carrying amount of the City’s cash deposits with financial institutions was \$23,020,009 and the financial institution’s balances totaled \$25,016,565. Of this balance, \$2,006,780 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, 2019, amounted to \$1,755. 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, 2019, the City had the following investments subject to interest rate risk:

	<u>Fair Value</u>	<u>Maturity</u>
Money Market Funds	\$ 1,501,279	8 days weighted average of portfolios

*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 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 Money Market Funds were rated AAA by Moody’s Investors Service December 1998 and AAA by Standard & Poors and Fitch Ratings in March 1999.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**2. Deposits and Investments (Continued)**

Investments (Continued)

*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, 2019, 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% of the City's investments are in money market funds. These investments are 100% of the City's total investments.

**3. Receivables**

Receivables at June 30, 2019, including the applicable allowances for uncollectible accounts, are as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Property taxes	\$ 1,785,708	\$ —
Sanitation and fire hydrant fees	62,499	—
Water and sewer accounts	—	2,454,062
Franchise fees	40,138	—
E-911	9,208	—
Grants receivable (federal and state)	156,790	—
Accommodations taxes	54,408	—
Other	218,342	51,072
Gross receivables	2,327,093	2,505,134
Less, allowance for uncollectible	(1,245,950)	(35,000)
Net total receivables	\$ 1,081,143	\$ 2,470,134

During 2018, the City executed a long term note receivable with a developer. The note was for \$106,875 in capacity fees. It is payable monthly in the amount of \$2,227 with final payment due March 21, 2022. At June 30, 2019, the balance was \$75,703.

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, 2019, were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 58,049	\$ —
Accommodations Tax Fund	—	72
Hospitality Tax Fund	72	1,539
Debt Service Fund	—	—
Water and Sewer Fund	—	56,510
	\$ 58,121	\$ 58,121

Net internal balances shown on the Statement of Net Position between Governmental and Business-type Activities totaled \$56,510 at June 30, 2019.

**5. Capital Assets**

A summary of the changes in the City's capital assets during the year ended June 30, 2019, are as follows:

**A. Governmental Activities:**

	Balance June 30, 2018	Additions	Retirements	Transfers	Balance June 30, 2019
Capital assets not being depreciated:					
Land and rights-of-way	\$ 8,857,007	\$ —	\$ —	\$ (1,018,179)	\$ 7,838,828
Construction in progress	1,253,346	5,478,351	—	(247,188)	6,484,513
Total capital assets not being depreciated	10,110,353	5,478,351	—	(1,265,364)	14,323,341
Capital assets being depreciated:					
Land improvements	8,510,589	—	—	1,265,363	9,775,952
Buildings and improvements	2,370,842	51,999	—	—	2,422,841
Furniture, vehicles, equipment	9,217,499	1,184,302	(229,896)	—	10,171,905
Totals capital assets being depreciated	20,098,930	1,236,301	(229,896)	1,265,363	22,370,698
Less, accumulated depreciation for:					
Land improvements	(3,695,123)	(570,828)	—	—	(4,265,951)
Buildings and improvements	(1,354,780)	(90,150)	—	—	(1,444,930)
Furniture, vehicles, equipment	(6,663,672)	(728,901)	218,262	—	(7,174,311)
Total accumulated depreciation	(11,713,575)	(1,389,879)	218,262	—	(12,885,192)
Total capital assets being depreciated, net	8,385,355	(153,578)	(11,634)	1,265,363	9,485,506
Net capital assets –					
Governmental Activities	\$ 18,495,708	\$ 5,324,773	\$ (11,634)	\$ —	\$ 23,808,847

Depreciation expense totaled \$1,389,879 for the year ended June 30, 2019.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

5. Capital Assets (Continued)

**B. Business-Type Activities:**

	Balance June 30, 2018	Additions	Retirements	Transfers	Balance June 30, 2019
Capital assets not being depreciated:					
Land and rights-of-way	\$ 330,568	\$ —	\$ —	\$ —	\$ 330,568
Construction in progress	25,228,536	5,964,573	—	(1,841,513)	29,351,596
Total capital assets not being depreciated	<u>25,559,104</u>	<u>5,964,573</u>	<u>—</u>	<u>(1,841,513)</u>	<u>29,682,164</u>
Capital assets being depreciated:					
Water plant and distribution system	43,489,985	383,621	—	—	43,873,606
Wastewater plant and collection system	114,898,500	1,119,221	—	1,841,513	117,859,234
Septage & grease facility	1,532,900	—	—	—	1,532,900
Furniture, vehicles, equipment	7,857,145	368,500	(19,630)	—	8,206,015
Total capital assets being depreciated	<u>167,778,530</u>	<u>1,871,342</u>	<u>(19,630)</u>	<u>1,841,513</u>	<u>171,471,755</u>
Less, accumulated depreciation for:					
Water plant and distribution system	(18,825,680)	(1,226,425)	—	—	(20,052,107)
Wastewater plant and collection system	(24,417,470)	(3,009,163)	—	—	(27,426,633)
Septage & grease facility	(212,572)	(51,050)	—	—	(263,622)
Furniture, vehicles, equipment	(4,873,236)	(594,272)	17,302	—	(5,450,206)
Total accumulated depreciation	<u>(48,328,958)</u>	<u>(4,880,912)</u>	<u>17,302</u>	<u>—</u>	<u>(53,192,568)</u>
Total capital assets being depreciated, net	<u>119,449,572</u>	<u>(3,009,568)</u>	<u>(2,328)</u>	<u>1,841,513</u>	<u>118,279,187</u>
Net capital assets – Business-type Activities	<u>\$145,008,676</u>	<u>\$ 2,955,005</u>	<u>\$ (2,328)</u>	<u>\$ —</u>	<u>\$147,961,351</u>

Depreciation expense totaled \$4,880,912 for the year ended June 30, 2019. 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 \$47,363 was capitalized as part of the construction for Business-type Activities during the fiscal year 2019. The City plans to implement GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, beginning in the fiscal year 2020-2021 reporting period, when such interest costs will no longer be capitalized.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**6. Long-Term Debt**

Long-term debt of the City at June 30, 2019, consisted of the following:

**A. Governmental Activities**

Tax Increment Finance (TIF) Junior Lien Bonds, Series 2017, \$8,000,000, dated August 1, 2017, principal and interest (3.0% – 4.0%) payable semi-annually, final payment due June, 2037.	\$ 7,425,000
Installment purchase contract – (vehicles) \$519,000, dated September 13, 2016, interest at 1.33% per annum (payable monthly with principal) final payment due September 2020.	165,161
Installment purchase contract – (vehicles) \$374,000, dated August 14, 2017, interest at 1.78% per annum (payable monthly with principal) due on August 2021.	213,644
Installment purchase contract – (self-contained breathing apparatus) \$283,556, dated March 13, 2019, interest at 2.86% per annum (payable monthly with principal) due March 13, 2023.	266,767
	8,070,572
Less, current portions (due within one year):	
TIF Junior lien bonds (Series 2017)	(300,000)
Installment purchase contracts payable	(294,175)
Add, bond premium:	
Series 2017 bond premium (\$436,275 net of \$43,628 accumulated amortization)	392,647
Total long-term debt – Governmental Activities, (\$351,397 installment purchase and \$7,517,647 loans and bonds)	\$ 7,869,044

Series 2017 TIF ‘Junior Lien’ Bonds

The City issued \$8.0 million tax increment financing (TIF) bond, Series 2017, dated August 1, 2017, for the purpose of financing certain improvements in the Redevelopment District (as defined in the amended Redevelopment Plan), including (i) demolition of certain properties within the Redevelopment Project Area; (ii) general infrastructure improvements of water, sewer, stormwater and roadways; (iii) construction of a new public safety facility; (iv) improvements and repairs to the City’s Riverwalk and related greenway projects along the Congaree River; (v) the development and construction of an Interpretive Center; and (vi) certain other public development activities, improvements, and projects. The TIF Bonds are secured by Pledge Incremental Revenues collected from ad-valorem taxes within the District and deposited into a Special Tax Allocation Fund. The bonds are additionally secured by a pledge of the City’s Water and Sewer Utility System revenues and thus constitutes a ‘junior lien’ (as defined in the Utility Bond Ordinance). Amortization expense on the bond premium totaled \$21,815 for the year end June 30, 2019, which is reported as part of interest expense.

Installment Purchase Contracts

During FY 2016-2017, the City entered into an installment purchase contract totaling \$519,000 for acquiring certain vehicles and equipment used in the Governmental Activities operation. At June 30, 2019, the outstanding balance totaled \$165,161. During FY 2017-2018, the City entered into an installment purchase contract totaling \$374,000, dated August 14, 2017, for certain equipment and vehicles. The Note is collateralized by certain equipment and vehicles used in the Governmental Activities operation. At June 30, 2019, the outstanding balance totaled \$213,644.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**6. Long-Term Debt (continued)**

**A. Governmental Activities (continued)**

Installment Purchase Contracts (continued)

During FY 2018-2019, The City entered into an installment purchase contract totaling \$283,556, dated March 13, 2019, for a self-contained breathing apparatus used in the Governmental Activities operation. At June 30, 2019, the outstanding balance totaled \$266,767.

**B. Business-Type Activities**

Clean Water State Revolving Funds (SRF) Loan, Series 2002, \$1,650,000, dated December 1, 2002, principal and interest (3.75% per annum) payable quarterly, final payment due September 1, 2023.	\$ 425,226
Clean Water State Revolving Funds (SRF) Loan, Series 2009, \$33,733,234, dated September 15, 2008, interest (2.25% per annum) payable quarterly, final payment due March 1, 2032.	23,252,876
Clean Water State Revolving Funds (SRF) Loan, Series 2015, \$3,734,073, dated January 29, 2015, interest (2.00% per annum) payable quarterly, final payment due August 1, 2035.	3,026,231
Water and Sewer System Refunding Revenue Bonds, Series 2016A (taxable), \$8,470,000, dated March 29, 2016, principal and interest (.95% – 3.22% per annum) payable semi-annually, final payment due July 1, 2024.	4,855,000
Water and Sewer System Refunding Revenue Bonds, Series 2016B (non-taxable), \$4,500,000, dated March 29, 2016, principal and interest (3.00% – 4.00% per annum) payable semi-annually, final payment due July 1, 2028.	4,500,000
Clean Water State Revolving Funds (SRF) Loan, Series 2017, \$24,560,378, dated February 9, 2017, principal and interest (1.80% per annum) payable quarterly, final payment due December 2048.	24,250,066
Installment purchase contract – (Utility Department Vehicles), \$639,000, dated September 4, 2015, interest at 1.47% per annum, due September 2019.	39,562
Installment purchase contract – (Water Meters) \$1,200,000, dated March 27, 2018, interest at 2.63% Per annum, due March 2022	838,455
	61,187,416
Add/Subtract:	
Series 2016A Bond discount (\$44,769 net of \$16,788 accumulated amortization)	(27,981)
Series 2016B Bond premium (\$660,846 net of \$165,211 accumulated amortization)	495,635
Current portion, State Revolving Fund Loans (Series'2002, 2009, 2015, and 2017)	(2,477,855)
Current portion, Revenue bonds (Series 2016A)	(765,000)
Current portion, Installment purchase contracts payable	(337,470)
Total long-term debt – Business-type Activities, (\$540,547 installment purchase and \$57,534,198 in loans and bonds)	\$ 58,074,745

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**6. Long-Term Debt (Continued)**

**B. Business-Type Activities (continued)**

Series 2018 SRF Loan

The City issued \$24,560,378 Clean Water State Revolving Fund Loan, Series 2017, dated February 9, 2017, for the purpose of defraying costs associated with certain Water and Sewer Fund infrastructure improvements. The Series 2017 bonds are secured by and payable solely from a pledge of and lien upon the Net Revenues (as defined in the Series Ordinance) on a parity with the pledge thereof securing the payment of the Outstanding Bonds (as defined in the Series Ordinance) and any other Additional Bonds (as defined in the Series Ordinance) hereafter issued.

Series 2016A&B Bonds and Defeasement of Series 2007A Bonds

During the year ended June 30, 2016, the City issued Series 2016A&B Water and Sewer System Refunding Revenue Bonds to advance refund the outstanding principal amounts of the Series 2007A Water and Sewer System Refunding and Improvement Revenue Bonds, (original principal amount of \$18,795,000 dated September 11, 2007). Proceeds from the Series 2016A&B bonds were used to (i) redeem the callable portion of the Series 2007A bonds and (ii) establish an irrevocable escrow fund (trust account) held by a third-party. The amounts deposited in the trust account are invested in U.S. treasury securities and the interest and principal thereof shall be applied to the payment of the principal and interest on each of the outstanding Series 2007A bonds payable through July 1, 2020. The Series 2007A bonds are considered defeased 'in-substance' for accounting and financial reporting purposes, and the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

At June 30, 2019, total funds available in the trust account equaled \$4,057,112 and the outstanding principal and interest due on the Series 2007A bonds equaled \$4,791,981. The Series 2016A bonds shall not be subject to optional redemption prior to their stated maturities. The Series 2016B bonds maturing on and after July 1, 2027 are subject to redemption at any time on and after July 1, 2026 at a redemption price of par plus accrued interest to the date of redemption.

Bond Refunding Gains or Losses

The defeasance transactions of the Series 1998, Series 2007A, and Series 2016A & B bonds resulted in an accumulative accounting loss of \$1,266,428, which is being amortized over the shorter life of the new refunding debt or the refunded (old) debt, with such amount being reported as deferred outflows of resources on the Statement of Net Position. For the year ended June 30, 2019, accumulated amortization totaled \$700,293 and amortization expense of the bond refunding loss equaled \$105,587.



CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**6. Long-Term Debt (Continued)**

**B. Business-Type Activities (continued)**

Wastewater System Contracts – State Revolving Fund Loans

Pursuant to the 208 Water Quality Management Plan developed by the Central Midlands Council of Governments, the City has been designated as the wastewater treatment service regional provider. Accordingly, the City, in addition to its inside and outside customers, has various intergovernmental agreement customers. The following agreements also involves State Revolving Fund loans.

Springdale Agreement

On August 30, 2001, the City and the Town of Springdale entered into an agreement where the City provides sewer services to certain residents within the municipal limits of Springdale. Pursuant to the terms, Springdale pays the City an amount equal to all debt service and related costs associated with the Series 2002 SRF Loan. Annual remittances total \$105,194, and under the terms of the contract, have been accounted for as sewer service revenue. Such contract and receipt of revenues shall be required for all periods that the Series 2002 SRF Loan is outstanding, but are contingent based on the annual budget appropriated by the Town of Springdale. The Series 2002 SRF Loan matures on September 1, 2023.

Lexington and Commission Agreement

On August 28, 2009, the City entered into a Wastewater Services Agreement with the Town of Lexington and the Lexington County Joint Municipal Water and Sewer Commission, which has a stated term of 30 years and may be automatically renewed for 2 successive 10 year periods thereafter. Pursuant to the Agreement, the Commission pays the City principal, interest and debt service coverage for 30.183% of the Series 2009 SRF Loan debt service requirements (in addition to other rates and charges). The monthly payment amount is \$52,894, or \$634,728 annually, plus an additional 15% of such amount for debt service coverage. The Series 2009 SRF Loan matures on March 1, 2032. According to the Agreement, revenue generated by the Debt Service Charge (as defined in the Agreement) shall be considered operating revenue for the City.

Installment Purchase Contracts

During FY 2015-2016, the City entered into an installment lease-purchase contract totaling \$639,000, dated July 27, 2015, and is collateralized by certain equipment used in the Business-type Activities (Water and Sewer Utility Fund) operations. At June 30, 2019, the outstanding balance totaled \$39,562.

During FY 2017-2018, the City entered into an installment lease-purchase contract totaling \$1,200,000, dated March 27, 2018, for water meters. The Note is collateralized by certain equipment used in the Business-type Activities (Water and Sewer Utility Fund) operations. At June 30, 2019, the outstanding balance totaled \$838,455.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**6. Long-Term Debt (Continued)**

**C. Changes in Long-Term Debt**

Changes in the long-term debt of the City during the year ended June 30, 2019, were as follows:

	Date of Issue	Outstanding 6/30/18	Additions	Retirements	Outstanding 6/30/19
<b>Governmental Activities:</b>					
TIF Revenue Bonds – Series 2017	8/1/17	\$ 7,715,000	\$ —	\$ (290,000)	\$ 7,425,000
Installment purchase contracts	Various	\$ 593,591	\$ 283,556	\$ (231,575)	\$ 645,572
Accrued compensated absences	—	\$ 360,011	\$ 201,477	\$ (160,929)	\$ 400,559
<b>Business-type Activities:</b>					
Clean Water State Revolving Funds Loan – Series 2002	12/01/02	\$ 519,522	\$ —	\$ (94,296)	\$ 425,226
Clean Water State Revolving Funds Loan – Series 2009	9/15/09	\$ 24,810,649	\$ —	\$ (1,557,773)	\$ 23,252,876
Clean Water State Revolving Funds Loan – Series 2015	1/29/15	\$ 3,182,340	\$ —	\$ (156,109)	\$ 3,026,231
Water and Sewer System Refunding Revenue Bonds – Series 2016A (Taxable)	3/29/16	\$ 6,100,000	\$ —	\$ (1,245,000)	\$ 4,855,000
Water and Sewer System Refunding Revenue Bonds – Series 2016B (Non-taxable)	3/29/16	\$ 4,500,000	\$ —	\$ —	\$ 4,500,000
Clean Water State Revolving Funds Loan – Series 2017	2/9/17	\$ 24,560,378	\$ —	\$ (310,312)	\$ 24,250,066
Installment purchase contracts	Various	\$ 1,330,951	\$ —	\$ (452,934)	\$ 878,017
Accrued compensated absences	—	\$ 147,619	\$ 101,882	\$ (78,620)	\$ 170,881

Accrued compensated absences due within one year for the Governmental Activities total \$145,416 and for Business-type Activities total \$83,333 at June 30, 2019.

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>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
<b>Governmental Activities:</b>			
<b>TIF Bond, Series 2017</b>			
2020 (due within one year)	\$ 300,000	\$ 270,363	\$ 570,363
2021	310,000	261,363	571,363
2022	315,000	252,063	567,063
2023	325,000	243,613	568,613
2024	340,000	229,613	569,613
2025-2029	1,910,000	933,265	2,843,265
2030-2034	2,325,000	522,902	2,847,902
2035-2037	1,600,000	109,182	1,709,182
	<u>\$ 7,425,000</u>	<u>\$ 2,822,364</u>	<u>\$ 10,247,364</u>
<b>Installment Purchase Contracts</b>			
2020 (due within one year)	\$ 294,175	\$ 11,171	\$ 305,346
2021	199,184	6,185	205,369
2022	96,549	2,790	99,339
2023	55,664	667	56,331
	<u>\$ 645,572</u>	<u>\$ 20,813</u>	<u>\$ 666,385</u>
<b>Business-type Activities:</b>			
<b>SRF Loan, Series 2002</b>			
2020 (due within one year)	\$ 96,436	\$ 8,758	\$ 105,194
2021	98,624	6,570	105,194
2022	100,862	4,332	105,194
2023	103,151	2,043	105,194
2024	26,153	145	26,298
	<u>\$ 425,226</u>	<u>\$ 21,848</u>	<u>\$ 447,074</u>

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

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

<u>Business-type Activities (cont.):</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
<b>SRF Loan, Series 2009</b>			
2020 (due within one year)	\$ 1,593,119	\$ 509,811	\$ 2,102,930
2021	1,629,268	473,662	2,102,930
2022	1,666,237	436,693	2,102,930
2023	1,704,045	398,885	2,102,930
2024	1,742,711	360,219	2,102,930
2025-2029	9,324,952	1,189,698	10,514,650
2030-2032	5,592,544	190,512	5,783,056
	<u>\$ 23,252,876</u>	<u>\$ 3,559,480</u>	<u>\$ 26,812,356</u>
<b>SRF Loan, Series 2015</b>			
2020 (due within one year)	\$ 159,254	\$ 59,335	\$ 218,589
2021	162,463	56,126	218,589
2022	165,737	52,852	218,589
2023	169,077	49,512	218,589
2024	172,484	46,105	218,589
2025-2029	915,974	176,971	1,092,945
2030-2034	1,012,057	80,888	1,092,945
2035-2038	269,185	4,058	273,243
	<u>\$ 3,026,231</u>	<u>\$ 525,847</u>	<u>\$ 3,552,078</u>
<b>Revenue Bonds, Series 2016A</b>			
2020 (due within one year)	\$ 765,000	\$ 120,133	\$ 885,133
2021	780,000	103,708	883,708
2022	800,000	84,933	884,933
2023	820,000	63,658	883,658
2024	925,000	38,508	963,508
2025	765,000	12,317	777,317
	<u>\$ 4,855,000</u>	<u>\$ 423,257</u>	<u>\$ 5,278,257</u>

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

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

	Principal	Interest	Total Requirements
<b>Business-type Activities (cont.):</b>			
<b>Revenue Bonds, Series 2016B</b>			
2020 (due within one year)	\$ —	\$ 177,850	\$ 177,850
2021	—	177,850	177,850
2022	—	177,850	177,850
2023	—	177,850	177,850
2024	—	177,850	177,850
2025-2029	4,500,000	523,925	5,023,925
	<u>\$ 4,500,000</u>	<u>\$ 1,413,175</u>	<u>\$ 5,913,175</u>
<b>SRF Loan, Series 2017</b>			
2020 (due within one year)	\$ 629,046	\$ 432,271	\$ 1,061,317
2021	640,446	420,872	1,061,318
2022	652,052	409,265	1,061,317
2023	663,868	397,449	1,061,317
2024	675,899	385,418	1,061,317
2025-2029	3,567,722	1,738,863	5,306,585
2030-2034	3,902,922	1,403,663	5,306,585
2035-2039	4,269,613	1,036,972	5,306,585
2040-2044	4,670,760	635,825	5,306,585
2045-2049	4,577,738	198,194	4,775,932
	<u>\$ 24,250,066</u>	<u>\$ 7,058,792</u>	<u>\$ 31,308,858</u>
<b>Installment Purchase Contracts</b>			
2020 (due within one year)	\$ 337,470	\$ 18,578	\$ 356,048
2021	305,838	10,547	316,385
2022	234,709	2,579	237,288
	<u>\$ 878,017</u>	<u>\$ 31,704</u>	<u>\$ 909,721</u>

Revenue Bond Covenants

There are a number of limitations and restrictions contained in the City's revenue bond ordinances and indentures. In 2016, the City adopted a Master Bond Ordinance where it requires, among other requirements, for the City to prescribe and maintain rates and charges for services and facilities furnished by the Water and Sewer Utility system which, together with other income, are reasonably expected to yield annual Net Earnings (as defined in the Bond Ordinance) in the current fiscal year equal to at least the sum of 115% of the Annual Principal and Interest Requirement in such fiscal year for all bonds outstanding. Net Earnings under the Bond Ordinance includes Capital Facility Charges.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**6. Long-Term Debt (Continued)**

**D. Annual Requirements for Long-Term Debt (continued)**

Revenue Bond Covenants (continued)

Prior to the Master Bond Ordinance, the City's outstanding bonds were governed by an indenture of trust (Supplemental and Amended Indenture of Trust, dated July 15, 2004), where the City was required to meet rate covenant tests (i) where the City's Net Revenues without Capital Facility Charges would be at least 115% of Combined Debt Service, or (ii) where the City's Net Revenues without Capital Facility Charges would be at least 110% of Combined Debt Service plus at least 120% of Net Revenue with Capital Facility Charges to Combined Debt Service. The City was in compliance with its rate covenant requirements at June 30, 2019.

Security for Revenue Bonds and SRF Loans

As stated earlier and pursuant to the Master Bond Ordinance and applicable Series ordinances, the City's Revenue Bonds and SRF loans are secured by and payable from a pledge of the Utility System's Net Revenues (as defined in the Master Bond Ordinance). The pledge and liens securing the SRF Loans (Series' 2002, 2009, 2015 and 2017) are on parity in all respects with the pledge and liens securing the revenue bonds (Series 2016A&B). Security for the Series 2017 Tax Increment Financing (TIF) Bonds is an irrevocably pledge of certain incremental property tax revenues derived from the Redevelopment District (Pledged Incremental Revenues as defined in the Ordinance). If Pledged Incremental Revenues are insufficient to make bond payments, the City pledged Net Revenues from its Water and Sewer Utility System, which results in a Junior Lien Bond.

Redemptions

The Series 2016A Bonds shall not be subject to optional redemption prior to their stated maturities. The Series 2016B Bonds maturing on and after July 1, 2027 are subject to redemption at any time on and after July 1, 2026 at a redemption price of par plus accrued interest to the date of redemption. The City may prepay any outstanding SRF Loan balances plus accrued interest thereon without penalty. Redemption of the Series 2017 TIF Bonds may be subject to redemption prior to maturity upon such terms designated by the City Manager.

Events and Remedies of Default

Pursuant to the Master Bond Ordinance, and as more fully described in Article XIII and XIV thereto, an event of default can occur when - (i) payment of principal and interest on any Bond is not made when the same is due and payable, (ii) payment of principal and interest on any Junior Lien Bond is not made when the same is due and payable, (iii) the City does not comply with its Rate Covenant subject to certain exceptions as described in the Master Bond Ordinance, (iv) the City is incapable of fulfilling its obligations under the Master Bond Ordinance, or series bond ordinance(s), including a failure to operate the Water and Sewer Utility System in an efficient and businesslike fashion so as to materially impair the operations of the System if such cannot be corrected within a thirty (30) day period after written notice, or (v) the City defaults under any reimbursement agreement between the City and a provider of a surety bond, insurance policy or letter of credit. Upon the occurrence of an Event of Default, the Trustee may, and shall upon the written request of the Bond Holders of not less than fifty-one (51%) in the aggregate principal amount of outstanding bonds, declare all outstanding principal and accrued interest of bonds be immediately due and payable from all moneys and securities then held by the City.

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 outflows, less liabilities and deferred inflows. Reported amounts for net investment in capital assets and restricted net position were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<b><u>Net Investment in Capital Assets:</u></b>		
Net capital assets	\$ 23,808,847	\$ 147,961,351
Less, TIF, bonds, revenue bonds, loans, and installment purchase contracts payable	(8,463,219)	(61,114,523)
Add, back unspent portion of debt proceeds	2,050,326	1,480,993
Less, construction and retainages payable	(11,961)	(854,132)
Total net investment in capital assets	<u>\$ 17,383,993</u>	<u>\$ 87,473,689</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<b><u>Restricted:</u></b>		
Restricted assets:		
Debt service	\$ 1,426,238	\$ 1,501,279
Project and construction funds	2,050,326	6,550,893
Cayce WWTP facility renewal and replacement fund	—	1,083,469
Accommodations and hospitality taxes (for tourism)	750,107	—
Pensions and employee benefits	843,192	501,729
Law enforcement	17,885	—
ABC permit activities (for tourism)	96,429	—
Less, liabilities payable from restricted assets:		
Debt service related	—	(315,193)
Tourism related	(3,344)	—
Total restricted net position	<u>\$ 5,179,447</u>	<u>\$ 9,322,177</u>

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**8. Employee Retirement**

The City's retirement program for its employees follows:

Plan Description

The state of South Carolina provides retirement plans for employees of state agencies, public and charter school districts, public higher education institutions and other local subdivisions of government through the South Carolina Retirement System (the "Systems").

All City employees, excluding public safety employees (police and fire officers), are eligible for membership in the South Carolina Governmental Employees' Retirement System (SCRS). Public safety employees are covered by the South Carolina Police Officers' Retirement System (PORS). Both are cost-sharing, multiple employer public employee retirement plans administered by the South Carolina Public Employee Benefit Authority (PEBA). The Systems' provisions are established under Title 9 of the SC Code of Laws. Actuarial determinations are made by the administrators for the Systems.

Benefits

The SCRS and PORS offers retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits, and 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% of the employee's highest twelve consecutive quarters of compensation for non-public safety employees and 2.14% 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% each year following an increase in the Consumer Price Index of at least 3%. 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 plans also provides death and disability benefits to all member employees.



CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**8. Employee Retirement (Continued)**

Funding Policy

The City’s total pensionable wages (“covered payroll”) for the years ended June 30, 2019, 2018, and 2017, were approximately \$9,962,419, \$9,353,977, and \$9,058,566, respectively. State statutes also determine the levels of contributions required by both employers and employees.

For the year ended June 30, 2019, SCRS contribution rates were 9.00% and 14.56% for non-public safety employees and the employer, respectively. PORS contribution rates were 9.75% and 17.24% for public safety employees and the employer, remain 9.00% and the employer required contribution will be 15.56%, which includes .15% of group life coverage. Effective July 1, 2019, for public safety employees, the employee contribution rate will be 9.75% and the employer contribution rate will be 18.24%, which includes .2% of group life and .2% of accidental death coverage. The City contributed 100% of the required contribution for each of the plans for the years ending June 30, 2019, 2018, and 2017, as shown in the following table.

	SCRS			PORS		
	2019	2018	2017	2019	2018	2017
Wages:						
Pensionable	\$ 6,232,005	\$ 6,017,697	\$ 5,897,743	\$ 3,730,414	\$ 3,336,280	\$ 3,160,823
Contribution rates:						
Employees	9.00%	9.00%	8.66%	9.75%	9.75%	9.24%
Employer	14.56%	13.56%	11.56%	17.24%	16.24%	14.24%
Contributions:						
Employees	\$ 560,881	\$ 539,513	\$ 510,745	\$ 363,715	\$ 325,288	\$ 292,061
Employer	\$ 898,032	\$ 811,322	\$ 667,638	\$ 628,202	\$ 528,467	\$ 422,067

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**8. Employee Retirement (Continued)**

Net Pension Liabilities, Pension Expenses, Deferred Outflows/Inflows of Resources

At June 30, 2019, the City reported a liability of \$19,911,777 for the measurement period June 30, 2018 for its proportionate share of the net pension liabilities, of which \$13,084,337 was for SCRS (\$6,384,985 in Governmental Activities and \$6,699,352 in Business-type Activities) and \$6,827,440 was for PORS. The net pension liabilities were measured by PEBA as of June 30, 2018 and the total pension liabilities used to calculate the net pension liability was determined by an actuarial valuation of data as of July 1, 2017 and rolled forward to June 30, 2018. The City's proportion share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, PEBA reported the City's proportion of the collective net pension liability was 0.058394% for SCRS and 0.240951% for PORS.

For the year ended June 30, 2019, the City recognized pension expense of \$2,450,557 of which \$1,496,644 was for SCRS (\$711,342 in Governmental Activities and \$785,302 in the Business-type Activities) and \$953,913 for PORS (all Governmental Activities), respectively.

Components of Change in Net Pension Liability (NPL)  
Changes in the net pension liability for the measurement period, June 30, 2018, follows:

	SCRS	PORS	Total
Pension expense:			
Service cost	\$ 531,879	\$ 444,724	\$ 976,603
Interest on total pension liability	1,986,323	1,206,582	3,192,905
Changes in plan benefits	—	—	—
Plan administrative costs	8,559	5,785	14,344
Plan member contributions	(507,258)	(334,083)	(841,341)
Expected return on plan assets	(1,061,795)	(743,568)	(1,805,363)
Recognition of deferred outflows/inflows:			
Plan performance	4,398	94,642	99,040
Assumption changes	251,241	160,110	411,351
Investment experience	75,507	33,124	108,631
Proportion changes	147,119	(44,913)	102,206
Other	60,671	131,510	192,181
Total pension expense	1,496,644	953,913	2,450,557
PEBA employer contribution	(765,032)	(511,634)	(1,276,666)
Non-member contributions	(55,521)	(29,990)	(85,511)
Changes in deferred items (net of amortization):			
Outflow – Plan performance	(35,047)	153,026	117,979
Outflow – Assumption changes	(251,241)	(160,110)	(411,351)
Outflow – Investment experience	(413,793)	(250,683)	(664,476)
Outflow – Allocated proportion change	(226,080)	67,959	(158,121)
Inflow – Plan performance	(69,704)	—	(69,704)
Inflow – Assumption changes	—	—	—
Inflow – Investment experience	254,283	158,085	412,368
Inflow – Allocated proportion change	(9,783)	16,769	6,986
	(751,365)	(14,954)	(766,319)
Total change in net pension liability	\$ (75,274)	\$ 397,335	\$ 322,061

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**8. Employee Retirement (Continued)**

Net Pension Liabilities, Pension Expenses, Deferred Outflows/Inflows of Resources (continued)

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources Related to Pensions</b>		
	<b>SCRS</b>	<b>PORS</b>	<b>Total</b>
Differences between expected and actual plan performance	\$ 23,619	\$ 210,364	\$ 233,983
Changes of assumptions	519,113	450,166	969,279
Net difference between projected and actual earnings on pension plan investments	647,859	422,718	1,070,577
Changes in proportion and differences between City contributions and proportionate share of contributions	302,770	213,349	516,119
City contributions subsequent to the measurement date	961,479	688,263	1,649,742
<b>Total</b>	<b>\$ 2,454,840</b>	<b>\$ 1,984,860</b>	<b>\$ 4,439,700</b>
	<b>Deferred Inflows of Resources Related to Pensions</b>		
	<b>SCRS</b>	<b>PORS</b>	<b>Total</b>
Differences between expected and actual plan performance	\$ (76,998)	\$ —	\$ (76,998)
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on pension plan investments	(440,014)	(286,185)	(726,199)
Changes in proportion and differences between City contributions and proportionate share of contributions	(9,783)	(13,348)	(23,131)
City contributions subsequent to the measurement date	—	—	—
<b>Total</b>	<b>\$ (526,795)</b>	<b>\$ (299,533)</b>	<b>\$ (826,328)</b>

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**8. Employee Retirement (Continued)**

Net Pension Liabilities, Pension Expenses, Deferred Outflows/Inflows of Resources (continued)

The \$1,649,742 reported as deferred outflows of resources related to pensions (\$961,479 for SCRS and \$688,263 for PORS) resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

		<b>SCRS Deferred Outflows and Inflows Related to Pensions</b>		
		<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net</u>
<b><u>Fiscal year ended June 30:</u></b>				
	2020	\$ 852,439	\$ (173,029)	\$ 679,410
	2021	612,907	(168,595)	444,312
	2022	28,015	(166,148)	(138,133)
	2023	—	(19,023)	(19,023)
	Total per PEBA	<u>1,493,361</u>	<u>(526,795)</u>	<u>966,566</u>
	2020 City contributions subsequent to the measurement date	961,479	—	961,479
	Total City	<u>\$ 2,454,840</u>	<u>\$ (526,795)</u>	<u>\$ 1,928,045</u>
		<b>PORS Deferred Outflows and Inflows Related to Pensions</b>		
		<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net</u>
<b><u>Fiscal year ended June 30:</u></b>				
	2020	\$ 565,731	\$ (104,101)	\$ 461,630
	2021	457,094	(92,339)	364,755
	2022	242,202	(91,199)	151,003
	2023	31,570	(11,894)	19,676
	Total per PEBA	<u>1,296,597</u>	<u>(299,533)</u>	<u>997,064</u>
	2020 City contributions subsequent to the measurement date	688,263	—	688,263
	Total City	<u>\$1,984,860</u>	<u>\$ (299,533)</u>	<u>\$1,685,327</u>

The City's General Fund and Water and Sewer Utility Fund are typically used to liquidate the net pension liabilities and post-employment liabilities.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**8. Employee Retirement (Continued)**

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuation (measurement period) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Inflation	2.25%	2.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually
Investment rate of return*	7.25%, net of pension plan investment expense, including inflation	7.25%, net of pension plan investment expense, including inflation

The post-employment retiree mortality assumption is dependent upon the member’s job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC) was developed using the systems’ mortality experience. Adjustments for mortality improvements are based on Scale AA, projected from the year 2016.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study on data through June 30, 2016.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the June 30, 2018, actuarial valuations, was based upon the 30 year capital market outlook at the end of the beginning of 2018, as developed by the Retirement Systems Investment Commission (RSIC) in collaboration with its investment consultant, Aon Hewitt. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economics forecasts. Long-term assumptions for other asset classes are based on historical results, current market characteristics, and professional judgment., expected returns are net of investment fees.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**8. Employee Retirement (Continued)**

Long-term Expected Rate of Return (continued)

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the SCRS and PORS Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table below.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
<b>Global Public Equity</b>	<b>47.0%</b>		
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
<b>Real Estate</b>	<b>10.0%</b>		
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
<b>Opportunistic</b>	<b>13.0%</b>		
GTAA/Rik Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.75%	0.11%
<b>Diversified Credit</b>	<b>18.0%</b>		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
<b>Conservative Fixed Income</b>	<b>12.0%</b>		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
Total expected return	<u>100.0%</u>		<u>5.03%</u>
Inflation for actuarial purposes			<u>2.25%</u>
Total expected nominal return			<u><u>7.28%</u></u>

CITY OF CAYCE, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**8. Employee Retirement (Continued)**

Discount Rate

The discount rate used to measure the total pension liabilities at June 30, 2018, was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	<b>City's proportionate share of the net pension liabilities to changes in the discount rate</b>		
	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
SCRS	\$ 16,719,353	\$ 13,084,337	\$ 10,485,649
PORS	\$ 9,204,243	\$ 6,827,440	\$ 4,880,640

Pension Plans Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PEBA financial report. A comprehensive annual financial report containing financial statements and required supplementary information for the PEBA, which is issued and publicly available on the website [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting in writing a request to the PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered to be a division of the primary government of South Carolina. The retirement trust fund financial information is included in the comprehensive annual financial statement of the state.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

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**9. Post-Employment Benefits Other Than Pension**

GASB Statement No. 75

GASB Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*”, replaced the requirements of GASB Statement No. 45, “*Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*”, as amended, and GASB Statement No. 57, “*OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*”, for OPEB. Reporting under GASB Statement No. 75 is effective for fiscal years commencing after June 15, 2017. The City has implemented GASB No. 75 effective July 1, 2017.

Plan Description

In addition to the pension benefits described in *Note 8*, the City’s single employer defined benefit OPEB plan, *City of Cayce Postretirement Health Plan* (herein after referred to as “OPEB plan” or “program”), provides, if elected, other post-employment benefits for any 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. The program is a single employer defined benefit OPEB plan administered by the City (through the Mayor and City Council). “Section 2-123” of the City Code published in 1996, adopted and effective May 14, 1996, grants the authority to establish and amend the benefit terms and financing requirements (funding policy) to the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The program does not issue separate stand-alone financial statements and is not included in the financial statements of another entity.

Benefits Provided

The OPEB plan offers retired employees’ premium payments for the employee group health insurance (including dental) at no cost. The City’s medical policy premium rates are based upon age and ranged from \$978 to \$1,034 for the retiree, and from \$1,047 to \$1,101 for the spouse for the program year ended June 30, 2019. The retiree paid nothing for retiree only coverage and paid \$311 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 spouse coverage ceases upon the death of the retiree. The plan also provides all retirees with \$15,000 of life insurance benefits which costs \$44 per year, all of which is contributed by the employer.

City Contributions

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, 2019, the City had 8 retired employees with an average age of 60.6 years covered by the program with monthly premium costs averaging \$643 per participant. Total expenses funded by the City for the year ended June 30, 2019 were \$62,697; funded in part by the General Fund \$55,980, and \$6,717 funded by the Proprietary Fund. For prior fiscal years 2018 and 2017, total funding expenses were \$62,183 and \$59,370 respectively.



CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Total OPEB Liability

At June 30, 2019, the City's total OPEB liability equaled \$3,383,455, of which \$2,811,931 was for the Governmental Activities (General Fund) and \$571,524 was for the Business-type Activities (Proprietary Fund). This amount was based on an actuarial valuation as of June 30, 2018, using data as of July 1, 2017, resulting in a net change of \$41,447. The City's total OPEB liability for the year ended June 30, 2018 totaled \$3,342,008. The Governmental Activities share was \$2,781,358 and the Business-type Activities and Proprietary Fund share was \$560,650 for the year 2018.

Changes in the Total OPEB Liability

The changes in the City's Total OPEB Liability for the current year and the related information for the program is as follows:

Total other post-employment benefit (OPEB) liability – beginning of year	\$ 3,342,008
Changes in total OPEB Liability:	
Service cost	131,268
Interest	112,960
Changes of benefit terms	—
Differences between expected and actual experience	—
Changes in assumptions or other inputs	—
Contributions – employer	(62,184)
Contributions – active and inactive employees	—
Net investment income	—
Benefit payments <sup>(1)</sup>	(140,597)
Other changes	—
Net changes	41,447
Total other post-employment benefit (OPEB) liability – end of year	\$ 3,383,455

<sup>(1)</sup> Includes the Implicit Rate Subsidy.

OPEB Expense

For the year ended June 30, 2019, the City recognized OPEB expense of \$336,549 (of which \$267,978 was for the Governmental Activities (General Fund) and \$68,571 was for the Business-type Activities (Proprietary Fund) as follows:

Service cost	\$ 126,952
Interest on service cost	4,316
Total	131,268
Interest cost	112,960
Difference between expected and actual experience	8,448
Changes of assumptions and other inputs	83,873
Total OPEB expense	\$ 336,549

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB Related		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual plan experience	\$ 46,805	\$ —	\$ 46,805
Changes of assumptions	464,662	—	464,662
Net difference between projected and actual earnings on OPEB Investments	—	—	—
<b>Total</b>	<b>\$ 511,467</b>	<b>\$ —</b>	<b>\$ 511,467</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30, :	OPEB Related Future Deferred		
	Outflows of Resources	Inflows of Resources	Net
2020	\$ 92,321	\$ —	\$ 92,321
2021	92,321	—	92,321
2022	92,321	—	92,321
2023	92,321	—	92,321
2024	92,320	—	92,320
Thereafter	49,863	—	49,863
<b>Total</b>	<b>\$ 511,467</b>	<b>\$ —</b>	<b>\$ 511,467</b>

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

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

Actuarial Assumptions and Other Inputs

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Cost method	Entry Age Normal
Inflation	2.50%
Projected salary increases	3.00%
Discount rate	3.40%
Health care trend – medical	Declining from 8.5% to 5.00% over 10 years
Health care trend – dental	2.00% annually
Health care trend – life insurance	0% annually
Retiree contribution	0% for retiree, 100% for Spouse
Investment rate of return	Not applicable
Mortality, disability, retirement, and withdrawal rates	South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS) Pension Valuation Reports as of July 1, 2017
Morbidity rates	Under age 65 – 3.75% per age South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS) Pension Valuation Reports as of July 1, 2017
Election at retirement	100%
Marital status	5% of retirees electing coverage will cover a spouse

No change was made to the discount rate based on the S&P Municipal Bond 20-Year High-Grade Rate Index as of May 23, 2018 as it was comparable to the July 1, 2019 rates.

There have been no changes to assumptions since the last actuarial valuation dated May 30, 2018. There were no changes of benefit terms during the period. 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. Assumptions may be made about participant data or other factors. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in total other post-employment benefit (OPEB) liabilities and the actuarial value of other post-employment benefit (OPEB) assets.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Expected Future Cash Flows

Fiscal Year	Estimated Benefit Payments
2020	\$ 164,106
2021	172,697
2022	203,528
2023	195,601
2024	161,472
2025	192,956
2026	216,299
2027	250,314
2028	266,544

The projection of future cash flows is based on a closed group valuation. It does not take into account the impact of future new hires. It also includes the Implicit Rate Subsidy.

Employees covered by benefit terms

As of the year ended June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	8
Inactive employees entitled to but not yet receiving benefit payments	5
Active employees	50
	63

Sensitivity Analysis

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the City's Total OPEB Liability calculated using the discount rate of 3.40%, as well as what the City's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower (2.40%) or one percentage point higher (4.40%) than the current discount rate:

	City's Total OPEB Liability sensitivity to changes in the discount rate		
	1% Increase (4.40%)	Valuation Rate (3.40%)	1% Decrease (2.40%)
Total OPEB liability	\$ 3,137,212	\$ 3,383,455	\$ 3,648,360

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Sensitivity Analysis (continued)

*Sensitivity of the total OPEB liability to changes in the health care trend rates.* The following presents the City's Total OPEB Liability calculated using the health care trend rate of 8.50% decreasing to 5.00%, as well as what the City's Total OPEB Liability would be if it were calculated using a health care trend rate that is one percentage point lower (7.50% decreasing to 4.00%) or one percentage point higher (9.50% decreasing to 6.00%) than the current discount rate:

	<b>City's Health Care Trend sensitivity to changes in the discount rate</b>		
	<b>1% Increase (4.00%)</b>	<b>Valuation Rate (5.00%)</b>	<b>1% Decrease (6.00%)</b>
Health care trend	\$ 3,774,994	\$ 3,383,455	\$ 3,043,801

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.

**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 official's 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 \$124 million general liability for property and casualty and up to \$1 million general liability for persons or property per occurrence.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**11. Capacity Charges and Other Capital Contributions**

Capacity charges and capital contributions in the Water and Sewer Utility Fund for the year ended June 30, 2019, 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, 2019, were as follows:

Contributed property by developers	\$ 1,502,843
Grant	36,706
Capacity charges	<u>1,162,128</u>
Total capacity charges to customers under agreement and other capital contributions recognized	<u>\$ 2,701,677</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	\$ 36,694,039
Less, accumulated depreciation	(12,885,192)
Net amount reported	\$ 23,808,847

*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	\$ 117,507
Contractual rights for animal services, net of amortization	80,000
Property taxes revenue	264,565
Net amount reported	\$ 462,072

*Deferred outflows are not included in the current liabilities as of the measurement date, and, therefore are reported in the fund financial statements but deferred at the government-wide level:*

Deferred outflows related to other post-employment benefits (OPEB)	\$ 382,598
Deferred outflows related to pensions	3,134,953
Net amount reported	\$ 3,517,551

*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:*

Installment purchase contracts	\$ (645,572)
TIF revenue bond	(7,817,647)
Accrued compensated absences	(400,559)
Accrued interest payable	(11,713)
Total other post-employment benefits (OPEB) liability	(2,811,931)
Net pension liabilities	(13,212,425)
Net amount reported	\$ (24,899,847)

*Deferred inflows related to pensions are not due and payable in the current period and, therefore, are not reported in the fund financial statements.*

	\$ (543,056)
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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	\$ 6,669,964
Donated equipment	44,688
Depreciation expense	<u>(1,389,879)</u>
Net amount reported	<u>\$ 5,324,773</u>

*The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, etc.) is to decrease net assets:*

Loss on disposition of assets	<u>\$ (11,634)</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	\$ (12,443)
Business licenses and other receivables	<u>(10)</u>
	<u>\$ (12,453)</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	\$ (40,548)
Change in accrued interest	336
Animal control service agreement expense	(5,000)
Pension expenses	(500,130)
Other post-employment benefits (OPEB)	<u>(99,633)</u>
Net amount reported	<u>\$ (644,975)</u>

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

Proceeds of Installment purchase contract	\$ (283,556)
Principal repayments – Installment purchase contracts	231,575
Principal repayments – TIF Bonds	290,000
Amortization expense	<u>21,814</u>
Net amount reported	<u>\$ 259,833</u>



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

**14. Subsequent Events**

Management has evaluated subsequent events which may require disclosure through the date of the auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CAYCE, SOUTH CAROLINA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND

YEAR ENDED JUNE 30, 2019  
 (With comparative actual amounts for year ended June 30, 2018)

	2019			Variance Positive (Negative)	2018
	Budget		Actual		Actual
	Original	Final			
<b>Revenue</b>					
Property taxes	\$ 3,497,000	\$ 3,647,000	\$ 3,848,870	\$ 201,870	\$ 3,420,752
Licenses and permits	4,956,150	4,956,150	4,930,242	(25,908)	5,387,772
Fines and forfeitures	240,200	240,200	187,075	(53,125)	181,171
State shared revenue	372,500	372,500	395,772	23,272	391,055
Current services	1,265,028	1,283,028	1,348,045	65,017	1,028,901
Grants and other	2,299,482	779,795	365,100	(414,695)	1,751,469
Interest income	2,000	2,000	4,657	2,657	2,722
<b>Total revenue</b>	<b>12,632,360</b>	<b>11,280,673</b>	<b>11,079,761</b>	<b>(200,912)</b>	<b>12,163,842</b>
<b>Expenditures</b>					
<b>General Government</b>					
Legislative	136,384	136,384	126,227	10,157	136,673
Administrative	705,328	705,329	770,438	(65,109)	697,882
Recorder's Court	220,811	221,811	193,948	27,863	199,865
Legal	88,075	88,075	99,804	(11,729)	80,205
Total	1,150,598	1,151,599	1,190,417	(38,818)	1,114,625
Less, Utility Fund overhead	—	(666,126)	(666,126)	—	(666,126)
Net general government	1,150,598	485,473	524,291	(38,818)	448,499
<b>Information Technology</b>					
IT support	241,167	241,167	206,211	34,956	241,956
Less, Utility Fund overhead	—	(124,128)	(124,128)	—	(124,128)
Less capital outlay	(19,284)	(19,093)	(19,093)	—	(12,499)
Net information technology	221,883	97,946	62,990	34,956	105,329
<b>Finance</b>					
Finance and accounting	314,046	314,046	302,038	12,008	289,123
Tax collection	22,110	22,110	21,981	129	22,069
Total	336,156	336,156	324,019	12,137	311,192
Less, Utility Fund overhead	—	(254,297)	(254,297)	—	(254,297)
Net finance	336,156	81,859	69,722	12,137	56,895
<b>Public Safety</b>					
Administrative	842,009	842,009	823,025	18,984	536,600
Police – Detectives	850,304	770,304	701,018	69,286	764,943
Police – Traffic	3,751,238	3,751,238	3,848,343	(97,105)	3,353,625
Fire	1,462,890	1,453,729	1,367,858	85,871	1,354,754
Animal services	94,805	94,805	82,168	12,637	73,016
Parks	259,406	259,406	269,669	(10,263)	265,238
Dispatch	427,928	866,628	827,192	39,436	381,236
Total	7,688,580	8,038,119	7,919,273	118,846	6,729,412
Less, Utility Fund overhead	—	(101,871)	(101,871)	—	(101,871)
Less, capital outlay	(396,399)	(855,874)	(855,874)	—	(323,345)
Net public safety	7,292,181	7,080,374	6,961,528	118,846	6,304,196

CITY OF CAYCE, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2019			Variance Positive (Negative)	2018
	Budget		Actual		Actual
	Original	Final			
<b>Expenditures (Continued)</b>					
<b>Public Works</b>					
Street lighting	320,000	320,000	346,319	(26,319)	321,765
Sanitation	1,170,248	1,170,307	1,123,048	47,259	1,064,232
Public buildings	106,640	106,640	88,539	18,101	110,751
Total	1,596,888	1,596,947	1,557,906	39,041	1,496,748
Less, Utility Fund overhead	—	(206,215)	(206,215)	—	(206,215)
Less, capital outlay	(22,779)	(41,088)	(41,088)	—	(7,258)
Net public works	1,574,109	1,349,644	1,310,603	39,041	1,283,275
<b>Community Relations</b>					
Promotions and events	112,930	143,526	146,032	(2,506)	170,325
Total community relations	112,930	143,526	146,032	(2,506)	170,325
<b>Planning and Development</b>					
Planning and zoning	755,318	1,123,123	1,159,353	(36,230)	798,228
Less, capital outlay	—	(367,805)	(367,805)	—	(17,335)
Total planning and development	755,318	755,318	791,548	(36,230)	780,893
<b>Parks and Museum</b>					
Parks	733,139	733,139	703,087	30,052	1,843,940
Museum	179,649	179,649	129,517	50,132	189,309
Total	912,788	912,788	832,604	80,184	2,033,249
Less, capital outlay	—	—	—	—	(1,194,220)
Net parks and museum	912,788	912,788	832,604	80,184	839,029
<b>Garage</b>					
Garage	412,802	414,802	406,690	8,112	401,135
Less, Utility Fund overhead	—	(114,445)	(114,445)	—	(114,445)
Less, capital outlay	—	(52,000)	(52,000)	—	(52,328)
Net garage	412,802	248,357	240,245	8,112	234,362
<b>Non-departmental and Support Services</b>					
Non-departmental and support services	94,964	328,520	289,537	38,983	464,931
Less, Utility Fund overhead	—	(60,068)	(60,068)	—	(60,068)
Less, capital outlay	—	(233,556)	(233,556)	—	(373,808)
Net support services	94,964	34,896	(4,087)	38,983	31,055

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

	2019			2018	
	Budget		Actual	Variance Positive (Negative)	Actual
	Original	Final			
<b>Expenditures (Continued)</b>					
<b>Debt Service</b>					
Principal retirement	222,692	222,692	239,199	(16,507)	196,562
Interest and fiscal charges	7,550	7,550	9,818	(2,268)	9,445
Total debt service	230,242	230,242	249,017	(18,775)	206,007
Less, overhead allocated – Utility Fund	—	(93,537)	(93,537)	—	(93,537)
Net debt service	230,242	136,705	155,480	(18,775)	112,470
<b>Capital Outlay</b>	438,462	1,569,416	1,569,416	—	1,980,793
<b>Total expenditures</b>	<b>13,532,433</b>	<b>12,896,302</b>	<b>12,660,372</b>	<b>235,930</b>	<b>12,347,121</b>
Excess (deficiency) of revenue over expenditures	(900,073)	(1,615,629)	(1,580,611)	35,018	(183,279)
<b>Other Financing Sources (Uses)</b>					
Installment purchase contract	—	283,556	283,556	—	374,000
Proceeds from sale of assets	45,000	45,000	40,145	(4,855)	44,968
Transfers in:					
Accommodations Tax Fund	38,000	60,000	50,468	(9,532)	117,772
Hospitality tax	817,073	817,073	817,073	—	780,000
Home Grant	—	—	—	—	11,509
Community development	—	—	—	—	2,630
Total other financing sources (uses)	900,073	1,205,629	1,191,242	(14,387)	1,330,879
<b>Net change in fund balance</b>	<b>—</b>	<b>(410,000)</b>	<b>(389,369)</b>	<b>20,631</b>	<b>1,147,600</b>
Fund balance, beginning of year	7,665,972	7,665,972	7,665,972	—	6,518,372
Fund balance, end of year	<u>\$ 7,665,972</u>	<u>\$ 7,255,972</u>	<u>\$ 7,276,603</u>	<u>\$ 20,631</u>	<u>\$ 7,665,972</u>

*See Notes to Budgetary Comparison Schedule*

CITY OF CAYCE, SOUTH CAROLINA

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST TEN FISCAL YEARS <sup>(1) (3)</sup>

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Service Cost	\$ 131,268	\$ 127,074	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest	112,960	85,251	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms	—	—	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Differences between expected and actual experience	—	63,702	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes in assumptions or other inputs	—	524,476	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions – employer	(62,184)	—	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions – active and inactive employees	—	—	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net investment income	—	—	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments <sup>(2)</sup>	(140,597)	(147,565)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other changes	—	107,931	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net changes in total OPEB liability	41,447	760,869	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability – beginning	3,342,008	2,581,139	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability – ending	\$ 3,383,455	\$ 3,342,008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered – employee payroll <sup>(3)</sup>	\$ 2,492,104	\$ 2,581,289	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered – employee payroll	135.8%	129.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Because prior year data is unavailable, the City has elected to present information prospectively.

(2) Includes the Implicit Rate Subsidy.

(3) Prior year June 30, 2017, valuations were only obtained triennially, however, they are not comparable to the valuation required by GASB #75.

N/A – Not available

CITY OF CAYCE, SOUTH CAROLINA  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)  
 LAST TEN FISCAL YEARS\*(1)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City's proportion of the net pension liability	N/A	0.058394%	0.058457%	0.056208%	0.054751%	0.053510%	N/A	N/A	N/A	N/A
City's proportion share of the net pension liability	N/A	\$ 13,084,337	\$ 123,159,611	\$ 12,005,946	\$ 10,383,791	\$ 9,212,648	\$ 9,597,785	N/A	N/A	N/A
City's covered payroll (pensionable)	\$ 6,232,005	\$ 6,017,697	\$ 5,897,743	\$ 5,443,028	\$ 5,133,635	\$ 4,849,702	\$ 4,933,520	N/A	N/A	N/A
City's proportion share of the net pension liability as a percentage of its covered payroll	N/A	217.4%	223.1%	220.6%	202.3%	190.0%	194.5%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	54.1%	53.3%	52.9%	57.0%	59.9%	N/A	N/A	N/A	N/A

\*The amounts presented for each fiscal year determined as of measurement year that occurred within the fiscal year.

(1) Because prior year data is unavailable, the City has elected to present information prospectively.

N/A – Not available

CITY OF CAYCE, SOUTH CAROLINA  
 SCHEDULE OF THE CITY'S CONTRIBUTIONS  
 SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)  
 LAST TEN FISCAL YEARS<sup>(1)</sup>

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution <sup>(2)</sup>	\$ 898,032	\$ 811,322	\$ 667,638	\$ 635,004	\$ 557,599	\$ 514,069	\$ 486,663	N/A	N/A	N/A
Contributions in relation to the contractually required contribution <sup>(2)</sup>	\$ 898,032	\$ 811,332	\$ 667,638	\$ 635,004	\$ 557,599	\$ 514,069	\$ 486,663	N/A	N/A	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A	N/A	N/A
City's covered payroll (pensionable)	\$ 6,232,005	\$ 6,017,697	\$ 5,897,743	\$ 5,443,028	\$ 5,133,635	\$ 4,849,702	\$ 4,933,520	N/A	N/A	N/A
Contributions as a percentage of covered payroll	14.4%	13.5%	11.3%	11.7%	10.9%	10.6%	9.9%	N/A	N/A	N/A

<sup>(1)</sup> Because prior year data is unavailable, the City has elected to present information prospectively.

<sup>(2)</sup> During fiscal 2018, the increase in the required employer contribution exceeded statutory limitations, thus the employer received a credit. The contractually required contribution reflects the portion of the employer was required to pay which is net of that credit

<sup>(3)</sup> N/A – Not available



CITY OF CAYCE, SOUTH CAROLINA

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

POLICE OFFICERS RETIREMENT SYSTEM (PORS)

LAST TEN FISCAL YEARS\*<sup>(1)</sup>

(Dollar amount in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City's proportion of the net pension liability (asset)	N/A	0.240951%	0.234710%	0.228800%	0.225160%	0.228990%	N/A	N/A	N/A	N/A
City's proportion share of the net pension liability (asset)	N/A	\$ 6,827,440	\$ 6,430,105	\$ 5,803,556	\$ 4,907,354	\$ 4,383,771	\$ 4,746,817	N/A	N/A	N/A
City's covered payroll (pensionable)	\$ 3,730,414	\$ 3,336,280	\$ 3,160,823	\$ 2,916,939	\$ 2,789,410	\$ 2,762,383	\$ 2,267,964	N/A	N/A	N/A
City's proportion share of the net pension liability (asset) as a percentage of its covered payroll	N/A	18.3%	203.4%	199.6%	175.9%	158.7%	209.0%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	61.7%	60.9%	60.4%	64.6%	67.5%	N/A	N/A	N/A	N/A

\*The amounts presented for each fiscal year determined as of the measurement year that occurred within the fiscal year.

<sup>(1)</sup> Because prior year data is unavailable, the City has elected to present information prospectively.

N/A – Not available

CITY OF CAYCE, SOUTH CAROLINA  
 SCHEDULE OF THE CITY'S CONTRIBUTIONS  
 POLICE OFFICERS RETIREMENT SYSTEM (PORS)  
 LAST TEN FISCAL YEARS<sup>(1)</sup>  
 (Dollar amount in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution <sup>(2)</sup>	\$ 628,202	\$ 528,467	\$ 422,067	\$ 406,098	\$ 374,067	\$ 354,690	\$ 321,072	N/A	N/A	N/A
Contributions in relation to the contractually required contribution <sup>(2)</sup>	\$ 628,202	\$ 528,467	\$ 422,067	\$ 406,098	\$ 374,067	\$ 354,690	\$ 321,072	N/A	N/A	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A	N/A	N/A
City's covered payroll (pensionable)	\$ 3,730,414	\$ 3,336,280	\$ 3,160,823	\$ 2,916,939	\$ 2,789,410	\$ 2,762,383	\$ 2,267,964	N/A	N/A	N/A
Contributions as a percentage of covered payroll	16.8%	15.8%	13.4%	13.9%	13.4%	12.8%	14.2%	N/A	N/A	N/A

<sup>(1)</sup> Because prior year data is unavailable, the City has elected to present information prospectively.

<sup>(2)</sup> During fiscal 2018, the increase in the required employer contribution exceeded statutory limitations, thus the employer received a credit. The contractually required contribution reflects the portion of the employer was required to pay which is net of that credit

<sup>(3)</sup> N/A – Not available

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2019

**A. 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 \$14,696,302, (\$12,896,302 plus \$1,800,000 Utility Fund indirect costs and overhead allocations, which have been netted against departmental expenditures).

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.

**B. Pensions**

Changes of benefit terms: None

Changes to assumptions – (Measurement year 2018):

Mortality: The Mortality tables were updated for the 2016 Public Retirees of South Carolina. The Mortality Table (2016 PRSC) which was developed using the System’s mortality experience.

Discount Rate: The discount rate applied to the Total Pension Liability was updated to 7.25% from 7.50% to reflect market trends.

CITY OF CAYCE, SOUTH CAROLINA  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

— CONTINUED —

**C. Other Post-Employment Benefits**

1. Changes in benefit terms: None

2. Changes of assumptions:

Discount Rate: 2019 – None. 2018 – the discount rate was changed to 3.40% from 4.50% for the valuation effective July 1, 2017.

Investments: 2019 – None. 2018 – None. 2017 – the assumed investment return was changed from 7.5% to 7.25% effective July 1, 2017.

Mortality: 2019 – None. 2018 – None. 2017 – the mortality tables were changed from the RP-2000 Mortality Table to the newly developed 2016 Public Retirees of South Carolina Mortality Tables.

Projected salary increases: 2019 – None. 2018 – None. 2017 – changed to 3.0% - 12.5% for members with less than 21 years of service from 3.5% to 12.5% for members with less than 25 years of service.

Asset Valuation Method: 2019 – None. 2018 – None. 2017 – changed to 5-year smoothed from 20% difference recognition.

Inflation: 2019 – None. 2018 – None. 2017 – changed to 2.25% from 2.75%.

3. Discount rate – Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2019	3.40%
2018	3.40%
2017	4.50%
2016	N/A
2015	N/A
2014	N/A
2013	N/A
2012	N/A
2011	N/A
2010	N/A

CITY OF CAYCE, SOUTH CAROLINA

## 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, 2019  
 (With comparative total figures, year ended June 30, 2018)

	2019		2018	
	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	Total Non-Major Governmental Funds
<b>Assets</b>				
Cash and cash equivalents:				
Unrestricted	\$ 83,801	\$ —	\$ 83,801	\$ 83,801
Restricted	859,883	1,378,708	2,238,591	1,735,067
Property taxes receivable	—	—	—	—
Hospitality taxes receivable	—	—	—	93,610
Other receivables	4,466	—	4,466	1,275
Due from other funds	72	—	72	4,632
Bond deposits	—	47,530	47,530	47,422
<b>Total assets</b>	<b>\$ 948,222</b>	<b>\$ 1,426,238</b>	<b>\$ 2,374,460</b>	<b>\$ 1,965,807</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,733	\$ —	\$ 1,733	\$ 125,726
Construction and retainages payable	—	—	—	5,536
Due to other funds	1,611	—	1,611	32,371
<b>Total liabilities</b>	<b>3,344</b>	<b>—</b>	<b>3,344</b>	<b>163,633</b>
<b>Fund balance:</b>				
<b>Restricted for:</b>				
Debt service	—	1,426,238	1,426,238	949,310
Tourism and community development	748,496	—	748,496	696,435
ABC permit activities	94,696	—	94,696	54,743
Law enforcement	17,885	—	17,885	17,885
<b>Total restricted</b>	<b>861,077</b>	<b>1,426,238</b>	<b>2,287,315</b>	<b>1,718,373</b>
<b>Assigned for:</b>				
Museum	83,801	—	83,801	83,801
<b>Total fund balances</b>	<b>944,878</b>	<b>1,426,238</b>	<b>2,371,116</b>	<b>1,802,174</b>
<b>Total liabilities and fund balances</b>	<b>\$ 948,222</b>	<b>\$ 1,426,238</b>	<b>\$ 2,374,460</b>	<b>\$ 1,965,807</b>

CITY OF CAYCE, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2019

(With comparative total figures, year ended June 30, 2018)

	2019		2018	
	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	Total Non-Major Governmental Funds
<b>Revenue</b>				
Property taxes	\$ —	\$ 979,111	\$ 979,111	\$ 929,607
Accommodation and hospitality taxes	1,272,104	—	1,272,104	1,251,922
Grants and other	31,515	—	31,515	8,617
State shared revenue	19,050	65,279	84,329	17,927
Interest income	—	1,601	1,601	748
<b>Total revenue</b>	<b>1,322,669</b>	<b>1,045,991</b>	<b>2,368,660</b>	<b>2,208,821</b>
<b>Expenditures</b>				
Planning and community development:				
Tourism related	363,114	—	363,114	354,476
Less, capital outlay	—	—	—	(89,405)
Net tourism related	363,114	—	363,114	265,071
Housing	—	—	—	36
Debt service:				
Principal	—	290,000	290,000	285,000
Interest and fiscal charges	—	279,063	279,063	250,862
Capital outlay	—	—	—	89,405
<b>Total expenditures</b>	<b>36,114</b>	<b>569,063</b>	<b>932,177</b>	<b>890,374</b>
Excess (deficiency) of revenue over expenditures	959,555	476,928	1,436,483	1,318,447
<b>Other Financing Sources (Uses)</b>				
Transfers in	16,500	—	16,500	—
Transfers (out)	(884,041)	—	(884,041)	911,911
<b>Net change in fund balances</b>	<b>92,014</b>	<b>476,928</b>	<b>568,942</b>	<b>406,536</b>
Fund balances, beginning of year	852,864	949,310	1,802,174	1,395,638
Fund balances, end of year	\$ 944,878	\$ 1,426,238	\$ 2,371,116	\$ 1,802,174

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, 2019

(With comparative figures June 30, 2018)

	<u>Current Year</u>	<u>Prior Year</u>
<b>Assets</b>		
Cash and cash equivalents:		
Unrestricted	\$ 6,185,044	\$ 6,067,716
Restricted	948,466	961,086
Property taxes receivable	1,584,947	1,545,893
Grants receivables	156,790	1,166,306
Other receivables	262,622	234,696
Less, allowance for uncollectible accounts	(1,309,754)	(1,517,782)
Due from other funds	58,049	112,689
Prepaid items:		
Prepaid service contracts – restricted	105,328	—
Prepaid construction – restricted	—	5,399
Inventory – supplies (at cost)	76,405	59,686
<b>Total assets</b>	<b><u>\$ 8,067,897</u></b>	<b><u>\$ 8,635,689</u></b>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 406,380	\$ 287,595
Accrued salaries and wages	313,115	335,683
Construction and retainage payable	10,575	248,008
Other liabilities	10,401	9,590
Deposits and prepayments	50,823	83,771
Due to other funds	—	5,070
<b>Total liabilities</b>	<b><u>791,294</u></b>	<b><u>969,717</u></b>
Fund balance:		
Nonspendable in:		
Inventories and prepaid items	181,733	65,085
Restricted for:		
Capital projects	—	8,294
Victims Rights Assistance	—	—
Employee benefits	—	4,326
	<u>—</u>	<u>12,620</u>
Committed for:		
UST program	25,000	25,000
Assigned for:		
Christmas in Cayce	6,738	12,829
Congaree Bluegrass Festival	9,737	9,777
History Park	948,466	948,466
	<u>964,941</u>	<u>971,072</u>
Unassigned	6,104,929	6,592,195
<b>Total fund balance</b>	<b><u>7,276,603</u></b>	<b><u>7,665,972</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 8,067,897</u></b>	<b><u>\$ 8,635,689</u></b>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2019  
(With comparative actual amounts year ended June 30, 2018)

	Current Year			Prior Year
	Final Budget	Actual	Variance Pos. (Neg.)	Actual
<b>Revenue</b>				
Property taxes	\$ 3,647,000	\$ 3,848,870	\$ 201,870	\$ 3,420,752
Licenses and permits	4,956,150	4,930,242	(25,908)	5,387,772
Fines and forfeitures	240,200	187,075	(53,125)	181,171
State shared revenue	372,500	395,772	23,272	391,055
Current services	1,283,028	1,348,045	65,017	1,028,901
Grants and other	779,795	365,100	(414,695)	1,751,469
Interest income	2,000	4,657	2,657	2,722
<b>Total revenue</b>	<b>11,280,673</b>	<b>11,079,761</b>	<b>(200,912)</b>	<b>12,163,842</b>
<b>Expenditures</b>				
Current (net of Utility Fund overhead allocations and capital outlay):				
Legislative	76,959	66,802	10,157	77,248
Administrative	133,303	198,412	(65,109)	125,856
Recorder's court	221,811	193,948	27,863	199,865
Legal	53,400	65,129	(11,729)	45,530
Information technology	97,946	62,990	34,956	105,329
Finance and accounting	59,749	47,741	12,008	34,826
Tax collector	22,110	21,981	129	22,069
Public safety:				
Administrative	783,741	764,757	18,984	478,332
Detectives	770,304	701,018	69,286	764,943
Police	3,315,439	3,412,544	(97,105)	3,098,515
Fire	1,428,751	1,342,880	85,871	1,279,819
Animal services	94,805	82,168	12,637	73,016
Parks	259,406	269,669	(10,263)	254,994
Dispatch	427,928	388,492	39,436	354,577
Street lighting	320,000	346,319	(26,319)	321,765
Sanitation	1,129,219	1,081,960	47,259	1,064,232
Public buildings	(99,575)	(117,676)	18,101	(102,722)
Community relations	143,526	146,032	(2,506)	170,325
Planning and development	755,318	791,548	(36,230)	780,893
Museum	179,649	129,517	50,132	178,389
Parks	733,139	703,087	30,052	660,640
Garage	248,357	240,245	8,112	234,362
Non-departmental and support services	34,896	(4,087)	38,983	31,055
Debt service	136,705	155,480	(18,775)	112,470
Capital outlay	1,569,416	1,569,416	—	1,980,793
<b>Total expenditures</b>	<b>12,896,302</b>	<b>12,660,372</b>	<b>235,930</b>	<b>12,347,121</b>
Excess (deficiency) of revenue over expenditures	(1,615,629)	(1,580,611)	35,018	(183,279)
<b>Other Financing Sources (uses)</b>				
Installment purchase contract	283,556	283,556	—	374,000
Proceeds from sale of assets	45,000	40,145	(4,855)	44,968
Transfers in:				
Accommodation tax	60,000	50,468	(9,532)	117,772
Hospitality tax	817,073	817,073	—	780,000
Home Grant	—	—	—	11,509
Community development	—	—	—	2,630
<b>Total other financing sources (uses)</b>	<b>1,205,829</b>	<b>1,191,242</b>	<b>(14,387)</b>	<b>1,330,879</b>
<b>Net change in fund balance</b>	<b>(410,000)</b>	<b>(389,369)</b>	<b>20,631</b>	<b>1,147,600</b>
Fund balance, beginning of year	7,665,972	7,665,972	—	6,518,372
Fund balance, end of year	\$ 7,255,972	\$ 7,276,603	\$ 20,631	\$ 7,665,972



CITY OF CAYCE, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUE — BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>
<b>Revenue</b>		
Property taxes:		
Property tax – current (Lexington County)	\$ 2,450,000	\$ 2,317,052
Property tax – current (Richland County)	103,000	107,171
Penalties – current	4,000	3,769
Property tax – delinquent	40,000	232,603
Penalties – delinquent	6,000	9,398
Other property tax collections	279,000	326,524
Fees in lieu of taxes	765,000	852,353
	<u>3,647,000</u>	<u>3,848,870</u>
Licenses and permits:		
Business licenses – current	1,902,450	1,903,396
Business licenses – prior year	5,000	208,691
Business licenses -- franchise fees	17,000	24,749
Penalties – business licenses	2,906,000	2,679,872
Building permits	88,000	77,130
Electrical permits	15,000	27,086
Plumbing permits	7,000	3,532
Rental registration fees	7,000	3,198
Gas permits	1,000	330
Garage sale permits	700	515
Miscellaneous permits	7,000	1,743
	<u>4,956,150</u>	<u>4,930,242</u>
Fines and forfeitures:		
Criminal fines	55,000	22,465
Traffic fines	150,000	140,973
Parking fines	200	65
Victims assistance	35,000	23,572
	<u>240,200</u>	<u>187,075</u>
State shared and other revenue:		
Local government fund	270,000	286,450
Merchants inventory tax	72,000	71,566
Local option sales tax	14,000	20,742
County municipal revenue fund	16,500	17,014
	<u>372,500</u>	<u>395,772</u>

— CONTINUED —

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
<b>Revenue (Continued)</b>		
Current services:		
Fire hydrant service fees	195,000	224,038
Special fire protection fees	3,000	9,067
911 fees	68,000	97,762
Special services – SRO officers	267,300	257,277
Duplication services	5,000	6,952
Residential sanitation	744,728	752,949
	<u>1,283,028</u>	<u>1,348,045</u>
Grants and Other:		
Miscellaneous	186,000	209,538
Sale of plastic bags	5,182	4,889
Donated revenue – Christmas in Cayce	—	2,390
Donated revenue – Congaree Bluegrass Festival	—	75
Admission and rents	300	1,036
LRADAC/AET agreements	33,000	44,083
Recycling revenue	3,000	2,528
Grant revenue:		
FEMA Riverwalk grant (allowance)	—	(330,459)
SCMIT grant	10,000	6,044
State grant revenue	156,000	24,630
Department of Justice grant	87,000	90,667
Department of Public Safety Traffic and DUI grants	120,000	120,683
Other federal grants	—	9,683
Utility Fund fees	179,313	179,313
	<u>779,795</u>	<u>365,100</u>
Interest income	2,000	4,657
<b>Total revenue</b>	<u><b>11,280,673</b></u>	<u><b>11,079,761</b></u>
<b>Other Financing Sources</b>		
Installment purchase contract	283,556	283,556
Proceeds from sale of assets	45,000	40,145
Transfers in:		
Accommodations tax – General Fund portion	60,000	50,468
Hospitality tax – General Fund portion	817,073	817,073
Total other financing sources	<u>1,205,629</u>	<u>1,191,242</u>
<b>Total revenue and other financing sources</b>	<u><b>\$ 12,486,302</b></u>	<u><b>\$ 12,271,003</b></u>

CITY OF CAYCE, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>
<b>Departments</b>		
Legislative:		
Salaries and wages	\$ 79,500	\$ 79,500
Retirement, insurance and other benefits	21,077	27,894
Printing and office supplies	865	692
Postage	300	276
Memberships and dues	2,882	390
Travel	14,050	4,777
Telephone	2,000	1,149
Advertising	1,435	2,495
Employee training	3,740	2,310
Awards	6,035	1,407
City election expense	2,000	2,269
City events/special meetings	1,500	1,214
Other	1,000	1,854
Total legislative	<u>136,384</u>	<u>126,227</u>
Less, overhead allocation – Utility Fund	<u>(59,425)</u>	<u>(59,425)</u>
Net legislative	<u>76,959</u>	<u>66,802</u>
Administrative:		
Salaries and wages	494,315	535,439
Retirement, insurance and other benefits	150,696	171,346
Printing and office supplies	6,000	9,397
Postage	1,000	920
Publications	400	11
Memberships and dues	2,177	4,201
Travel	13,860	9,207
Automotive operating	1,100	10,370
Telephone	6,000	7,388
Safety supplies	2,197	517
Advertising expense	1,000	1,160
Insurance – vehicles	3,000	2,130
Insurance – general	4,000	2,842
Employee training	5,734	4,426
Professional services – human resources	3,300	3,240
Service contracts	1,000	—
Other	7,800	5,627
Total administrative	<u>705,329</u>	<u>770,438</u>
Less, overhead allocation – Utility Fund	<u>(572,026)</u>	<u>(572,026)</u>
Net administrative	<u>133,303</u>	<u>198,412</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND  
 SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
<b>Departments (Continued)</b>		
Recorder's Court:		
Salaries and wages	137,239	126,170
Overtime	1,200	13
Retirement, insurance and other benefits	43,422	37,708
Juror fees	1,500	90
Printing and office supplies	4,500	4,229
Postage	7,500	6,900
Memberships and dues	635	230
Travel	4,129	2,832
Employee training	2,225	1,040
Telephone	5,061	1,372
Insurance – general	1,700	1,373
Special contracts	10,000	10,158
Special department supplies	2,700	1,833
Total recorder's court	<u>221,811</u>	<u>193,948</u>
Legal:		
Printing and office supplies	75	1
Postage	500	460
Professional services	65,000	80,725
Professional services – Prosecutor fees	10,000	16,274
Professional services – Public Defender fees	10,000	—
Codification of City code	2,500	2,344
Total legal	<u>88,075</u>	<u>99,804</u>
Less, overhead allocation – Utility Fund	<u>(34,675)</u>	<u>(34,675)</u>
Net legal	<u>53,400</u>	<u>65,129</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND  
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
<b>Departments (Continued)</b>		
Information Technology (IT):		
Salaries and wages	86,515	65,695
Retirement, insurance and other benefits	28,661	21,418
Printing and office supplies	1,500	981
Postage	140	129
Publications	100	60
Memberships and dues	1,025	740
Travel	3,465	574
Automotive operating	950	115
Telephone	1,548	1,568
Service contracts	26,014	25,364
Equipment repairs	1,500	1,479
Software and licenses	32,980	32,410
Employee training	2,500	1,895
Insurance – general	—	462
Website maintenance	4,331	4,550
Professional services	14,000	13,905
Machines and equipment – capital outlay	19,093	19,093
Machinery and equipment – non-capital	15,345	14,708
Other	1,500	1,065
Total IT	<u>241,167</u>	<u>206,211</u>
Less, overhead allocation – Utility Fund	(124,128)	(124,128)
Less, capital outlay	(19,093)	(19,093)
Net IT	<u>97,946</u>	<u>62,990</u>
Finance and Accounting:		
Salaries and wages	195,030	189,501
Retirement, insurance and other benefits	68,691	71,116
Printing and office supplies	5,000	1,996
Postage	800	736
Memberships and dues	825	485
Travel	800	30
Telephone	2,100	1,372
Service contracts	11,250	9,268
Insurance – general	2,500	1,384
Employee training	1,050	150
Professional services	26,000	26,000
Total finance and accounting	<u>314,046</u>	<u>302,038</u>
Less, overhead allocation – Utility Fund	(254,297)	(254,297)
Net finance and accounting	<u>59,749</u>	<u>47,741</u>
Tax Collector:		
Printing and office supplies	50	—
Postage	60	55
Professional services	22,000	21,926
Total tax collector	<u>22,110</u>	<u>21,981</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND  
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
<b>Departments (Continued)</b>		
Public Safety – administrative:		
Salaries and wages	441,623	443,936
Retirement, insurance and other benefits	167,960	183,836
Printing and office supplies	10,000	11,830
Postage	3,000	3,318
Memberships and dues	2,200	2,097
Travel	7,800	5,718
Automotive operating	6,000	5,876
Electric and gas	41,000	34,507
Telephone	70,000	57,263
Maintenance and service contracts	19,150	15,367
Building repairs	15,000	21,595
Uniforms	5,000	3,775
Janitorial supplies	600	455
Medical supplies and physician expense	6,000	2,233
Advertising	2,000	1,285
Insurance – vehicles	3,600	1,209
Insurance – general	—	5,274
Employee training	5,000	2,866
Community relations	7,500	7,482
Special contracts	5,125	3,609
Explorer Scouts	2,000	2,314
Critical incident management	6,951	—
Machinery and equipment – non-capital	14,500	7,180
Total public safety – administrative	<u>842,009</u>	<u>823,025</u>
Less, overhead allocation – Utility Fund	<u>(58,268)</u>	<u>(58,268)</u>
Net public safety – administrative	<u>783,741</u>	<u>764,757</u>
Public Safety – police/detectives:		
Salaries and wages	451,530	402,385
Overtime	20,000	24,956
Retirement, insurance and other benefits	198,136	200,793
Memberships and dues	3,600	1,346
Travel	7,500	6,069
Automotive operating	25,000	14,966
Maintenance and service contracts	22,000	10,549
Machinery and equipment repairs	700	885
Radio supplies	600	197
Uniforms and clothing	8,100	8,974
Insurance – vehicles	9,000	7,540
Insurance – general	6,138	7,821
Employee training	5,500	4,303
Specialized department supplies	2,500	4,228
Machinery and equipment – non-capital	10,000	6,006
Total public safety – police/detectives	<u>770,304</u>	<u>701,018</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND  
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
<b>Departments (Continued)</b>		
Public Safety – police/traffic:		
Salaries and wages	1,789,106	1,789,019
Overtime	137,000	176,771
Special duty wages	—	544
Retirement, insurance and other benefits	933,424	933,874
Memberships and dues	2,500	1,890
Travel	2,000	2,242
SCMIT/DOJ vest grant expense	10,000	9,847
Automotive operating	150,000	156,330
Pager expense	—	233
Maintenance and service contracts	42,000	59,708
Machinery and equipment repairs	7,000	7,031
Building repairs – dog pound	—	1,078
SLED equipment	2,185	672
Small hand tools	500	191
Radio supplies	800	510
Safety supplies	3,000	1,335
Uniforms and clothing	31,300	31,265
Jail detention	1,200	1,065
Insurance – vehicles	32,500	32,470
Insurance – general	—	40,062
Employee training	17,364	16,850
Professional services – HR	1,800	—
Victim’s assistance	79,282	79,196
Department of Juvenile Justice fees	5,000	3,040
Specialized department supplies	19,950	19,876
Machinery and equipment – non-capital	83,719	83,636
Machinery and equipment – capital outlay	399,608	399,608
Total public safety – police/traffic	<u>3,751,238</u>	<u>3,848,343</u>
Less, overhead allocation – Utility Fund	(36,191)	(36,191)
Net public safety – police/traffic	<u>3,315,439</u>	<u>3,412,544</u>

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

— CONTINUED —

<b>Departments (Continued)</b>	<u>Final Budget</u>	<u>Actual</u>
Public Safety – fire:		
Salaries and wages	833,170	753,390
Overtime	35,000	36,977
Special duty wages	—	680
Fire department overtime – responses	40,000	25,213
Retirement, insurance and other benefits	376,993	388,066
Memberships and dues	1,500	510
Travel	6,000	4,640
Automotive operating	43,000	53,727
Maintenance and service contracts	11,000	10,215
Machinery and equipment repairs	5,000	4,553
Building repairs	6,000	2,935
Small hand tools	2,000	1,472
Radio supplies	1,000	901
Safety supplies	3,500	2,104
Uniforms and clothing	23,000	13,843
Janitorial supplies	800	379
Medical supplies and physician expense	11,800	592
Air pack and fire extinguisher	6,400	2,942
Insurance – vehicles	10,000	8,174
Insurance – general	—	16,494
Employee training	11,000	9,109
Specialized department supplies	5,000	4,582
Machinery and equipment – non-capital	4,000	8,794
Machinery and equipment – capital outlay	17,566	17,566
Total public safety –fire	<u>1,453,729</u>	<u>1,367,858</u>
Less, overhead allocation – Utility Fund	(7,412)	(7,412)
Less, capital outlay	(17,566)	(17,566)
Net public safety – fire	<u>1,428,751</u>	<u>1,342,880</u>



CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND  
 SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
<b>Departments (Continued)</b>		
Public Safety – animal services:		
Salaries and wages	38,346	37,668
Overtime	1,250	298
Retirement, insurance and other benefits	15,129	15,430
Printing and office supplies	150	64
Memberships and dues	3,750	195
Travel	250	—
Automotive operating	4,500	2,991
Electric and gas	4,500	4,903
Maintenance and service contracts	4,300	2,419
Machinery and equipment repairs	3,500	2,920
Building repairs – dog pound	500	—
Radio supplies	100	—
Uniforms and clothing	1,800	878
Janitorial supplies	150	127
Insurance – vehicles	1,200	892
Insurance – general	—	1,256
Employee training	250	163
Specialized department supplies	6,700	6,744
Animal control supplies	300	272
Machinery and equipment – non-capital	8,130	4,948
Total public safety – animal services	<u>94,805</u>	<u>82,168</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
<b>Departments (Continued)</b>		
Public Safety – parks:		
Salaries and wages	156,900	152,642
Overtime	8,000	15,360
Retirement, insurance and other benefits	76,106	84,310
Printing and office supplies	50	—
Travel	250	—
Memberships and dues	250	205
Automotive operating	4,000	6,810
Maintenance and service contracts	1,500	—
Machinery and equipment repairs	5,000	1,155
Building repairs	500	—
Radio supplies	250	—
Uniforms and clothing	3,500	2,942
Janitorial supplies	100	—
Medical supplies and physician expense	—	80
Insurance – vehicles	1,500	1,843
Insurance – general	—	3,357
Employee training	500	350
Specialized department supplies	1,000	615
Total public safety – parks	<u>259,406</u>	<u>269,669</u>
Less, capital outlay	—	—
Net public safety – parks	<u>259,406</u>	<u>269,669</u>
Public Safety – dispatch:		
Salaries and wages	234,213	221,450
Overtime	18,000	26,151
Retirement, insurance and other benefits	102,115	98,353
Printing office supplies	2,600	311
Memberships and dues	700	226
Telephone	31,000	26,045
Maintenance and service contracts	25,000	5,145
Machinery and equipment repairs	2,500	1,150
Radio supplies	2,500	544
Uniforms and clothing	4,000	1,196
Insurance – general	—	5,118
Employee training	3,500	1,971
Specialized department supplies	1,800	832
Machinery and equipment – capital outlay	438,700	438,700
Total public safety – dispatch	<u>866,628</u>	<u>827,192</u>
Less, capital outlay	<u>(438,700)</u>	<u>(438,700)</u>
Net public safety – dispatch	<u>427,928</u>	<u>388,492</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND  
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

Departments (Continued)	<u>Final Budget</u>	<u>Actual</u>
Street Lighting:		
Electricity	320,000	346,319
Total street lighting	<u>320,000</u>	<u>346,319</u>
Sanitation:		
Salaries and wages	598,754	590,251
Overtime	550	1,123
Retirement, insurance and other benefits	320,504	299,335
Printing and office supplies	500	170
Postage	750	690
Memberships and dues	485	485
Travel expense	1,191	1,376
Automotive operating	109,000	108,490
Telephone	6,422	4,909
Maintenance and service contracts	1,800	434
Equipment repairs	5,000	4,674
Building repairs	2,000	1,660
Waste disposal and tipping fees	26,000	24,904
Small hand tools	7,286	3,784
Safety supplies	6,000	4,097
Uniforms and clothing	12,000	12,638
Cleaning and sanitation supplies	550	218
Medical supplies and physician expense	1,100	855
Insurance – vehicles	10,500	7,857
Insurance – general	10,542	7,714
Employee training	285	285
Contract labor	500	—
Special supply – garbage bags	4,500	3,258
Special supply – recycle bins and leaf bags	3,000	2,753
Machinery and equipment – non-capital	—	—
Machinery and equipment – capital outlay	41,088	41,088
Total sanitation	<u>1,170,307</u>	<u>1,123,048</u>
Less, capital outlay	<u>(41,088)</u>	<u>(41,088)</u>
Net sanitation	<u>1,129,219</u>	<u>1,081,960</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND  
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
<b>Departments (Continued)</b>		
Public Buildings:		
Salaries and wages	35,505	33,972
Overtime	1,000	—
Retirement, insurance and other benefits	17,475	17,339
Electric and gas	25,000	20,763
Telephone	500	470
Maintenance and service contracts	11,860	1,566
Equipment repairs	2,000	2,413
Building repairs	4,000	3,018
Paint supplies	300	24
Electric/light supplies	500	694
Uniforms	300	66
Janitorial supplies	4,000	5,260
Vehicle related	500	625
Insurance – vehicle	1,200	1,209
Insurance – general	1,000	962
Machinery and equipment – non-capital	1,400	—
Other	100	158
Total public buildings	<u>106,640</u>	<u>88,539</u>
Less, overhead allocation – Utility Fund	<u>(206,215)</u>	<u>(206,215)</u>
Net public buildings	<u>(99,575)</u>	<u>(117,676)</u>
 Community Relations:		
Central Midlands Council of Governments	9,400	12,098
Central Midlands Regional Transportation Association	25,080	30,893
Municipal Association of SC	5,500	5,402
Lexington County Municipal Association	500	130
River Alliance	10,000	10,000
Professional services	30,000	30,000
Citizen's Drop-in	5,300	4,523
Employee/family Christmas party	4,000	4,193
Community programs	6,500	6,939
City newsletter	16,650	11,258
Christmas in Cayce festival	30,480	30,480
Congaree Bluegrass festival	116	116
Total community relations	<u>143,526</u>	<u>146,032</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND  
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
<b>Departments (Continued)</b>		
Planning and Development:		
Salaries and wages	436,865	405,126
Retirement, insurance and other benefits	161,251	152,130
Printing and office supplies	6,700	6,357
Postage	3,100	2,852
Memberships and dues	2,441	2,368
Travel	6,693	4,328
Automotive operating	6,000	7,140
Telephone	13,480	7,606
Maintenance and service contracts	—	3,780
Small hand tools	1,200	572
Uniforms	700	375
Advertising	1,000	544
Insurance – vehicles	2,400	1,813
Insurance – general	3,000	2,619
Employee training	11,268	5,177
NPDES phase II project	41,000	31,088
Professional services – other	50,000	136,640
Sign fees	—	5,357
Special contract – copier	2,600	1,711
Special department supplies	5,620	2,596
Façade grant program	—	11,369
Stormwater study	49,350	49,350
Knox Abbott road streetscape	318,455	318,455
Total planning and development	<u>1,123,123</u>	<u>1,159,353</u>
Less, capital outlay	<u>(367,805)</u>	<u>(367,805)</u>
Net planning and development	<u>755,318</u>	<u>791,548</u>
Museum:		
Salaries and wages	109,001	80,295
Retirement, insurance and other benefits	31,748	20,970
Printing and office supplies	800	809
Postage	200	184
Memberships and dues	200	133
Travel	1,000	363
Automotive operating	—	28
Electric and gas	6,500	4,888
Telephone	5,000	5,312
Service contracts	1,200	1,090
Equipment repairs	1,000	437
Building repairs	20,000	11,650
Insurance – general	—	1,735
Professional services – human resources	—	74
Specialized department supplies	3,000	1,549
Total museum	<u>179,649</u>	<u>129,517</u>
Less, capital outlay	—	—
Net museum	<u>179,649</u>	<u>129,517</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND  
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

Departments (Continued)	<u>Final Budget</u>	<u>Actual</u>
Parks:		
Salaries and wages	399,669	385,145
Overtime	1,500	1,027
Retirement, insurance and other benefits	185,962	178,398
Memberships and dues	625	487
Printing and office supplies	600	366
Postage	140	129
Telephone	12,613	9,040
Travel	1,100	1,126
Automotive operating	26,000	27,367
Electric and gas	23,000	17,446
Service contracts	2,000	3,143
Advertising	500	421
Machinery and equipment repairs	12,000	14,838
Building repairs	4,000	3,973
Small hand tools	3,000	2,942
Signs and sign supplies	1,000	964
Safety supplies	6,000	4,217
Uniforms and clothing	7,000	8,690
Cleaning supplies	3,000	2,950
Chemicals	1,500	1,171
Medical supplies and physician expense	850	302
Insurance – vehicles	11,500	10,275
Insurance – general	9,900	8,893
Employee training	1,680	1,642
Specialized department supplies	6,500	6,460
Park expansion	6,000	5,900
Machinery and equipment – non-capital	5,500	5,775
Total parks	<u>733,139</u>	<u>703,087</u>
Less, capital outlay	—	—
Net parks	<u>733,139</u>	<u>703,087</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND  
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
<b>Departments (Continued)</b>		
Garage:		
Salaries and wages	204,015	203,020
Retirement, insurance and other benefits	90,050	89,504
Printing and office supplies	200	149
Travel	750	50
Automotive operating	5,500	5,074
Electric and gas	6,000	6,347
Telephone	3,487	2,459
Maintenance and service contracts	4,000	3,710
Machinery and equipment repairs	8,000	8,245
Building repairs	10,000	10,300
Small hand tools	11,500	11,645
Electrical supplies	100	—
Safety supplies	—	25
Uniforms and clothing	2,700	3,049
Insurance – vehicles	2,000	1,209
Insurance – general	6,000	2,757
Employee training	1,000	—
Specialized department supplies	7,500	7,147
Machinery and equipment – capital outlay	52,000	52,000
Total garage	<u>414,802</u>	<u>406,690</u>
Less, overhead allocation-- Utility Fund	(114,445)	(114,445)
Less, capital outlay	<u>(52,000)</u>	<u>(52,000)</u>
Net garage	<u>248,357</u>	<u>240,245</u>

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

	<b>Final Budget</b>	<b>Actual</b>
<b>Departments (Continued)</b>		
Non-departmental and Support Services:		
Retiree insurance expense	94,964	55,981
Capital outlay – equipment	233,556	233,556
Total non-departmental and support services	328,520	289,537
Less, overhead allocation – Utility Fund	(60,068)	(60,068)
Less, capital outlay	(233,556)	(233,556)
Net non-departmental and support services	34,896	(4,087)
<b>Debt Service:</b>		
Note and lease payments	222,692	239,199
Interest and fiscal agent charges	7,550	9,818
Total debt service	230,242	249,017
Less, overhead allocation – Utility Fund	(93,537)	(93,537)
Net debt services	136,705	155,480
<b>Capital Outlay</b>	1,569,416	1,569,416
<b>Total expenditures</b>	<b>\$ 12,896,302</b>	<b>\$ 12,660,372</b>



CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2019

(With comparative total figures at June 30, 2018)

	Accom- modations Tax	Hospitality Tax	ABC Permit Fund	Law Enforcement Grant Fund	Museum Fund	Totals	
						2019	2018
<b>Assets</b>							
Cash and cash equivalents:							
Unrestricted	\$ —	\$ —	\$ —	\$ —	\$ 83,801	\$ 83,801	\$ 83,801
Restricted	80,123	665,446	96,429	17,885	—	859,883	709,879
Hospitality taxes receivable	—	—	—	—	—	—	93,610
Other receivables	4,466	—	—	—	—	4,466	1,275
Due from other funds	—	72	—	—	—	72	2,206
<b>Total assets</b>	<b>\$ 84,589</b>	<b>\$ 665,518</b>	<b>\$ 96,429</b>	<b>\$ 17,885</b>	<b>\$ 83,801</b>	<b>\$ 948,222</b>	<b>\$ 890,771</b>
<b>Liabilities and Fund Balances</b>							
Liabilities:							
Accounts payable	\$ —	\$ —	\$ 1,733	\$ —	\$ —	\$ 1,733	\$ —
Construction contracts payable	—	—	—	—	—	—	5,536
Due to other funds	72	1,539	—	—	—	1,611	32,371
<b>Total liabilities</b>	<b>72</b>	<b>1,539</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,344</b>	<b>37,907</b>
Fund balance:							
Restricted for:							
Tourism and community development	84,517	663,979	—	—	—	748,496	696,435
ABC permit activities	—	—	94,696	—	—	94,696	54,743
Law enforcement	—	—	—	17,885	—	17,885	17,885
<b>Total restricted</b>	<b>84,517</b>	<b>663,979</b>	<b>94,696</b>	<b>17,885</b>	<b>—</b>	<b>861,077</b>	<b>769,063</b>
Assigned for:							
Museum improvement	—	—	—	—	83,801	83,801	83,801
<b>Total fund balances</b>	<b>84,517</b>	<b>663,979</b>	<b>94,696</b>	<b>17,885</b>	<b>83,801</b>	<b>944,878</b>	<b>852,864</b>
<b>Total liabilities and fund balances</b>	<b>\$ 84,589</b>	<b>\$ 665,518</b>	<b>\$ 96,429</b>	<b>\$ 17,885</b>	<b>\$ 83,801</b>	<b>\$ 948,222</b>	<b>\$ 890,771</b>

CITY OF CAYCE, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2019  
(With comparative total figures year ended June 30, 2018)

	Accom- modations Tax	Hospitality Tax	ABC Permit Fund	Law Enforcement Grant Fund	Museum Fund	Totals	
						2019	2018
<b>Revenue</b>							
Accommodations and hospitality taxes	\$ 153,535	\$ 1,118,569	\$ —	\$ —	\$ —	\$1,272,104	\$1,251,922
Federal and state grants	—	—	27,000	—	—	27,000	1,217
State shared revenue	—	—	19,050	—	—	19,050	13,725
Other	—	4,515	—	—	—	4,515	7,400
Total revenue	<u>153,535</u>	<u>1,123,084</u>	<u>46,050</u>	<u>—</u>	<u>—</u>	<u>1,322,669</u>	<u>1,274,264</u>
<b>Expenditures</b>							
Planning and community development:							
Tourism related	57,227	299,790	6,097	—	—	363,114	354,476
Less, capital outlay	—	—	—	—	—	—	(89,405)
Net tourism related	<u>57,227</u>	<u>299,790</u>	<u>6,097</u>	<u>—</u>	<u>—</u>	<u>363,114</u>	<u>265,071</u>
Housing	—	—	—	—	—	—	36
Capital outlay	—	—	—	—	—	—	89,405
Total expenditures	<u>57,227</u>	<u>299,790</u>	<u>6,097</u>	<u>—</u>	<u>—</u>	<u>363,114</u>	<u>354,512</u>
Excess (deficiency) of revenue over expenditures	96,308	823,294	39,953	—	—	959,555	919,752
<b>Other Financing Sources (Uses)</b>							
Transfers in	11,500	5,000	—	—	—	16,500	—
Transfers (out)	(52,968)	(831,073)	—	—	—	(884,041)	(911,911)
<b>Net change in fund balances</b>	<b>54,840</b>	<b>(2,779)</b>	<b>39,953</b>	<b>—</b>	<b>—</b>	<b>92,014</b>	<b>7,841</b>
Fund balances, beginning of year	29,677	670,304	54,743	17,885	83,801	852,864	845,023
Fund balances, end of year	<u>\$ 84,517</u>	<u>\$ 663,979</u>	<u>\$ 94,696</u>	<u>\$ 17,885</u>	<u>\$ 83,801</u>	<u>\$ 944,878</u>	<u>\$ 852,864</u>

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND  
BALANCE SHEET

JUNE 30, 2019

(With comparative amounts for June 30, 2018)

	<u>Current Year</u>	<u>Prior Year</u>
<b>Assets</b>		
Restricted cash and cash equivalents	\$ 1,378,708	\$ 1,025,188
Property taxes receivable	—	—
Bond deposits	47,530	47,422
Due from other funds	—	2,426
Total assets	<u>\$ 1,426,238</u>	<u>\$ 1,075,036</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ —	\$ 125,726
Fund balance:		
Restricted for debt service	<u>1,426,238</u>	<u>949,310</u>
Total fund balance	<u>1,426,238</u>	<u>949,310</u>
Total liabilities and fund balance	<u>\$ 1,426,238</u>	<u>\$ 1,075,036</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2019  
(With comparative figures year ended June 30, 2018)

	<u>Current Year</u>	<u>Prior Year</u>
<b>Revenue</b>		
Current property taxes	\$ 979,111	\$ 929,607
State shared revenue	65,279	4,202
Interest on investments	1,601	748
Total revenue	<u>1,045,991</u>	<u>934,557</u>
<b>Expenditures</b>		
Debt Service:		
Principal	290,000	285,000
Interest and fiscal charges	279,063	250,862
Total expenditures	<u>569,063</u>	<u>535,862</u>
Excess (deficiency) of revenue over expenditures	476,928	389,695
<b>Other Financing Sources (Uses)</b>		
Transfer (out) to Capital Projects Fund	<u>—</u>	<u>—</u>
<b>Net change in fund balance</b>	<b>476,928</b>	<b>398,695</b>
Fund balance, beginning of year	<u>949,310</u>	<u>550,615</u>
Fund balance, end of year	<u>\$ 1,426,238</u>	<u>\$ 949,310</u>



CITY OF CAYCE, SOUTH CAROLINA

**CAPITAL PROJECTS FUND**

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND  
BALANCE SHEET

JUNE 30, 2019

(With comparative figures at June 30, 2018)

	<u>Current Year</u>	<u>Prior Year</u>
<b>Assets</b>		
Cash and cash equivalents – restricted	\$ 2,050,326	\$ 7,841,434
Due from other funds	—	—
Total assets	<u>\$ 2,050,326</u>	<u>\$ 7,841,434</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ —	\$ —
Construction and retainage payable	1,386	772,868
Total liabilities	<u>1,386</u>	<u>772,868</u>
Fund balance:		
Restricted for redevelopment plan	2,048,940	7,068,566
Total liabilities and fund balance	<u>\$ 2,050,326</u>	<u>\$ 7,841,434</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2019  
(With comparative figures year ended June 30, 2018)

	<u>Current Year</u>	<u>Prior Year</u>
<b>Revenue</b>		
State grants	\$ 65,730	\$ 105,355
Other	—	—
Interest income	19,038	—
Total revenue	<u>84,768</u>	<u>105,355</u>
<b>Expenditures</b>		
Capital outlay:		
Park	—	205,227
Planning and community development	5,100,548	1,103,792
Infrastructure	—	298,283
Other:		
Park	2,346	—
Infrastructure	1,500	2,299
Debt issue costs	—	310,868
Total expenditures	<u>5,104,394</u>	<u>1,920,469</u>
Excess (deficiency) of revenue over expenditures	<u>(5,019,626)</u>	<u>(1,815,114)</u>
<b>Other Financing Sources (Uses)</b>		
Proceeds from TIF bond issue	—	8,436,275
Total other financing sources (uses)	<u>—</u>	<u>8,436,275</u>
<b>Net change in fund balance</b>	<b>(5,019,626)</b>	<b>6,621,161</b>
Fund balance, beginning of year	<u>7,068,566</u>	<u>447,405</u>
Fund balance, end of year	<u>\$ 2,048,940</u>	<u>\$ 7,068,566</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, 2019  
(With comparative figures at June 30, 2018)

	<u>Current Year</u>	<u>Prior Year</u>		<u>Current Year</u>	<u>Prior Year</u>
<b>Assets and Deferred Outflows</b>			<b>Liabilities, Deferred Inflows and Net Position</b>		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 3,664,553	\$ 2,867,166	Accounts payable	\$ 190,240	\$ 340,038
Receivables:			Accrued salaries and wages	153,485	165,447
Water and sewer accounts (net of allowance for doubtful accounts, \$35,000 in 2019 and 2018)	2,419,062	2,496,485	Accrued compensated absences – current portion	83,333	76,109
Other accounts	51,072	169,051	Installment purchase contract payable – current portion	337,470	452,872
Note receivable – current portion	26,197	26,566	Construction contracts payable	68,268	5,677
Prepaid expense	44,906	13,716	Accrued interest payable	2,348	464
Inventories	225,939	207,751	Other liabilities	1,493	1,588
Total current assets	<u>6,431,729</u>	<u>5,780,735</u>	Due to other funds (internal balances)	56,510	79,880
			Customer deposits and prepayments	66,108	41,995
Current restricted assets:				<u>959,255</u>	<u>1,164,070</u>
Cash and cash equivalents:			Current liabilities payable from restricted assets:		
Employee benefit accounts	—	9,890	Accrued interest payable	315,193	405,742
Cayce wastewater facilities replacement & renewal fund	1,083,469	1,083,469	Contract liability – Springdale	—	—
Bond and interest redemption	1,501,279	1,637,685	SRF and bonds payable – current portion	3,242,855	3,363,490
Project and construction funds	8,031,886	14,244,768	Construction contracts and retainages payable	785,864	2,728,753
Total current restricted assets	<u>10,616,634</u>	<u>16,975,812</u>	Total current liabilities payable from restricted assets	<u>4,343,912</u>	<u>6,497,985</u>
Capital assets:			Total current liabilities	<u>5,303,167</u>	<u>7,662,035</u>
Land and rights-of-way	330,568	330,568	Long-term liabilities:		
Equipment	8,206,017	7,857,145	Accrued compensated absences	87,548	71,510
Utility plants in service	163,265,739	159,921,385	Unearned revenue – future capacity charges	3,190	3,190
Construction in process	29,351,596	25,228,536	Unearned revenue – contract obligation credit	1,127,508	1,401,672
	<u>201,153,920</u>	<u>193,337,634</u>	Installment purchase contract payable	540,547	878,079
Less, accumulated depreciation	(53,192,569)	(48,328,958)	SRF loans payable	48,476,544	50,954,399
Net capital assets	<u>147,961,351</u>	<u>145,008,676</u>	Revenue bonds payable (+/- bonds premium/discount net of amortization)	9,057,654	9,837,145
Other assets:			Total other post-employment benefits (OPEB) liability	571,524	560,650
Note receivable	49,506	78,082	Net pensions liability	6,699,352	6,739,829
Cost of purchased water/sewer rights	563,864	563,864	Total long-term liabilities	<u>66,563,867</u>	<u>70,446,474</u>
Less, accumulated amortization	(183,255)	(169,159)	Total liabilities	<u>71,867,034</u>	<u>78,108,529</u>
Net other assets	<u>380,609</u>	<u>472,787</u>	Deferred inflows of resources:		
Total assets	<u>165,439,829</u>	<u>168,238,010</u>	Deferred pension related inflows	283,272	380,124
Deferred outflows of resources:			Total deferred inflows of resources	<u>283,272</u>	<u>380,124</u>
Deferred outflows related to OPEB	128,869	152,131	Net position:		
Deferred outflows related to pension	1,304,747	1,755,521	Net investment in capital assets	87,473,689	84,289,609
Losses on bond refundings	1,266,428	1,266,428	Restricted for debt and capital projects	8,820,448	9,058,832
Less, accumulated amortization	(700,293)	(594,706)	Restricted for pension and employee benefits	501,729	442,596
Total deferred outflows of resources	<u>1,999,751</u>	<u>2,579,374</u>	Unrestricted (deficit)	(1,506,592)	(1,462,306)
Total assets and deferred outflows	<u>\$ 167,439,580</u>	<u>\$ 170,817,384</u>	Total net position	<u>95,289,274</u>	<u>92,328,731</u>
			Total liabilities, deferred inflows and net position	<u>\$ 167,439,580</u>	<u>\$ 170,817,384</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, 2019  
(With comparative figures year ended June 30, 2018)

	Current Year	Prior Year
<b>Operating Revenue (pledged as security for loans and revenue bonds)</b>		
Water:		
Sales	\$ 5,630,878	\$ 5,354,532
Connection fees	105,370	117,961
Sewer:		
Service charges	11,468,057	10,398,261
Connection fees	3,750	—
Septage/grease services:		
Sales and permits	754,003	1,112,055
Pretreatment set-up fees	93,875	99,805
Reconnection fees	30,890	39,005
Penalties	179,711	160,246
Miscellaneous income	175,525	149,966
Total operating revenue	18,442,059	17,431,831
<b>Operating Expenses</b>		
Administrative	697,255	643,649
Utility billing	799,786	805,541
Water treatment plant	1,596,206	1,691,511
Water distribution and maintenance	1,402,646	1,418,235
Wastewater treatment plant	3,054,456	3,313,995
Sewer collection and outfall lines	1,612,901	1,606,901
Septage and grease receiving station	893,187	600,684
Non-departmental and support services	1,800,000	1,800,000
Depreciation and amortization expense	4,895,008	4,655,988
Total operating expenses	16,751,445	16,536,504
Operating income	1,690,614	895,327
<b>Non-Operating Revenue (Expenses)</b>		
Interest income	30,910	16,528
Gains (losses) from sale, disposal of capital assets	1,182	5,399
Interest expense	(1,349,059)	(1,103,300)
Amortization of bond refinancing losses	(105,587)	(105,178)
Fiscal agent fees	(9,194)	(8,966)
Total non-operating revenue (expenses)	(1,431,748)	(1,195,517)
Income (loss) before contributions	258,866	(300,190)
<b>Capital Contributions</b>		
Capacity charges and other capital contributions	2,701,677	2,888,039
<b>Change in net position</b>	<b>2,960,543</b>	<b>2,587,849</b>
Net position, beginning of year	92,328,731	89,740,882
Net position, end of year	<b>\$ 95,289,274</b>	<b>\$ 92,328,731</b>



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

YEAR ENDED JUNE 30, 2019  
(With comparative actual figures year ended June 30, 2018)

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
<b>Departments</b>				
<u>Administrative:</u>				
Salaries and wages	\$ 344,796	\$ 334,325	\$ 10,471	\$ 301,193
Overtime	908	—	908	93
Retirement, insurance and other benefits	136,107	153,351	(17,244)	145,215
Other post-employment benefits (OPEB)	—	7,483	(7,483)	3,651
Printing and office supplies	9,900	7,338	2,562	7,771
Postage	7,000	6,440	560	6,850
Memberships and dues	760	313	447	422
Travel	6,060	4,242	1,818	4,091
Automotive operating expenses	9,000	5,324	3,676	6,874
Telephone	7,000	5,012	1,988	5,313
Maintenance and service contracts	17,700	17,952	(252)	22,901
Machinery and equipment repairs	900	—	900	21
Hand tools and supplies	1,500	49	1,451	952
Safety supplies	4,250	3,399	851	3,208
Uniforms and clothing	650	347	303	331
Doctor and medical expenses	4,000	2,738	1,262	3,133
Advertising	500	—	500	—
Insurance – vehicle	2,600	2,418	182	2,350
Insurance – general	5,200	1,991	3,209	2,158
Employee training – continuing education	3,290	1,281	2,009	3,014
Professional services	43,000	43,000	—	34,438
Professional services – legal	35,000	16,614	18,386	8,851
Professional services – engineering	15,000	10,811	4,189	8,988
Professional services – consultant fees	53,000	67,606	(14,606)	67,900
Special contracts – CSX	500	100	400	—
Special contracts – copier	2,675	1,806	869	1,737
Machines and equipment – non-capital	5,000	3,315	1,685	2,194
	<u>716,296</u>	<u>697,255</u>	<u>19,041</u>	<u>643,649</u>

— CONTINUED —

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

— CONTINUED —

	Current Year		Variance Positive (Negative)	Prior Year Actual
	Budget	Actual		
<b>Departments</b>				
<u>Utility Billing:</u>				
Salaries and wages	369,060	344,517	24,543	344,253
Overtime	30,218	27,555	2,663	29,046
Retirement, insurance and other benefits	172,557	182,593	(10,036)	219,044
Other post-employment benefits (OPEB)	—	7,711	(7,711)	8,216
Printing and office supplies	6,400	6,588	(188)	5,713
Postage	58,000	46,500	11,500	46,500
Memberships and dues	2,115	335	1,780	905
Travel	2,500	664	1,836	1,179
Automotive operating expenses	14,000	12,624	1,376	15,333
Telephone	10,000	8,202	1,798	7,874
Maintenance and service contracts	21,500	25,663	(4,163)	14,295
Equipment repairs	1,000	9	991	79
Machinery and equipment – capital	110,000	—	110,000	—
Hand tools and supplies	3,000	1,155	1,845	880
Safety supplies	1,750	1,012	738	794
Uniforms and clothing	3,500	2,904	596	2,764
Insurance – vehicle	3,750	3,626	124	2,938
Insurance – general	5,250	3,695	1,555	4,287
Employee training – continuing education	4,230	1,847	2,383	3,419
Special contracts – collection expense	98,000	116,996	(18,996)	95,693
Machines and equipment – non-capital	3,000	5,590	(2,590)	2,329
	919,830	799,786	120,044	805,541
<u>Water Treatment Plant:</u>				
Salaries and wages	477,261	445,254	32,007	448,946
Overtime	45,143	50,863	(5,720)	47,128
Retirement, insurance and other benefits	214,938	256,760	(41,822)	286,373
Other post-employment benefits (OPEB)	—	5,863	(5,863)	9,129
Printing and office supplies	850	809	41	866
Postage	350	910	(560)	350
Permit fees	25,000	23,767	1,233	23,757
Memberships and dues	630	630	—	950
Travel	4,800	2,242	2,558	1,493
Automotive operating expense	4,600	4,318	282	4,527
Electric and gas	345,000	260,449	84,551	318,597
Telephone	6,753	6,700	53	7,323
Lubrication supplies	1,050	880	170	1,039
Maintenance and service contracts	244,790	223,200	21,590	194,388
Machinery and equipment repairs	80,000	44,693	35,307	95,690
Building repairs	7,000	6,718	282	2,174
Small hand tools	900	860	40	816

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

— CONTINUED —

	Current Year		Variance Positive (Negative)	Prior Year Actual
	Budget	Actual		
<b>Departments</b>				
<u>Water Treatment Plant (continued):</u>				
Electrical and lighting supplies	625	535	90	594
Safety supplies	2,000	1,982	18	1,988
Uniforms and clothing	2,800	2,771	29	2,601
Cleaning and sanitation supplies	600	483	117	732
Chemicals	196,845	184,635	12,210	161,962
Laboratory supplies	31,500	33,012	(1,512)	28,904
Insurance – vehicle	2,350	2,418	(68)	2,350
Insurance – general	17,300	18,418	(1,118)	17,300
Employee training	2,115	1,260	855	990
Consultant lab tests	12,000	12,488	(488)	14,638
Machines & equipment	493,000	—	493,000	—
Machines & equipment – non-capital	11,918	3,288	8,630	15,906
	<u>2,232,118</u>	<u>1,596,206</u>	<u>635,912</u>	<u>1,691,511</u>
<u>Water Distribution and Maintenance:</u>				
Salaries and wages	578,820	523,119	55,701	521,538
Overtime	75,469	69,504	5,965	71,717
Retirement, insurance and other benefits	282,707	300,050	(17,343)	341,940
Other post-employment benefits (OPEB)	—	15,812	(15,812)	11,867
Printing and office supplies	3,000	507	2,493	1,963
Memberships and dues	2,255	2,472	(217)	2,996
Travel	6,300	3,514	2,786	2,554
Automotive operating expense	40,500	42,877	(2,377)	49,056
Electricity and gas	55,000	38,293	16,707	51,214
Telephone	10,000	8,055	1,945	8,236
Maintenance and service contracts	113,406	94,797	18,609	87,612
Machinery and equipment repairs	25,000	32,251	(7,251)	34,077
Building repairs	1,000	397	603	802
Small hand tools	10,000	9,230	770	15,462
Masonry supplies	7,000	2,082	4,918	1,098
Asphalt supplies	55,000	37,792	17,208	50,938
Radio supplies	250	—	250	—
Safety supplies	7,000	4,554	2,446	6,521
Uniforms and clothing	9,500	13,605	(4,105)	10,127
Chemicals	736	—	736	—
Utility repair supplies and meters	135,000	124,443	10,557	100,866
Insurance – vehicle	11,000	10,879	121	10,577
Insurance – general	13,000	11,190	1,810	11,373
Employee training	9,765	8,638	1,127	7,318
Water distribution equipment meters	25,000	43,910	(18,910)	17,388
Machines & equipment – capital	55,000	—	55,000	—
Machines & equipment – non-capital	—	4,675	(4,675)	995
	<u>1,531,708</u>	<u>1,402,646</u>	<u>129,062</u>	<u>1,418,235</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)	
<b>Departments</b>				
<u>Wastewater Treatment Plant:</u>				
Salaries and wages	683,487	602,080	81,407	576,271
Overtime	40,103	25,763	14,340	29,455
Retirement, insurance and other benefits	298,434	337,051	(38,617)	368,408
Other post-employment benefits (OPEB)	6,615	13,477	(6,862)	11,867
Printing and office supplies	1,000	5,691	(4,691)	1,288
Postage	300	276	24	311
Permit fees – DHEC	3,250	2,950	300	3,045
Memberships and dues	1,823	690	1,133	1,515
Travel	6,894	1,459	5,435	5,928
Automotive operating expense	54,600	54,262	338	50,306
Electric and gas	1,035,000	768,138	266,862	929,309
Telephone	29,500	29,387	113	28,731
Lubrication supplies	3,000	151	2,849	938
Maintenance and service contracts	146,735	126,112	20,623	114,448
Machinery and equipment repairs	260,000	167,024	92,976	320,926
Building repairs	1,000	1,138	(138)	895
Sludge disposal fees	383,120	305,114	78,006	403,379
Small hand tools	4,000	2,212	1,788	4,531
Electrical and lighting supplies	5,000	615	4,385	2,547
Radio supplies	200	—	200	—
Safety supplies	10,000	3,972	6,028	9,924
Uniforms and clothing	9,000	10,490	(1,490)	6,616
Cleaning and sanitation supplies	1,500	4,291	(2,791)	953
Water	598,750	—	598,750	—
Chemicals	252,358	303,690	(51,332)	187,625
Laboratory supplies	46,000	46,379	(379)	49,207
Insurance	9,810	10,592	(782)	9,107
Insurance – general	80,504	86,856	(6,352)	80,504
Employee training	5,875	2,364	3,511	3,245
Professional services – lab	35,000	26,036	8,964	26,102
Professional fees	70,000	105,557	(35,557)	62,966
Machines and equipment – capital	117,000	—	117,000	—
Machines and equipment – non-capital	16,680	10,639	6,041	23,648
	<u>4,216,538</u>	<u>3,054,456</u>	<u>1,162,082</u>	<u>3,313,995</u>

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

— CONTINUED —

	Current Year		Variance Positive (Negative)	Prior Year Actual
	Budget	Actual		
<b>Departments</b>				
<u>Sewer Collection and Outfall Lines:</u>				
Salaries and wages	650,696	610,282	40,414	580,083
Overtime	69,410	74,011	(4,601)	64,795
Retirement, insurance and other benefits	309,342	358,061	(48,719)	384,843
Other post-employment benefits (OPEB)	—	13,661	(13,661)	12,780
Memberships and dues	1,690	1,648	42	1,130
Travel	4,300	5,320	(1,020)	2,666
Automotive operating expense	65,000	83,262	(18,262)	65,087
Electricity and gas	128,000	119,654	8,346	126,591
Telephone	46,000	31,485	14,515	32,491
Lubrication supplies	300	—	300	—
Maintenance and service contracts	16,908	9,238	7,670	10,484
Machinery and equipment repairs	185,000	128,707	56,293	126,158
Small hand tools	8,000	7,862	138	8,040
Cement and masonry materials	2,500	850	1,650	1,623
Asphalt and grading supplies	35,000	23,240	11,760	38,182
Radio supplies	300	—	300	—
Safety supplies	7,500	4,090	3,410	7,118
Uniforms and clothing	7,500	13,578	(6,078)	10,448
Cleaning and sanitation supplies	2,000	201	1,799	1,062
Chemicals	11,500	10,430	1,070	8,465
Utility repair supplies	85,000	75,403	9,597	86,674
Transmission line operations and maintenance	5,000	3	4,997	46
Insurance – vehicle	12,000	11,801	199	11,753
Insurance – general	16,500	16,189	311	16,549
Employee training	9,935	11,078	(1,143)	9,833
Machines and equipment – capital	27,453	—	27,453	—
Machines & equipment – non-capital	2,847	2,847	—	—
	<u>1,709,681</u>	<u>1,612,901</u>	<u>96,780</u>	<u>1,606,901</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)	
<b>Departments</b>				
<u>Septage and Grease Receiving Station:</u>				
Salaries and wages	231,454	203,890	27,564	205,240
Overtime	25,796	11,723	14,073	23,436
Retirement, insurance and other benefits	110,016	119,409	(9,393)	118,279
Other post-employment benefits (OPEB)	—	4,564	(4,564)	3,651
Electricity and gas	3,000	1,412	1,588	1,829
Telephone	3,000	3,012	(12)	1,905
Printing and office supplies	4,500	2,958	1,542	3,011
Postage	700	645	55	700
Memberships and dues	535	240	295	480
Travel	4,000	1,799	2,201	29
Auto operating	6,000	6,953	(953)	6,808
Chemicals	95,803	78,665	17,138	73,665
Sludge disposal fees	60,000	58,662	1,338	45,864
Lubrications	500	465	35	159
Hand tools and supplies	3,500	4,074	(574)	4,610
Electric/light supplies	500	—	500	26
Safety program and supplies	3,000	16,680	(13,680)	4,500
Uniforms and clothing	3,200	5,108	(1,908)	3,548
Janitorial supplies	1,000	155	845	1,271
Employee training	3,160	1,609	1,551	2,724
Professional services – lab testing	10,000	6,155	3,845	9,938
Lab supplies	—	—	—	585
Insurance – vehicle	750	80	670	1,175
Insurance – general	1,175	1,209	(34)	3,358
Building repairs	3,358	3,111	247	912
Equipment repairs	1,000	405	595	81,639
Maintenance and service contracts	260,000	358,368	(98,368)	—
Machine and equipment - capital	1,980	1,836	144	—
Machines & equipment – non-capital	69,548	—	69,548	1,342
	<u>911,475</u>	<u>893,187</u>	<u>18,288</u>	<u>600,684</u>
<u>Non-departmental and support services:</u>				
O&M indirect costs	1,800,000	1,800,000	—	1,800,000
Capital improvement/project reserve	100,000	—	100,000	—
Capital equipment reserve	100,000	—	100,000	—
	<u>2,657,117</u>	<u>1,800,000</u>	<u>857,117</u>	<u>1,800,000</u>
Depreciation	550,000	4,880,912	(4,330,912)	4,691,365
Amortization	—	14,096	(14,096)	(35,377)
Total depreciation & amortization	<u>550,000</u>	<u>4,895,008</u>	<u>(4,345,008)</u>	<u>4,655,988</u>
Total operating expenses	<u>\$ 15,444,763</u>	<u>\$ 16,751,445</u>	<u>\$ (1,306,682)</u>	<u>\$ 16,536,504</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, 2019

	<b>Balance, June 30, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, June 30, 2019</b>
<b>Assets</b>				
Cash and cash equivalents:				
Firemen's fund	\$ 131,414	\$ 83,172	\$ (102,492)	\$ 112,094
Police fund	97,466	31,614	(72,083)	56,997
Total assets	<u>\$ 228,880</u>	<u>\$ 114,786</u>	<u>\$ (174,575)</u>	<u>\$ 169,091</u>
<b>Liabilities</b>				
Amounts due to others:				
Firemen's fund	\$ 131,414	\$ 83,172	\$ (102,492)	\$ 112,094
Police fund	97,466	31,614	(72,083)	56,997
Total liabilities	<u>\$ 228,880</u>	<u>\$ 114,786</u>	<u>\$ (174,575)</u>	<u>\$ 169,091</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, 2019

<b>General capital assets and construction-in-progress, June 30, 2018</b>	\$ 30,209,283
<b>Add, expenditures by General Fund, Special Revenue Funds, and Capital Projects Fund:</b>	
Land, buildings, other improvements, furniture and equipment	6,669,964
<b>Add, donated capital equipment</b>	44,688
<b>Deduct, surplus sales and other deletions by General Fund:</b>	
Land, building, furniture and equipment	<u>(229,896)</u>
<b>General capital assets and construction-in-progress, June 30, 2019</b>	<u><u>\$ 36,694,039</u></u>

## SCHEDULE OF CHANGES IN LONG-TERM DEBT

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

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2019

	Due Dates	Interest Rates	Bonds and Notes				Outstanding June 30, 2019	Debt Service Requirements Next Fiscal Year	
			Outstanding July 1, 2018	Long-Term Borrowing	Matured	Paid		Principal	Interest
<b>General Long-Term Debt</b>									
Tax Increment Financing Revenue Bond, Series 2017	2003-2018	4.03%	\$ 7,715,000	\$ —	\$ 290,000	\$ (290,000)	\$ 7,425,000	\$ 300,000	\$ 270,363
Installment purchase contracts, monthly payments of principal and interest	various	1.33%	593,591	283,556	231,575	(231,575)	645,572	294,175	11,171
Total general long-term debt			<u>\$ 8,300,591</u>	<u>\$ 283,556</u>	<u>\$ 521,575</u>	<u>\$ (521,575)</u>	<u>\$ 8,070,572</u>	<u>\$ 594,175</u>	<u>\$ 281,534</u>
<b>Water and Sewer Utility Fund Debt</b>									
Clean Water State Revolving Fund Loan, Series 2002, interest and principal payable quarterly	2003-2023	2.25%	\$ 519,522	\$ —	\$ (94,296)	\$ 94,296	\$ 425,226	\$ 96,436	\$ 8,758
Clean Water State Revolving Fund Loan, Series 2009, interest and principal payable quarterly	2009-2032	2.25%	24,810,649	—	(1,557,773)	1,557,773	23,252,876	1,593,119	509,811
Clean Water State Revolving Fund Loan, Series 2015, interest and principal payable quarterly	2015-2035	2.00%	3,182,340	—	(156,109)	156,109	3,026,231	159,254	59,335
Water and Sewer System Revenue Bonds, Series 2016 A&B, interest payable semi-annually, principal payable annually	2017-2027	3.00%-4.00%	10,600,000	—	(1,245,000)	1,245,000	9,355,000	765,000	297,983
Clean Water State Revolving Funds Loan, Series 2017, interest and principal payable quarterly*	2018-2048	1.80%	24,560,378	—	(310,312)	310,312	24,250,066	629,046	432,271
Installment purchase contracts, monthly payments of principal and interest	2015-2019	1.47%	1,330,951	—	(452,934)	452,934	878,017	337,470	18,578
Total water and sewer utility fund debt			<u>\$ 65,003,840</u>	<u>\$ —</u>	<u>\$ (3,816,424)</u>	<u>\$ 3,816,424</u>	<u>\$ 61,187,416</u>	<u>\$ 3,580,325</u>	<u>\$ 1,326,736</u>

\*SRF Series 2017, was not yet fully drawn at June 30, 2019.

VICTIM'S RIGHTS ASSISTANCE

CITY OF CAYCE, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

YEAR ENDED JUNE 30, 2019

**Court Fines and Assessments**

Court fines and assessments collected	\$ 419,086
Court fines and assessments remitted to State Treasurer	(232,011)
Less, audit fees paid	<u>(1,000)</u>
Total court fines and assessments retained by the City	<u>\$ 187,075</u>

**Surcharges and Assessments retained by City**

Total surcharges collected	\$ 18,500
Total assessments	<u>5,072</u>
Total surcharges and assessments retained by City	<u>\$ 23,572</u>

**Funds Allocated to Victims Services**

Carryover funds from prior year	\$ —
Surcharges and assessments retained	23,572
Expenditures for victims services*	<u>(23,572)</u>
Total unexpended victims rights assistance funds	<u>\$ —</u>

\* *Note: The City expenditures for victims services exceed the surcharges and assessments retained. Only the portion that was expended from surcharges and assessments is reflected above.*

## 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. .... 119-121

**Revenue Capacity** – These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property tax revenue. .... 122-129

**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. .... 130-134

**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. 135-138

**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. .... 139-140



CITY OF CAYCE, SOUTH CAROLINA

NET POSITION BY COMPONENT  
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 17,383,993	\$ 16,595,971	\$ 15,430,572	\$ 13,078,235	\$ 11,187,075	\$ 4,809,369	\$ 4,317,009	\$ 3,847,244	\$ 3,542,010	\$ 4,797,026
Restricted	5,179,447	10,489,686	2,503,787	4,089,583	2,900,003	2,329,686	1,688,336	1,630,222	1,215,170	1,548,803
Unrestricted (deficit)	<u>(8,521,214)</u>	<u>(13,118,929)</u>	<u>(5,338,793)</u>	<u>(6,446,015)</u>	<u>(5,968,176)</u>	<u>(10,307,729)</u>	<u>(1,149,730)</u>	<u>(858,419)</u>	<u>(985,075)</u>	<u>(493,433)</u>
Total governmental activities net position	<u>\$ 14,042,226</u>	<u>\$ 13,966,728</u>	<u>\$ 12,595,566</u>	<u>\$ 10,721,803</u>	<u>\$ 8,118,902</u>	<u>\$ (3,168,674)</u>	<u>\$ 4,855,615</u>	<u>\$ 4,619,047</u>	<u>\$ 3,772,105</u>	<u>\$ 5,852,396</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 87,473,689	\$ 84,289,609	\$ 80,976,020	\$ 78,314,467	\$ 79,196,265	\$ 73,208,919	\$ 67,123,141	\$ 66,405,669	\$ 58,750,650	\$ 43,931,424
Restricted	9,322,177	9,501,428	9,802,563	7,255,808	8,302,471	11,443,354	12,941,313	12,186,134	8,300,588	5,872,577
Unrestricted (deficit)	<u>(1,506,592)</u>	<u>(1,462,306)</u>	<u>(1,560,368)</u>	<u>(100,462)</u>	<u>(2,830,540)</u>	<u>(1,725,791)</u>	<u>6,271,966</u>	<u>3,377,568</u>	<u>4,663,182</u>	<u>7,903,032</u>
Total business type activities net position	<u>\$ 95,289,274</u>	<u>\$ 92,328,731</u>	<u>\$ 89,218,215</u>	<u>\$ 85,469,813</u>	<u>\$ 84,668,196</u>	<u>\$ 82,926,482</u>	<u>\$ 86,336,420</u>	<u>\$ 81,969,371</u>	<u>\$ 71,714,420</u>	<u>\$ 57,707,033</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 104,857,682	\$ 100,885,580	\$ 96,406,592	\$ 91,392,702	\$ 90,383,340	\$ 78,018,288	\$ 71,440,150	\$ 70,252,913	\$ 62,292,660	\$ 48,728,450
Restricted	14,501,624	19,991,114	12,306,350	11,809,630	11,202,474	13,773,040	14,629,649	13,816,356	9,515,758	7,421,380
Unrestricted (deficit)	<u>(10,027,806)</u>	<u>(14,581,235)</u>	<u>(6,899,161)</u>	<u>(6,533,114)</u>	<u>(8,798,716)</u>	<u>(12,033,520)</u>	<u>5,122,236</u>	<u>2,519,149</u>	<u>3,678,107</u>	<u>7,409,599</u>
Total primary government net position	<u>\$ 109,331,500</u>	<u>\$ 106,295,459</u>	<u>\$ 101,813,781</u>	<u>\$ 96,669,218</u>	<u>\$ 92,787,098</u>	<u>\$ 79,757,808</u>	<u>\$ 91,192,035</u>	<u>\$ 86,588,418</u>	<u>\$ 75,486,525</u>	<u>\$ 63,559,429</u>

Note: GASB 65 was implemented for the fiscal year ended 6/30/14. GASB 68 was implemented for fiscal year ended 6/30/15 were posted effective 6/30/14. Effects of implementing these statements are not reflected in fiscal years prior to 2014. GASB 75 was implemented effective for the fiscal year ended 6/30/18. The effect of implementing GASB 75 are not reflected in fiscal years prior to 2018.

CITY OF CAYCE, SOUTH CAROLINA

CHANGES IN NET POSITION <sup>(6)</sup>  
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
<u>Governmental activities:</u> <sup>(1) (6) (7)</sup>										
General government	\$ 432,879	\$ 370,008	\$ 592,721	\$ 481,829	\$ 434,485	\$ 340,913	\$ 255,392	\$ 224,912	\$ 497,316	\$ 656,284
Information technology	67,575	115,260	108,495	84,776	85,962	92,887	106,544	73,396	—	—
Finance	86,242	83,901	73,568	117,820	56,868	61,747	70,355	82,275	101,476	127,862
Public safety	7,434,457	6,869,407	6,116,479	5,719,168	4,976,924	4,964,652	4,758,297	4,514,375	3,878,041	4,122,059
Public works	1,365,137	1,663,974	1,310,352	1,477,526	1,331,873	1,307,718	1,398,634	1,305,014	1,187,652	1,186,723
Planning and community development	1,334,661	1,267,474	924,506	790,776	675,085	575,489	628,271	595,472	3,297,107	609,701
Parks and museum	889,747	903,950	1,230,689	804,149	636,000	669,385	576,023	541,286	469,933	514,635
Garage	262,379	266,391	276,484	295,422	243,925	245,638	262,443	244,377	200,620	214,446
Depreciation (unallocated) <sup>(7)</sup>	1,389,879	1,032,413	896,646	708,459	651,325	671,572	721,268	671,692	593,095	599,090
Interest	274,356	266,732	16,513	36,977	55,817	84,250	109,691	123,814	128,429	145,968
Total governmental activities	<u>13,537,312</u>	<u>12,839,510</u>	<u>11,546,453</u>	<u>10,516,902</u>	<u>9,148,264</u>	<u>9,014,251</u>	<u>8,886,918</u>	<u>8,376,613</u>	<u>10,353,669</u>	<u>8,176,768</u>
<u>Business-type activities:</u> <sup>(2) (6) (7)</sup>										
Water and sewer utility <sup>(7)</sup>	<u>18,215,285</u>	<u>17,753,948</u>	<u>16,753,626</u>	<u>16,549,533</u>	<u>14,868,109</u>	<u>14,627,939</u>	<u>12,501,119</u>	<u>11,733,001</u>	<u>10,873,285</u>	<u>10,075,440</u>
Total business-type activities	<u>18,215,285</u>	<u>17,753,948</u>	<u>16,753,626</u>	<u>16,549,533</u>	<u>14,868,109</u>	<u>14,627,939</u>	<u>12,501,119</u>	<u>11,733,001</u>	<u>10,873,285</u>	<u>10,075,440</u>
Total primary government expenses	<u>\$ 31,752,597</u>	<u>\$ 30,593,458</u>	<u>\$ 28,300,079</u>	<u>\$ 27,066,435</u>	<u>\$ 24,016,373</u>	<u>\$ 23,642,190</u>	<u>\$ 21,388,037</u>	<u>\$ 20,109,614</u>	<u>\$ 21,226,954</u>	<u>\$ 18,252,208</u>
<b>Program Revenue</b>										
<u>Governmental activities:</u>										
Fees for services <sup>(5)</sup>	\$ 1,479,312	\$ 1,229,471	\$ 1,255,379	\$ 1,270,485	\$ 1,460,765	\$ 948,157	\$ 1,014,772	\$ 1,053,270	\$ 1,006,202	\$ 1,070,167
Operating grants and contributions <sup>(1)</sup>	407,577	1,327,406	340,742	402,575	242,087	66,562	25,727	163,049	387,123	445,491
Capital grants and contributions	100,043	139,354	695,130	618,648	6,649,664	4,249	100,000	267,131	49,323	33,833
Total governmental activities	<u>1,986,932</u>	<u>2,696,231</u>	<u>2,291,251</u>	<u>2,291,708</u>	<u>8,352,516</u>	<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>Business-type activities:</u>										
Fees for services <sup>(4)</sup>	18,442,059	17,431,831	17,251,630	16,865,450	14,971,094	14,566,496	13,053,768	12,113,231	11,113,085	9,949,750
Operating grants and contributions	—	—	95,193	—	—	—	—	—	—	—
Capital grants and contributions	2,701,677	2,888,039	3,131,410	948,615	1,604,279	1,233,547	8,768,596	9,848,764	13,721,503	10,191,975
Total business-type activities	<u>21,143,736</u>	<u>20,319,870</u>	<u>20,478,233</u>	<u>17,814,065</u>	<u>16,575,373</u>	<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>
Total primary government program revenue	<u>\$ 23,130,668</u>	<u>\$ 23,016,101</u>	<u>\$ 22,769,484</u>	<u>\$ 20,105,773</u>	<u>\$ 24,927,889</u>	<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>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

CHANGES IN NET POSITION <sup>(5)</sup>  
(Accrual basis of accounting)

— CONTINUED —

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Revenue and Other Changes</b>										
<u>Governmental activities:</u>										
Property taxes	\$ 4,815,538	\$ 4,436,724	\$ 4,367,332	\$ 4,066,933	\$ 3,786,956	\$ 3,783,478	\$ 3,616,400	\$ 3,756,223	\$ 3,408,455	\$ 2,975,601
Accommodation and hospitality taxes	1,272,104	1,268,973	1,147,949	1,074,154	787,971	98,941	90,033	86,297	76,682	87,502
State shared and unallocated intergovernmental	480,101	408,982	458,807	425,994	410,874	370,738	400,669	326,500	363,225	397,125
Business licenses and other taxes	4,893,838	5,302,089	5,049,090	4,586,377	6,704,824	4,043,886	3,344,898	4,087,220	2,909,802	3,124,799
Unrestricted investment earnings	25,296	3,470	1,555	1,201	1,777	1,813	2,309	4,053	9,497	9,485
Gain from sale of assets	—	43,968	—	35,000	—	171,314	22,854	—	—	—
Other	139,001	441,369	104,232	638,436	390,922	422,976	514,157	520,318	63,069	46,291
Total governmental activities	<u>11,625,878</u>	<u>11,905,575</u>	<u>11,128,965</u>	<u>10,828,095</u>	<u>12,083,324</u>	<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>Business-type activities:</u>										
Unrestricted investment earnings	30,910	16,528	10,258	10,264	11,223	14,426	20,799	26,801	41,837	61,639
Gain from sale of assets	—	5,399	13,537	4,423	23,227	—	—	(844)	—	—
Other	1,182	—	—	—	—	—	14,619	—	4,247	370,435
Total business-type activities	<u>32,092</u>	<u>21,927</u>	<u>23,795</u>	<u>14,687</u>	<u>34,450</u>	<u>14,426</u>	<u>35,418</u>	<u>25,957</u>	<u>46,084</u>	<u>432,074</u>
Total primary government general revenue and other changes	<u>\$ 11,657,970</u>	<u>\$ 11,927,502</u>	<u>\$ 11,152,760</u>	<u>\$ 10,842,782</u>	<u>\$ 12,117,774</u>	<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>
Extraordinary Item – Fire	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (1,040,506)	\$ —	\$ —
Special Item – Wastewater Treatment Plant disposal/decommissioned	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (4,488,481)	\$ —	\$ —	\$ —
<b>Changes in Net Position</b> <sup>(5) (6) (7)</sup>										
Governmental activities	\$ 75,498	\$ 1,762,299	\$ 1,873,763	\$ 2,602,901	\$ 11,287,576	\$ 897,863	\$ 244,901	\$ 846,942	\$ (2,080,291)	\$ 13,526
Business-type activities	2,960,543	2,587,849	3,748,402	1,279,219	1,741,714	1,186,557	4,868,182	10,254,951	14,007,387	10,498,359
Total primary government changes in net position	<u>\$ 3,036,041</u>	<u>\$ 4,350,145</u>	<u>\$ 5,622,165</u>	<u>\$ 3,882,120</u>	<u>\$ 13,029,290</u>	<u>\$ 2,084,420</u>	<u>\$ 5,113,083</u>	<u>\$ 11,101,893</u>	<u>\$ 11,927,096</u>	<u>\$ 10,511,885</u>

(1) The City reports expenses reimbursed by the Water & Sewer Utility Fund net of reimbursement.

(2) The City allocates overhead costs associated with its Utility Fund to the functional areas of Governmental Activities.

(3) Fees for services for the governmental activities primarily consist of police fines, fire hydrant service fees, sanitation and tipping fees and other special service fees.

(4) Fees for services for the business-type activity consist primarily of sales for water and sewer services and septage and grease services.

(5) Beginning in 2013, the City implemented GASB Statement #63 and reclassified "net assets" to "net position."

(6) Beginning in 2014, the City implemented GASB Statement #65 and GASB #68 which restated bond issue costs as expenses and restated pension liabilities and related deferrals.

(7) Beginning in 2018, the City implemented GASB Statement #75 and GASB #68 which changed the accounting and reporting for other post-employment benefits (OPEB).

CITY OF CAYCE, SOUTH CAROLINA

PROGRAM REVENUE BY FUNCTION  
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental Activities:</b>										
General government (1)	\$ —	\$ —	\$ 59,539	\$ 30,000	\$ 149,968	\$ —	\$ —	\$ —	\$ 51,694	\$ 2,527
Information technology	—	—	—	—	—	—	—	—	—	—
Finance	—	—	—	—	—	—	—	—	—	—
Public safety	1,055,568	1,010,363	573,876	900,140	822,249	626,967	545,554	752,605	924,772	926,953
Public works	777,579	1,497,301	1,199,282	531,233	832,971	381,066	472,833	432,704	414,308	501,847
Planning and community development	50,336	73,338	121,179	212,815	8,467	6,200	121,286	27,757	31,120	51,550
Parks and museum	103,449	115,229	337,375	617,520	6,538,861	4,735	826	270,384	20,754	66,614
Garage	—	—	—	—	—	—	—	—	—	—
<b>Total governmental activities</b>	<b>1,968,932</b>	<b>2,696,231</b>	<b>2,291,251</b>	<b>2,291,708</b>	<b>8,352,516</b>	<b>1,018,968</b>	<b>1,140,499</b>	<b>1,483,450</b>	<b>1,442,648</b>	<b>1,549,491</b>
<b>Business-type activities:</b>										
Water and sewer utility	21,143,736	20,319,870	20,478,233	17,814,065	16,575,373	14,629,867	21,822,364	21,961,995	24,834,588	20,141,725
<b>Total business-type activities</b>	<b>21,143,736</b>	<b>20,319,870</b>	<b>20,478,233</b>	<b>17,814,065</b>	<b>16,575,373</b>	<b>14,629,867</b>	<b>21,822,364</b>	<b>21,961,995</b>	<b>24,834,588</b>	<b>20,141,725</b>
<b>Total program revenue by function and program</b>	<b>\$ 23,130,668</b>	<b>\$ 23,016,101</b>	<b>\$ 22,769,484</b>	<b>\$ 20,105,773</b>	<b>\$ 24,927,889</b>	<b>\$ 15,648,835</b>	<b>\$ 22,962,863</b>	<b>\$ 23,445,445</b>	<b>\$ 26,277,236</b>	<b>\$ 21,691,216</b>

(1) The City reports 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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Fund</b>										
Nonspendable	\$ 181,733	\$ 65,085	\$ 150,444	\$ 64,979	\$ 559,143	\$ 48,921	\$ 51,930	\$ 41,613	\$ 35,177	\$ —
Restricted	—	12,620	—	21,233	52,783	58,560	69,493	113,698	133,512	—
Committed	25,000	25,000	25,000	25,000	25,000	25,000	25,000	—	—	—
Assigned	964,941	971,072	968,388	930,600	923,610	4,107	9,944	17,261	20,267	—
Unassigned	6,104,929	6,592,195	5,374,540	4,859,534	4,124,328	1,090,810	476,052	694,031	430,901	—
Reserved	—	—	—	—	—	—	—	—	—	187,280
Unreserved	—	—	—	—	—	—	—	—	—	(209,352)
Total general fund	<u>7,276,603</u>	<u>7,665,972</u>	<u>6,518,372</u>	<u>5,901,346</u>	<u>5,684,864</u>	<u>1,227,398</u>	<u>632,419</u>	<u>866,603</u>	<u>619,857</u>	<u>(22,072)</u>
<b>All Other Governmental Funds</b>										
Nonspendable, reported in:										
Debt service funds	—	—	—	—	—	—	—	—	—	—
Restricted, reported in:										
Special revenue funds	861,077	769,063	761,222	587,173	391,426	131,568	149,493	246,509	406,477	—
Debt service funds	1,426,238	949,330	550,615	996,764	1,133,993	752,375	794,432	497,847	620,592	—
Capital projects funds	2,048,940	7,068,546	447,405	735,245	428,440	754,698	655,607	717,567	173,606	—
Assigned, reported in:										
Special revenue funds	83,801	83,801	83,801	83,801	83,801	83,801	83,801	—	636	—
Reserved, reported in:										
Special revenue funds	—	—	—	—	—	—	—	—	—	82,207
Debt service funds	—	—	—	—	—	—	—	—	—	1,349,255
Capital projects funds	—	—	—	—	—	—	—	—	—	2,277,644
Unreserved, reported in:										
Special revenue funds	—	—	—	—	—	—	—	—	—	323,318
Total all other governmental funds	<u>4,420,056</u>	<u>8,870,740</u>	<u>1,843,043</u>	<u>2,402,983</u>	<u>2,037,660</u>	<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>
Total primary government	<u>\$11,696,659</u>	<u>\$16,536,712</u>	<u>\$ 8,361,415</u>	<u>\$ 8,304,329</u>	<u>\$ 7,722,524</u>	<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>

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenue</b>										
Property taxes	\$ 4,827,981	\$ 4,350,359	\$ 4,236,423	\$ 4,068,045	\$ 3,776,095	\$ 3,794,008	\$ 3,610,099	\$ 3,721,458	\$ 3,351,690	\$ 2,899,938
Accommodation and hospitality taxes	1,272,104	1,251,922	1,147,949	1,068,426	697,654	—	—	—	—	—
Licenses and permits	4,930,242	5,387,772	5,171,194	4,799,886	6,969,845	4,182,122	3,401,971	4,145,714	2,945,593	3,296,449
Fines and forfeitures	187,075	181,171	214,485	260,880	329,068	268,380	223,204	316,604	328,356	282,399
State shared revenue	480,101	408,982	454,835	425,994	497,025	470,411	504,646	447,544	489,425	541,999
Current services	1,348,045	1,028,901	1,035,625	796,448	848,100	534,410	692,536	658,095	620,316	601,501
Grants and other	462,345	1,865,441	985,667	1,658,789	1,953,891	502,037	697,009	970,574	504,317	494,349
Interest income	25,296	3,470	1,555	1,201	1,777	1,813	2,308	4,054	9,497	9,485
<b>Total revenue</b>	<b>13,533,189</b>	<b>14,478,018</b>	<b>13,247,733</b>	<b>13,079,669</b>	<b>15,073,455</b>	<b>9,753,181</b>	<b>9,131,773</b>	<b>10,264,043</b>	<b>8,249,194</b>	<b>8,126,120</b>
<b>Expenditures<sup>1</sup></b>										
Current:										
General government	524,290	448,499	489,207	510,972	418,861	335,743	257,965	237,577	243,093	322,933
Information technology	62,989	105,329	97,066	74,890	78,293	90,231	106,187	73,396	—	—
Finance	69,722	56,895	72,419	86,021	49,747	62,061	69,766	87,707	69,582	68,791
Public safety	6,961,529	6,304,196	5,815,970	5,604,141	4,972,902	5,020,310	4,752,127	4,566,632	3,342,951	3,377,945
Public works	1,312,104	1,285,574	1,253,360	1,424,195	1,309,947	1,289,663	1,397,514	1,321,336	1,085,494	1,025,127
Planning and community development/relations	1,300,695	1,216,325	897,323	840,806	618,430	569,700	625,823	603,295	3,253,279	498,344
Parks and museum	834,950	839,029	847,583	766,762	662,474	661,278	590,580	549,481	407,817	407,097
Garage	240,244	234,362	263,316	260,589	237,940	249,836	261,917	250,402	165,610	154,796
Non-department and support services	(4,087)	31,055	5,976	268	26,476	15,601	24,853	511,974	863,085	1,504,764
Debt service and other financing:										
Principal	512,692	481,562	491,714	603,207	672,857	666,678	664,914	685,536	573,730	581,740
Interest	211,851	166,770	28,590	36,997	55,817	89,405	109,691	123,814	128,430	145,968
Debt issue costs	—	310,868	19,000	—	—	—	—	—	—	—
Capital outlay	6,669,964	3,677,500	3,431,151	2,324,016	1,213,999	323,518	473,210	460,431	804,800	381,641
<b>Total expenditures</b>	<b>18,696,943</b>	<b>15,157,964</b>	<b>13,712,675</b>	<b>12,532,864</b>	<b>10,317,743</b>	<b>9,374,024</b>	<b>9,334,547</b>	<b>9,471,581</b>	<b>10,937,871</b>	<b>8,469,146</b>
Excess (deficiency) of revenue over expenditures	(5,163,754)	(679,946)	(464,942)	546,805	4,755,712	379,157	(202,774)	792,462	(2,688,677)	(343,026)

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

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

—CONTINUED—

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Other Financing Sources (Uses)</b>										
Proceeds from TIF bond issue	—	8,436,275	—	—	—	—	—	—	—	—
Proceeds from sales of assets	40,145	44,968	3,028	35,000	16,972	254,931	—	—	—	—
Installment purchase contracts	283,556	374,000	519,000	—	—	—	190,000	755,402	499,493	156,113
Transfers in	884,041	911,911	1,761,120	1,404,441	423,300	456,887	42,589	437,747	939,470	38,326
Transfers (out)	(884,041)	(911,911)	(1,761,120)	(1,404,441)	(423,300)	(456,887)	(42,589)	(437,747)	(939,470)	(38,326)
Total other financing sources (uses)	389,431	8,855,243	522,028	35,000	16,972	254,931	190,000	755,402	499,493	156,113
Net change in fund balances before extraordinary item	(4,840,053)	8,175,297	57,086	581,805	4,772,684	634,088	(12,774)	1,547,864	(2,189,184)	(186,913)
Extraordinary Item – Fire	—	—	—	—	—	—	—	(1,040,506)	—	—
Net change in fund balances	(4,840,053)	8,175,297	57,086	581,805	4,772,684	634,088	(12,774)	507,358	(2,189,184)	(186,913)
Fund balances, beginning of year	16,536,712	8,361,415	8,304,329	7,722,524	2,949,840	2,315,752	2,328,526	1,821,168	4,010,352	4,197,265
Fund balances, end of year	\$11,696,659	\$16,536,712	\$ 8,361,415	\$8,304,329	\$7,772,524	\$ 2,949,840	\$ 2,315,752	\$2,328,526	\$1,821,168	\$4,010,352
Debt service as a percentage of non- capital expenditures	6.0%	5.8%	4.9%	6.3%	8.0%	8.4%	8.7%	9.0%	6.9%	9.0%

(1) The City reports 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)				
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	5,303,320	(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%
2015	34,138,570	34,547,080	5,994,890	(24,197,850)	50,482,690	44.17	873,465,498	5.7%
2016	33,944,810	35,766,070	6,442,250	(24,673,760)	51,479,370	45.36	877,639,579	5.8%
2017	33,676,700	36,613,870	6,186,310	(23,992,750)	52,484,130	45.36	923,812,039	5.9%
2018	35,728,800	37,636,160	6,016,820	(24,118,800)	55,262,980	47.69	965,379,606	5.7%
2019	38,087,130	38,287,970	6,095,340	(24,671,560)	57,798,880	49.69	977,291,004	5.9%

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<sup>(1)</sup></u>	<u>County Millage</u>	<u>School District Millage</u>	<u>All Other Districts</u>	<u>Total Millage</u>
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
2015	44.170	77.178	176.210	24.002	321.560
2016	45.360	76.968	225.960	22.443	370.731
2017	45.360	77.298	225.960	22.663	371.281
2018	47.690	75.646	225.960	22.543	371.839
2019	49.690	76.797	225.960	22.343	374.790

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 YEARS 2019 TO 2010

Taxpayer	Type of Business	2019			2010		
		Assessment	Rank	Percentage of Total Assessed Valuation	Assessment	Rank	Percentage of Total Assessed Valuation
Dominion Energy (formerly SCANA)	Electric Utility	\$26,901,720	1	32.62%	\$9,479,020	1	22.61%
Owen Electric Steel Co. of S.C.	Manufacturer, Steel	5,857,460	2	7.10%	5,093,660	2	12.15%
OTARRE Point Realty Partners LLC	Real Estate	1,331,040	3	1.61%	-	-	-
SN Riverside LLC	Apartments	1,079,840	4	1.31%	-	-	-
One Eleven Apartments (Tremont)	Apartments	959,080	5	1.16%	-	-	-
Cayce NNN LLC	Construction Management	780,000	6	0.95%	-	-	-
PEP-USC LLC (Point West)	Apartments	735,750	7	0.89%	-	-	-
Bell South Telecommunication, Inc.	Telecommunication	596,270	8	0.72%	1,149,550	3	2.74%
Springriver Hotel LLC	Hotel	573,010	9	0.69%	-	-	-
Martin Marietta Materials	Rock Quarry	549,940	10	0.67%	-	-	-
Granby Crossing, L.P.	Apartments	516,150	11	0.63%	406,200	9	0.97%
Parkland Partnership	Shopping Center	508,330	12	0.62%	473,250	8	1.13%
Farm Buriau Insurance of S.C.	Insurance	483,510	13	0.59%	748,740	5	1.79%
PS Southeast TWO LLC	Mini Warehousing	342,010	14	0.41%	-	-	-
Cayce Commons Shopping Ctr	Shopping Center	286,280	15	0.35%	-	-	-
CSI Leasing Inc	Equipment Leasing	277,680	16	0.34%	-	-	-
Cole CV Cayce SC LLC	Real Estate	270,000	17	0.33%	-	-	-
Southern First Bank National	Banking	261,040	18	0.32%	-	-	-
AVTX Edenwood Associates LLC	Real Estate	241,820	19	0.29%	-	-	-
WRH Edenwood LTD	Apartments	230,510	20	0.28%	172,310	13	0.43%
Alexander Road Ass., LLC	Apartments	-	-	0.00%	920,880	4	2.20%
EDR Cayce, LLC	Apartments	-	-	0.00%	590,640	6	1.41%
Intralot, Inc	State Lottery Vendor	-	-	0.00%	570,000	7	1.36%
Kraft Foods Global Inc	Wholesale Food	-	-	0.00%	309,160	10	0.74%
Southeastern Concrete Products	Manufacturer, Concrete	156,750	-	0.19%	251,310	11	0.60%
Virginia American Industries	Manufacturer, Tanks	154,790	-	0.19%	229,430	12	0.55%
Small, Jr., Robert S.	Real Estate	-	-	0.00%	196,470	13	0.47%
Cayce Retail Investors LLC	Real Estate	-	-	0.00%	195,000	14	0.47%
AMBE Corporation	Motel	158,320	-	0.19%	187,150	15	0.45%
WRH Edenwood LTD	Apartments	-	-	0.00%	178,670	16	0.43%
Cayce Crossing, L.P.	Shopping Center	148,350	-	0.18%	174,710	17	0.42%
W.P. Hylton, LLC (Park Place 440)	Real Estate	-	-	0.00%	165,900	18	0.40%
Time Warner Ent.- Advance Newhouse	Telecommunication	154,020	-	0.19%	163,090	19	0.39%
Efron Family LLC	Real Estate	181,090	-	0.22%	143,690	20	0.34%
<b>Total</b>		<b>\$ 43,734,760</b>		<b>53.03%</b>	<b>\$ 21,798,830</b>		<b>52.05%</b>

Total Assessed Value (Includes FILOT) \$ 82,470,440

Total Assessed Value (Not Including FILOT) \$ 57,798,880

Source: Lexington County Auditor's Office.

CITY OF CAYCE, SOUTH CAROLINA  
PROPERTY TAX LEVIES AND COLLECTIONS<sup>1</sup>  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year <sup>2</sup>	Amounts Collected within the Fiscal Year by Year of Levy				Total Collections Received in Fiscal Year for All Levies <sup>3</sup>
		Current Amount	Delinquent Amounts	Total	Percentage of Levy	Total
2010	\$ 1,897,309	\$ 1,691,680	\$ 109,508	\$ 1,801,188	95%	\$ 1,854,051
2011	1,826,802	1,624,572	122,353	1,746,925	96%	1,873,739
2012	2,165,282	1,878,733	66,713	1,945,446	90%	1,945,144
2013	2,027,828	1,788,626	80,266	1,868,892	92%	1,884,856
2014	2,068,820	1,832,965	64,948	1,897,913	92%	1,926,015
2015	2,162,503	1,912,049	78,505	1,990,554	92%	2,007,323
2016	2,265,998	2,000,127	78,254	2,078,381	92%	2,066,543
2017	2,483,514	2,171,828	58,509	2,230,337	90%	2,246,633
2018	2,551,700	2,296,538	106,756	2,403,294	94%	2,400,868
2019	2,738,058	2,498,154	2,848	2,501,002	91%	2,505,786

- 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

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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			
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
2015	—	949,858	224,242	13,945,000	33,825,489	—	48,944,589	16.1%	3,779
2016	—	491,714	—	12,970,000	32,144,429	507,532	46,113,675	15.0%	3,563
2017	—	—	423,778	12,275,000	54,841,328	362,630	67,902,736	19.8%	4,771
2018	—	7,715,000	593,591	10,600,000	53,072,889	1,330,951	73,312,431	21.3%	5,205
2019	—	7,425,000	645,572	9,355,000	50,954,399	878,017	69,257,988	20.2%	4,917

\*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

<u>Fiscal Year</u>	<u>Total General Bonded Indebtedness</u>	<u>Percentage of Assessed Value of Taxable Property</u>	<u>Per Capita</u>
2010	—	—	—
2011	—	—	—
2012	—	—	—
2013	—	—	—
2014	—	—	—
2015	—	—	—
2016	—	—	—
2017	—	—	—
2018	—	—	—
2019	—	—	—

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, 2019

Political Subdivisions	Assessed Value	General Bonded Debt Outstanding		
		Debt Outstanding	Percentage Applicable to Cayce Taxpayers <sup>2</sup>	Cayce's Taxpayers Share of Debt <sup>1</sup>
Lexington County	\$ 1,321,485,240	\$ 30,793,373	6.26%	\$ 1,927,665
Lexington School District 2	309,986,970	277,430,000	26.68%	74,018,324
Lexington Recreation District	1,000,998,010	26,320,000	8.26%	2,174,032
Columbia Metropolitan Airport	1,321,485,240	1,969,568	6.26%	123,295
Riverbanks Zoo	1,321,485,240	13,030,303	6.26%	815,697
<b>Total Overlapping General Bonded Debt</b>		<b>\$ 349,543,244</b>		<b>\$ 79,059,013</b>
<b>Direct City Debt Outstanding</b>				
Governmental Activities:				
Tax Increment Financing (TIF)				\$ —
Revenue Bonds				—
Installment Purchase Contracts				—
				<u>\$ —</u>
Business-type Activities:				
Water and Sewer System Revenue				\$ —
Bonds				—
Clean Water State Revolving				—
Fund Loans (SRF)				—
Installment purchase contracts				—
				<u>\$ —</u>
<b>Total Direct &amp; Overlapping Debt</b>				<u>\$ —</u>

Source: Lexington County Finance Department and City of Cayce Finance Department.

<sup>1</sup>Per 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.

<sup>2</sup>The percentage applicable to Cayce Taxpayer's is based on the percentage of assessed valuation of property located within the City as compared with the County.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Total Assessed Valuation</b>	\$57,798,880	\$55,262,980	\$ 52,484,130	\$51,479,370	\$50,482,690	\$48,551,450	\$47,860,580	\$46,923,977	\$46,896,540	\$41,923,380
Maximum General Obligation Debt limited to 8% of total assessed valuation (1)	4,623,910	4,421,038	4,198,730	4,118,350	4,038,615	3,884,116	3,828,846	3,753,918	3,751,723	3,353,870
Outstanding bonds chargeable to bond limit	—	—	—	—	—	—	—	—	—	—
Legal debt margin	\$ 4,623,910	\$ 4,421,038	\$ 4,198,730	\$4,118,350	\$ 4,038,615	\$ 3,884,116	\$ 3,828,846	\$ 3,753,918	\$ 3,751,723	\$ 3,353,870
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. Does not include FILOT.

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,									
	2019	2018	2017	2016	2015	2014 <sup>2</sup>	2013	2012	2011	2010
Gross Revenues	\$18,474,151	\$17,453,758	\$17,370,618	\$16,899,283	\$15,005,544	\$14,580,922	\$13,899,383	\$12,140,032	\$11,159,169	\$10,381,824
Capital Facility Charges	1,162,128	743,423	1,622,762	465,468	1,604,279	1,592,759	5,145,064	9,848,764	13,721,503	7,168,737
Expenses of Operating and Maintaining the System <sup>(3)</sup>	(12,337,412)	(12,045,106)	(11,239,920)	(10,627,732)	(9,159,617)	(9,089,535)	(7,886,067)	(8,014,258)	(7,391,785)	(6,630,334)
Net Earnings/Net Revenues <sup>(1)</sup>	\$ 7,298,867	\$ 6,152,025	\$ 7,753,460	\$ 6,737,019	\$ 7,450,206	\$ 7,084,146	\$11,158,380	\$13,974,538	\$17,488,887	\$10,920,227
Combined Debt Service Requirements <sup>(4)</sup>	\$ 4,518,463	\$ 4,447,883	\$ 3,395,483	\$ 4,551,866	\$ 4,774,334	\$ 4,835,493	\$ 4,881,806	\$ 3,240,906	\$ 2,707,437	\$ 2,709,725
Debt Service Coverage <sup>(5)</sup>	160%	136%	174%	148%	156%	147%	229%	431%	646%	403%
Debt Service Coverage Without Capital Facility Charges <sup>(5)</sup>	N/A	N/A	N/A	N/A	122%	114%	123%	127%	139%	138%

- 1) Effective 2016, the City's 2016 Master Bond Ordinance replaced the prior bond indentures of trust and requires Net Earnings (as defined in the ordinance and inclusive of Capital Facility Charges) to be at least 115% of the Annual Principal and Interest Requirements for all bonds. Previously, debt service coverages under the then effective indentures were based on Net Revenues computed both with and without Capital Facility Charges.
- 2) For 2014, gross revenues include debt service reserve account savings as allowed under the prior indenture of trust.
- 3) Expenses of operating and maintenance of the system are exclusive of depreciation, amortization and other non-cash items.
- 4) Includes annual principal and interest payments on revenue bonds and state revolving funds loans.
- 5) Under the 2016 Bond Ordinance, debt service coverage to be at least 115%. Years prior to 2016 coverage tests required Net Revenues without Capital Facility Charges to be at least 115%, or Net Revenues (without Capital Facility Charges) to be at least 110%, plus Net Revenues with Capital Facility Charges to be at least 120%.



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

**COMMERCIAL PERMITS VALUES TEN FISCAL YEAR REPORT**

<b>Occurrence</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Alterations	\$ 3,367,800	\$ 2,662,932	\$ 4,093,414	\$ 3,663,392	\$ 2,024,358	\$ 1,433,524	\$ 4,355,520	\$ 583,964	\$ 1,485,764	\$ 1,445,301
Additions	8,500	827,622	53,388	1,067,481	—	1,159,300	1,171,880	368,348	94,692	74,256
New Construction	—	2,267,822	935,740	8,158,486	205,910	9,812,273	1,084,624	78,420	105,830	62,060,078
Sub-total:	3,376,300	5,758,376	5,082,542	12,889,359	2,230,268	12,405,097	6,612,024	1,030,732	1,686,286	63,579,635
Signage	129,552	330,000	35,386	85,224	63,914	78,430	73,417	44,130	88,105	169,376
Commercial Totals	<u>\$ 3,505,852</u>	<u>\$ 6,088,376</u>	<u>\$ 5,117,928</u>	<u>\$12,974,583</u>	<u>\$ 2,294,182</u>	<u>\$12,483,527</u>	<u>\$ 6,685,441</u>	<u>\$ 1,074,862</u>	<u>\$ 1,774,391</u>	<u>\$63,749,011</u>

**RESIDENTIAL PERMITS VALUES TEN FISCAL YEAR REPORT**

<b>Occurrence</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Alterations	\$ 1,934,119	\$2,328,763	\$ 2,040,385	\$ 1,722,156	\$ 1,227,438	\$ 959,069	\$ 1,558,973	\$ 976,387	\$ 804,757	\$ 2,236,743
Additions	97,610	195,294	239,353	132,485	311,499	258,552	297,543	192,946	226,930	225,550
Multi-Family	—	—	—	—	35,670,684	—	—	1,354,057	—	—
Single-Family	951,000	1,314,345	2,417,225	9,431,975	6,684,947	8,230,264	7,917,316	4,105,918	676,678	3,518,000
Residential Totals	<u>\$ 2,982,729</u>	<u>\$ 3,838,402</u>	<u>\$ 4,696,963</u>	<u>\$11,286,616</u>	<u>\$43,894,568</u>	<u>\$ 9,447,885</u>	<u>\$ 9,773,832</u>	<u>\$ 6,629,308</u>	<u>\$ 1,708,365</u>	<u>\$ 5,980,293</u>
Yearly Grand Total	<u>\$ 6,488,581</u>	<u>\$ 9,926,778</u>	<u>\$ 9,814,891</u>	<u>\$24,261,199</u>	<u>\$46,188,750</u>	<u>\$21,931,411</u>	<u>\$16,459,273</u>	<u>\$ 7,704,170</u>	<u>\$ 3,482,756</u>	<u>\$69,729,304</u>

CITY OF CAYCE, SOUTH CAROLINA  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST 10 AVAILABLE YEARS

<b>Per Year 2010 Census <sup>1</sup></b>	<b>Cayce<sup>5</sup></b>	<b>Lexington County<sup>4</sup></b>	<b>South Carolina<sup>4</sup></b>	
Total Population (2018 Estimate)	14,081	295,032	5,084,127	
Total Population (2017 estimate)	14,086	290,642	5,024,369	
Per Capita Income (In 2018 Inflation Adjusted Dollars)	\$ 27,812	\$ 30,316	\$ 27,986	
Median Household Income (In 2018 Inflation Adjusted Dollars)	\$ 50,545	\$ 59,593	\$ 51,015	
Median Family Income (In 2018 Inflation Adjusted Dollars)	\$ 64,033	\$ 76,627	\$ 63,437	
Total Personal Income (In 2018 Inflation Adjusted Dollars)	\$ 391,620,772	\$ 8,944,190,112	\$ 142,284,378,222	
<b>Population Estimates<sup>1</sup> (July 1, 2018)</b>	<b>Cayce</b>	<b>Lexington County</b>	<b>South Carolina</b>	
2009	13,062	255,607	4,561,242	
2010	12,528	262,391	4,625,364	
2011	12,626	266,547	4,673,509	
2012	12,772	270,272	4,723,417	
2013	12,860	273,752	4,774,839	
2014	12,951	277,888	4,832,482	
2015	12,944	281,833	4,896,146	
2016	14,233	286,196	4,961,119	
2017	14,086	290,642	5,024,369	
2018	14,081	295,032	5,084,127	
<b>Unemployment Rates<sup>2</sup> (Annual Average)<sup>3</sup></b>	<b>Cayce</b>	<b>Lexington County</b>	<b>South Carolina</b>	
2010	N/A	8.2	11.2	
2011	N/A	8.0	10.6	
2012	N/A	7.0	9.2	
2013	N/A	5.8	7.6	
2014	N/A	5.1	6.4	
2015	N/A	4.9	6.0	
2016	N/A	4.0	4.8	
2017	N/A	3.5	4.3	
2018	N/A	3.2	4.2	
2019	N/A	3.4	4.2	
<b>Cayce's Income Demographics<sup>5</sup></b>	<b>Households</b>		<b>Families</b>	
	<b>Number</b>	<b>Percentage</b>	<b>Number</b>	<b>Percentage</b>
\$0 – \$10,000	315	5.3%	119	4.2%
10,000 – 14,999	317	5.4%	68	2.4%
15,000 – 24,999	738	12.5%	195	6.8%
25,000 – 34,999	569	9.6%	238	8.4%
35,000 – 49,999	959	16.2%	389	13.7%
50,000 – 74,999	1,239	21.0%	645	22.6%
75,000 – 99,999	882	14.9%	491	17.2%
100,000 – 149,999	601	10.2%	477	16.7%
150,000 – 199,999	151	2.6%	136	4.8%
200,000 and over	134	2.3%	90	3.2%
Totals	5,905	100.0%	2,848	100.0%

Sources: <sup>1</sup> U.S. Bureau of the Census. Census 2010. 2018 latest estimates was population only.

<sup>2</sup> S.C. Department of Employment and Workforce.

<sup>3</sup> Based on six month averages.

<sup>4</sup> State demographic information for all categories, updated as of July 1, 2018.

<sup>5</sup> Income demographics for the City are based on estimates from the Bureau of the Census, American Community Survey, latest year 2018.

N/A = Not Available

CITY OF CAYCE, SOUTH CAROLINA

PRINCIPAL EMPLOYERS  
(Ten Largest)

JUNE 30, 2019

(With comparative data from that first reported in CAFR, June 30, 2010)

Taxpayer		2019			2010		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Dominion Energy (formerly SCANA)	Electric Utility	1,347	1	15.89%	1,700	1	20.73%
USPS	Mail Distribution	733	2	8.65%	-	-	0.00%
CMC Steel	Manufacturer, Steel	389	3	4.59%	310	2	3.78%
Lexington School District 2	Public School System	342	4	4.04%	-	-	0.00%
Farm Bureau Insurance of S.C.	Insurance	170	5	2.01%	200	3	2.44%
Bi-Lo, LLC	Grocer	163	6	1.92%	85	6	1.04%
CINTAS	Uniform Provider	123	7	1.45%	110	4	1.34%
Walmart	Grocer	124	8	1.46%	-	-	0.00%
McDonalds	Restaurant	115	9	1.36%	-	-	0.00%
Shealy Environmental	Contractor Services	75	10	0.88%	-	-	0.00%
Total		<u>3,581</u>		<u>42.25%</u>	<u>2,405</u>		<u>29.33%</u>
Approximate number employed within the City limits		<u>8,475</u>			<u>8,200</u>		

Note: Information obtained from Business License applications and phone calls to businesses.  
Information does not include the 2019 City of Cayce's employees.

CITY OF CAYCE, SOUTH CAROLINA

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Employees by Function/Program</b>										
<u>Governmental Activities</u>										
General government:										
Legislative	5	5	5	5	5	5	5	5	5	5
Administrative	6	6	6	6	6	5	4	4	5	5
Recorder's court	4	3	3	3	3	2	2	1	1	1
IT	1	1	1	1	1	1	1	N/A	N/A	N/A
Finance:										
Accounting	3	3	3	3	3	3	3	3	4	4
Public safety:										
Animal control	1	1	1	1	2	2	2	2	2	2
Dispatchers	6	6	5	5	5	5	5	5	5	5
Administrative	7	4	4	4	4	4	4	4	4	4
Detectives	8	9	8	8	8	8	8	8	9	9
Traffic/Victim's Advocate	42	43	37	39	41	38	38	39	47	48
Fire	19	16	16	15	15	12	9	9	—	—
Parks	4	4	4	4	2	N/A	N/A	N/A	N/A	N/A
Planning and community development:										
Administrative	7	7	7	5	4	4	6	5	5	5
Public works:										
Public buildings	1	1	1	1	1	1	1	1	1	1
Sanitation	17	17	17	15	17	17	17	17	16	16
Garage	5	5	5	5	5	5	5	5	5	5
Parks and museum:										
Museum	2	3	3	2	2	2	2	2	2	2
Parks	12	12	12	12	10	10	9	9	8	8
Subtotals	150	146	138	134	134	124	122	119	119	120
<u>Business-type Activities</u>										
Water and sewer utility:										
Administrative	5	5	4	4	4	12	8	8	7	7
Water billing*	9	9	9	8	8	N/A	N/A	N/A	N/A	N/A
Water treatment plant	10	10	10	10	10	9	10	10	10	10
Water distribution and maintenance	13	13	13	13	13	13	14	14	14	14
Sewer collection and outfall lines	15	15	14	13	13	12	12	12	10	9
Wastewater treatment plant	15	14	13	12	12	12	12	12	11	11
Wastewater Pre-treatment Plant**	5	5	4	3	3	1	—	—	—	—
Subtotals	72	71	67	63	63	59	56	56	52	51
Total	222	217	205	197	197	183	178	175	171	171

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

Note: Schedule is based on budgeted full-time positions. N/A represents "Not Applicable".

\*Water billing was spit out from Water Administration as of July 1, 2014.

\*\*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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Governmental Activities</u>										
General government:										
Area in Square Miles	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2
Population of City <sup>1</sup>	14,081	14,086	14,233	13,625	13,496	13,366	13,240	13,152	13,089	13,065
Public safety:										
Number of stations	3	4	4	4	4	6	6	6	6	6
Number of Police Officers	17	10	5	1	1	2	2	2	2	2
Number of Firefighters	11	9	8	6	6	12	9	9	3	4
Number of Public Safety Officers*	45	57	56	57	54	48	49	49	49	48
Dispatchers and Victim's Advocate	7	8	8	8	8	8	9	8	9	9
Number of arrests	676	956	850	700	685	1,121	887	728	830	523
Number of emergency incidents	7,046	6,796	6,192	5,800	8,470	6,800	2,968	5,295	9,388	10,494
Planning and community development:										
Permits issues	428	427	442	452	744	300	917	276	239	341
Estimated cost of construction	6,488,581	9,926,778	9,814,891	24,261,198	46,188,750	21,931,411	16,459,273	7,704,170	3,482,756	69,729,305
Public works:										
Active vehicles in vehicle replacement plan	201	179	179	168	156	146	152	149	130	122
Refuse collected (average tons per day)	29.5	36.5	36.0	24.5	25.0	23.19	44.4	35.3	48.0	47.8
Recyclables collected (average tons per day)	1.8	4.0	3.5	2.5	2.0	1.26	1.18	1.06	1.05	1.04
Parks and museum:										
Number of parks	9	9	9	9	9	9	9	9	8	8
Number of playgrounds	6	6	6	6	5	5	5	5	5	5
Museum complex	1	1	1	1	1	1	1	1	1	1

— CONTINUED —

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

— CONTINUED —

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Business-type activities</u>										
Water and sewer utility:										
Number of water customers – end of period*	7,865	7,822	7,776	7,760	8,436	8,245	8,222	8,490	8,337	7,329
Number of sewer customers – end of period*	12,917	12,714	12,583	11,625	12,146	11,595	11,893	12,150	10,812	10,757
Water plant filtration capacity per day – gallons (GPD)	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000
Maximum daily pumping capacity of water – gallons	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Average daily filtration flow – water GPD	3,360,000	3,080,000	3,004,000	3,000,160	2,730,000	2,790,000	2,730,000	3,070,000	3,090,000	3,050,000
Peak average filtration flow – water GPD	4,160,000	3,890,000	3,660,000	3,721,000	3,620,000	3,740,000	3,750,000	4,300,000	3,790,000	3,440,000
Peak daily filtration flow – water GPD	5,126,700	4,313,000	4,663,000	4,408,000	4,232,400	4,771,900	4,020,000	4,389,000	4,130,000	4,410,000
Wastewater plant treatment capacity per day – gallons	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	9,500,000	9,500,000	9,500,000
Average daily treated flow – wastewater GPD	9,956,000	9,193,000	9,652,000	9,803,000	7,743,000	8,222,000	6,666,000	5,733,000	4,303,000	6,758,000
Peak average treated flow – wastewater GPD	12,578,000	11,886,000	11,462,000	13,458,000	8,900,000	10,123,000	7,417,000	6,184,000	6,002,000	9,030,000
Peak daily treated flow – wastewater GPD	23,321,000	15,812,000	21,547,000	23,647,000	16,490,000	17,075,000	13,181,000	9,557,000	10,871,000	14,188,000
Number of miles of water mains owned by City	221.5	221.2	219.3	217.7	216.3	215.9	214.8	214.0	210.5	207
Number of miles of sewage collection lines owned by City	281.4	279.9	272.9	270.1	268.5	266.3	265.7	265	260	260

\* Only counting active accounts. No longer including inactive but available accounts. Consumption and revenue will not be affected.

Source: City of Cayce Departments.

CITY OF CAYCE, SOUTH CAROLINA

## COVER STORY

THE CAYCE BEAUTIFICATION FOUNDATION FUNDED THE TRAFFIC  
SIGNAL CABINET WRAP PROJECT AS A BEAUTIFICATION PROJECT FOR THE CITY.



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