



**CITY of CAYCE, SOUTH CAROLINA**

**ALWAYS LOOKING FORWARD**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**for the FISCAL YEAR ENDING JUNE 30, 2013**

CITY OF CAYCE, SOUTH CAROLINA

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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YEAR ENDED JUNE 30, 2013

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, 2013

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CITY OF CAYCE, SOUTH CAROLINA

## INTRODUCTORY SECTION



CITY OF CAYCE, SOUTH CAROLINA



## CITY OF CAYCE

*MAYOR*  
ELISE PARTIN

*MAYOR PRO-TEM*  
JAMES E. JENKINS

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

*CITY MANAGER*  
REBECCA V. RHODES

*ASSISTANT CITY MANAGER*  
SHAUN M. GREENWOOD

October 31, 2013  
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, 2013 (FY 2013). The report contains a comprehensive analysis of the City's financial position and activities for the period. This report is presented in three sections: 1) Introductory Section consisting of this transmittal letter, a listing of City officials, and the organization structure; 2) Financial Section, which consists of the independent auditor's report, management's discussion and analysis, basic financial statements, notes to the financial statements, required supplemental information along with detailed combining and individual fund statements; 3) Statistical Section, which contains pertinent financial and general information indicating trends for comparative fiscal periods.

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

In accordance with Section 5-13-30 of the South Carolina Code of Laws, the City of Cayce's financial statements have been audited by the firm of Robert E. Milhous, C.P.A., P.A. and Associates. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The auditor's report in the Financial Section provides a discussion of the audit, procedures and their opinion. The independent auditor has rendered an unqualified opinion on the City of Cayce's financial statements for the year ended June 30, 2013 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, 2013.

### **Profile of the Government**

The City of Cayce (the "City" or "Cayce") was incorporated in 1914 and is located along the Congaree River in Lexington and Richland counties in the central midlands of South Carolina. The City serves a population of approximately 12,679 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 appropriate amount) is established by department within an individual fund. The City Manager presents the proposed budget to Council for review, and approval. The City Manager may make transfers of appropriations within each fund. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated budget has been adopted. As demonstrated by the statements and schedules included in the financial section of this report as Required Supplementary Information, the City continues to meet its responsibility for sound financial management.

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

### **Legislative**

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

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

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

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

At June 30, 2013, elected officials were as follows:

**MAYOR**

*Elise Partin*

515 Lafayette Avenue, Cayce, SC 29033

Telephone: 361-8280

**MEMBERS OF COUNCIL**

**District 1**

*Tara Almond*

608 M Ave., Cayce, SC 29033

Telephone: 309-1564

**District 3**

*Eva Corley*

1907 Routon St., Cayce, SC 29033

Telephone: 479-0097

**District 2**

*James "Skip" Jenkins*

2224 Lee St., Cayce, SC 29033

Telephone: 796-9049

**District 4**

*Timothy James*

305 Moss Creek Dr., Cayce, SC 29033

Telephone: 796-4174

**Factors Affecting Financial Condition**

Accounting standards require management to prepare a narrative overview and analysis to accompany the basic financial statements. This narrative, entitled Management's Discussion and Analysis (the "MD&A"), is a part of the Financial Section of this report, contains a discussion of the City's current financial condition and activities for the year ended June 30, 2013, and can be found immediately following the Report of Independent Auditor.

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

**Local Economy**

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

The Congaree River has always played a dominant role of strategic importance in Cayce's development from the early days when barge and boat traffic from the low country were a part of everyday commerce on the river. Cayce became an outpost for this trade. The ongoing Cayce Riverwalk Park includes a public nature park along the river with amenities such as lighted boardwalks and concrete walkways, picnic shelters, park benches, emergency call boxes and over-looks jutting out over the river with magnificent views of the Columbia skyline. Development on both sides of the river is a driving force in the continuing economic development of the City of Cayce. During the year ended June 30, 2004 the City issued a \$5,000,000 Tax Increment Financing Revenue Bond to obtain funds to develop a portion of the City to enhance economic development. Expanding the Cayce Riverwalk Park and connecting it with local commercial businesses, along with expanding and upgrading the regional wastewater treatment plant positions the City to participate in the continued economic growth that is occurring in the Columbia Metropolitan area.

Economic development on the 12<sup>th</sup> Street Extension corridor continues at a very good pace. SCANA Corporation has completed various construction projects on their corporate headquarters campus and regional service campus. The value of the completed projects which includes the crew quarters/central stores, the two 24/7-call centers, the Transmission Operations Center, the Operations Support Center, Gas Operation Center, Radio Communication Center, Field Service Technical Storage Facility, Investment Recovery Facility, and Store Room Complex is approximately \$91.5 million. All of this construction has taken place since SCANA, the only Fortune 500 Corporation in South Carolina, announced that they would relocate their corporate headquarters from the City of Columbia to the City of Cayce.

Construction of the SCANA Corporate Headquarters on Saxe Gotha Drive has now been complete for two years. SCANA employees are now occupying most of the huge corporate complex. The SCANA project has increased tax and license revenues in the City budget over the past two years. Already, spin-off construction for service business, retail, and restaurants is taking place. The city has reviewed SCANA's Phase II master plan which includes high rise hotels, upscale restaurants, office parks, medical parks, townhomes, apartment complexes, and a gated subdivision.

In conjunction with that, a new residential subdivision named Concord Park has been under construction on Taylor Rd. and 12<sup>th</sup> St. and when finished will consist of 208 upscale single family residences. This subdivision is within a short distance to the Cayce Tennis and Fitness Complex that was constructed by the Lexington County Recreation and Aging Commission. Construction on that facility began in 2010 and completed during the 2012 fiscal year.

In addition, the Southern First Bank building (a four story \$10 million building located at the corner of Knox Abbott Dr. and Axtell Dr.) was completed in 2011, and is occupied by the Midlands operations and headquarters for Southern First Bank, a regional bank located in Greenville, SC. This building is the first development in the proposed "The Brickworks" project that is being developed and built by Brickworks Associates, LLC. New construction associated with this project could total \$40 million and include 300,000 square feet of office, retail, and residential construction that will extend to the Congaree River and tie into the Cayce Riverwalk. Potential development of a hotel overlooking the Columbia skyline and Congaree River is also possible with this development.

Other known projects include the Saxe Gotha Industrial Park that Lexington County is constructing in the county abutting Cayce City Limits. The City of Cayce has agreements in place to provide water and sewer service to the industrial park. This 400 acre industrial park is being developed off of 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 plans to expand 12<sup>th</sup> Street to four lanes and expand the industrial park to accommodate the expected growth.

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

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

### **Long-Term Financial Planning**

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

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

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cayce for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. A CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Cayce has received a Certificate of Achievement for the last seven fiscal years. We believe our current report continues to conform with the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

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

### **Internal Control**

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

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

### **Budgetary and Accounting Policies**

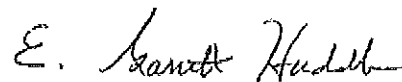
By June 30<sup>th</sup> of each year, the City enacts, through passage of an ordinance, a legal budget along with the establishment of property tax levy (millage) for the upcoming fiscal year. Annually, the City gathers information about assessed values of real and personal property located within the City limits. The total assessments are then applied to the applicable tax rates in order to determine estimated tax revenues. The City's 2012-2013 budget appropriated General fund expenditures based on estimated revenues for the fiscal year. The Water and Sewer Utility Fund (an Enterprise Fund) provides for budgeted expenses based on estimated revenues generated from rates charged for providing utility-related services to its customers. Annually, the City Council reviews its utility rates through a comprehensive assessment and analysis of its rate structure. The City operates its other funds under informal budgets established and monitored by the City Manager. Procedures associated with the development and passage of the annual budget is more fully described in the Notes to the Budgetary Comparison of the Required Supplementary Information section of this report.

The budgetary process and significant accounting policies of the City were consistent with the previous year and are more fully described in Note 1 to the financial statements. The City continues to budget actuarial effects associated with GASB #45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; however, they are presently unfunded. The next scheduled actuarial valuation is FY 15. Disclosures related to actuarial valuations and accounting treatment of the benefit in effect at June 30, 2013 are described in Note 9.

### **Acknowledgements**

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

Respectfully submitted,



E. Garrett Huddle  
City Treasurer



Government Finance Officers Association

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

Presented to

**City of Cayce  
South Carolina**

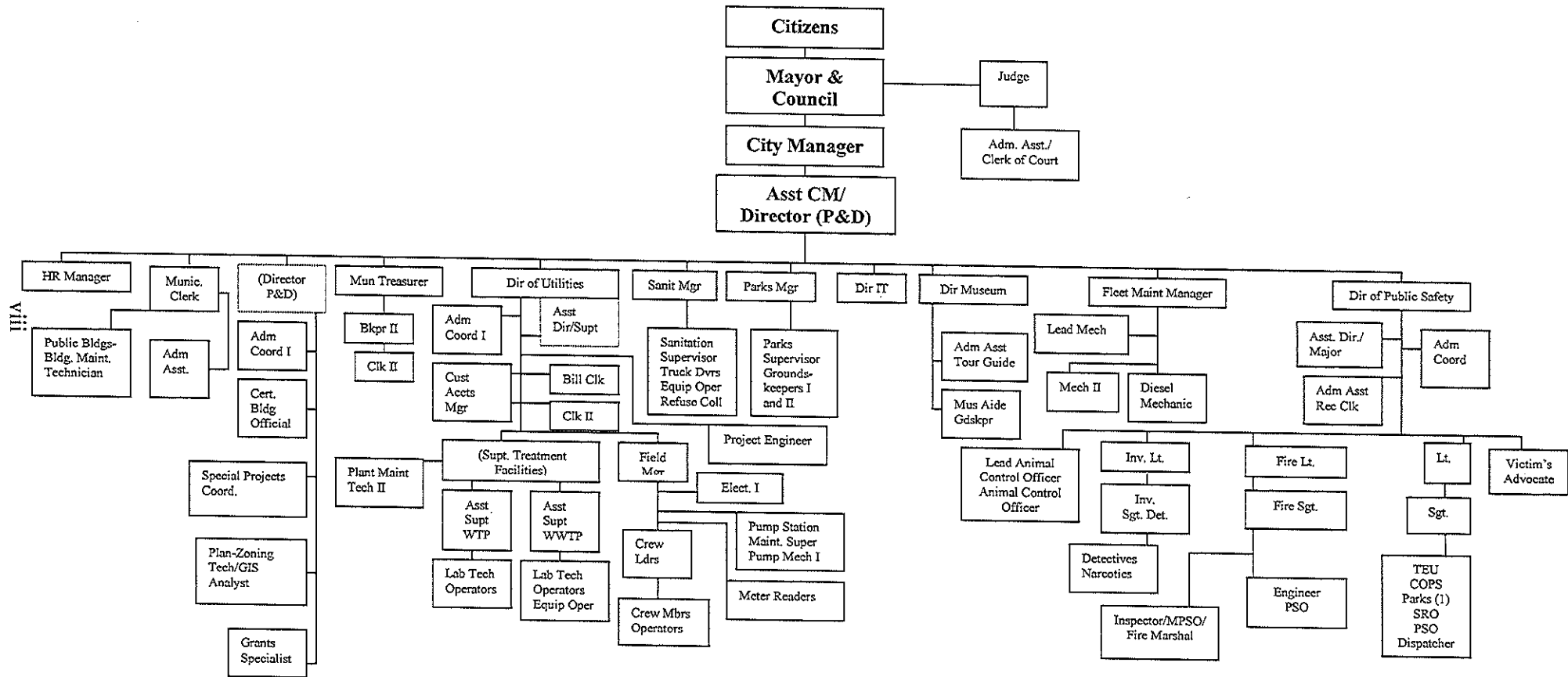
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



# City of Cayce Organizational Chart



## FINANCIAL SECTION

CITY OF CAYCE, SOUTH CAROLINA

REPORT OF INDEPENDENT AUDITOR

CITY OF CAYCE, SOUTH CAROLINA

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

*A Professional Association Of*  
**CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS**

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

*Columbia*  
Phone: (803) 772-5300

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

## REPORT OF INDEPENDENT AUDITOR

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

### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Cayce, South Carolina (the "City"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management.

### 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.

— CONTINUED —



## Opinions

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, 2013, 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, which consisted principally of inquires of management about comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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 us 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.

The prior year summarized comparative information presented in the 2013 individual fund financial statements and schedules has been derived from the City's 2012 audited financial statements, and in my report dated October 25, 2012, expressed an unqualified opinion on those individual fund financial statements.

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.

  
October 29, 2013  
Columbia, South Carolina

**City of Cayce, South Carolina**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2013**

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, 2013. 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 at year end June 30, 2013 were \$155.5 million and exceeded total liabilities by \$91.6 million. Of the total net position at June 30, 2013, \$7.7 million were unrestricted and available to support short term operations of the City.

Per the Government-wide *Statement of Activities*, the City's total net position increased by \$5.0 million for the year ended June 30, 2013. The Governmental Activities resulted in a net increase of \$.2 million, while the Business-type Activities contributed a positive net change in net position of \$4.8 million, which was substantially funded by capital contributions recognized during the year.

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements** - The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported on the accrual basis of accounting when the underlying event gives rise to the change that occurs *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., revenues receivable and earned but unused vacation leave).



## Overview of the Financial Statements (continued)

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

**Fund Financial Statements** – The “Fund financial statements” provide a more detailed look at the City’s most significant activities. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: Governmental funds, Proprietary funds, and Fiduciary funds.

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

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

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

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

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

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, total assets exceeded total liabilities by \$91.6 million at the close of June 30, 2013.

Below is a 'condensed' Statement of Net Position at June 30, 2013, which depicts the major components of the City's assets, liabilities and net position (with comparative amounts for June 30, 2012).

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Cash and cash equivalents:						
Unrestricted	\$ 1,115,325	\$ 2,485,149	\$ 993,278	\$ 1,237,939	\$ 2,108,603	\$ 3,723,088
Restricted	1,748,584	1,403,669	13,929,410	18,495,344	15,677,994	19,899,013
Other current assets	365,829	365,293	7,345,338	2,243,788	7,711,167	2,609,081
Other assets, net of accumulated amortization	6,667	8,333	1,042,096	1,192,168	1,048,763	1,200,501
Capital assets, net of accumulated depreciation	6,477,287	6,725,571	122,537,755	125,569,984	129,015,042	132,295,555
<b>Total assets</b>	<b>\$ 9,713,692</b>	<b>\$ 10,988,015</b>	<b>\$145,847,877</b>	<b>\$148,739,223</b>	<b>\$155,561,569</b>	<b>\$159,727,238</b>
<b>Liabilities and Net Position</b>						
Current liabilities	\$ 1,261,216	\$ 2,257,710	\$ 878,775	\$ 1,176,939	\$ 2,139,991	\$ 3,434,649
Current liabilities payable from restricted assets	423,005	406,460	6,009,283	6,891,033	6,432,288	7,297,493
Non-current liabilities	3,167,189	3,704,798	52,209,484	58,701,880	55,376,673	62,406,678
<b>Total liabilities</b>	<b>4,851,410</b>	<b>6,368,968</b>	<b>59,097,542</b>	<b>66,769,852</b>	<b>63,948,952</b>	<b>73,138,820</b>
Net invested in capital assets	4,323,676	3,847,244	67,541,961	66,405,669	71,865,637	70,252,913
Restricted	1,007,695	912,655	10,991,313	12,186,134	11,999,008	13,098,789
Unrestricted (deficit)	(469,089)	(140,852)	8,217,061	3,377,568	7,747,972	3,236,716
<b>Total net position</b>	<b>\$ 4,862,282</b>	<b>\$ 4,619,047</b>	<b>\$ 86,750,335</b>	<b>\$ 81,969,371</b>	<b>\$ 91,612,617</b>	<b>\$ 86,588,418</b>

Of total net position of \$91.6 million at June 30, 2013, (and \$86.6 million at June 30, 2012), \$4.9 million (and \$4.6 million in 2012) represents net position of the City's Governmental Activities while \$86.7 million (and \$81.9 million in 2012) represents net position of the City's Business-type Activities.

By far the largest portion of the City's net position (\$71.8 million, or 78%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Also a portion of the City's total net position, \$12.0 million, or 13.1% represents resources that are subject to external restrictions on how they may be used, which includes resources for the City's redevelopment district plan and related debt service (\$1.0 million of Governmental Activities), and restricted net position for debt service and capital projects (totaling \$11.0 million of the City's Business-type Activities) Water and Sewer Utility Fund. The remaining balance of *unrestricted net position* (\$7.7 million, or 8.5%) may be used to meet the government's ongoing obligations to citizens and creditors.

## Government-Wide Financial Analysis (continued)

While Governmental Activities total assets and liabilities remained about the same in 2013 (as compared to 2012), Business-type Activities total assets decreased in 2013 by approximately \$2.9 million primarily due to the continued construction of the new 26.0 million gallons per day (mgd) wastewater treatment plant (a \$65-70 million capital project completed January 2013), and the write-off of the net carrying value of the old WWTP.

Total Governmental Activities unrestricted net deficit increased in 2013 primarily due to decline in revenues and for council approved expenditures from the General Fund for an architectural study of City Complex and buildings and a complete Website overhaul.

Business-type restricted net position increased in 2013 by \$1.2 million primarily due to decreasing the Debt Service Reserve Fund (\$.758 million) and spending down construction restricted funds. Unrestricted net position increased in 2013 by approximately \$4.8 million primarily due to revenue exceeding expense and increase in Capacity charges and other Capital Contributions.

The City's components of changes in net position (condensed from the Statement of Activities) for FY 2013 and FY 2012 are illustrated in the following table:

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Revenue</b>						
Program Revenue:						
Charges for services	\$ 1,014,772	\$ 1,053,270	\$ 13,053,768	\$ 12,113,231	\$ 14,068,540	\$ 13,166,501
Operating grants and contributions	25,727	163,049	—	—	25,727	163,049
Capital grants and contributions	100,000	267,131	8,768,596	9,848,764	8,868,596	10,115,895
General revenue:						
Property taxes	3,616,400	3,756,223	—	—	3,616,400	3,756,223
State shared and unallocated intergovernmental	490,702	412,797	—	—	490,702	412,797
Licenses and other	3,347,207	4,087,220	20,799	—	3,368,006	4,087,220
Other	537,011	524,371	14,619	25,957	551,630	550,328
Total revenue	9,131,819	10,264,061	21,857,782	21,987,952	30,989,601	32,252,013
<b>Expenses</b>						
General government	255,392	224,912	—	—	255,392	224,912
Information technology	106,544	73,396	—	—	106,544	73,396
Finance	70,355	82,275	—	—	70,355	82,275
Public safety	4,758,297	4,514,375	—	—	4,758,297	4,514,375
Public works	1,398,634	1,305,014	—	—	1,398,634	1,305,014
Planning and development	628,271	595,472	—	—	628,271	595,472
Parks and museum	576,023	541,286	—	—	576,023	541,286
Garage	262,443	244,377	—	—	262,443	244,377
Depreciation and amortization (unallocated)	722,934	671,692	—	—	722,934	671,692
Interest	109,691	123,814	—	—	109,691	123,814
Water and sewer utility	—	—	12,588,337	11,733,001	12,588,337	11,733,001
Total expenses	8,888,584	8,376,613	12,588,337	11,733,001	21,476,921	20,109,614
Change in net position before special/extraordinary item	243,235	1,887,448	9,269,445	10,254,951	9,512,680	12,142,399
Special/extraordinary item	—	(1,040,506)	(4,488,481)	—	(4,488,481)	(1,040,506)
<b>Changes in net position</b>	<b>243,235</b>	<b>846,942</b>	<b>4,780,964</b>	<b>10,254,951</b>	<b>5,024,199</b>	<b>11,101,893</b>
Beginning net position	4,619,047	3,772,105	81,969,371	71,714,420	86,588,418	75,486,525
Ending net position	\$ 4,862,282	\$ 4,619,047	\$ 86,750,335	\$ 81,969,371	\$ 91,612,617	\$ 86,588,418

## Government-Wide Financial Analysis (continued)

As stated earlier, net position in Governmental Activities had a total increase of \$243,235 in 2013 compared to an increase of \$846,942 in 2012. Net position in Business-type Activities resulted in an increase of \$4.8 million in 2013 compared to a \$10.2 million increase in 2012, primarily due to the write-off of old WWTP carrying value costs plus fewer capital contributions received from developers (dedeered infrastructure plus impact/capacity fees) and capital contributions from the Town of Lexington (Town) and the Lexington County Joint Water and Sewer Commission (Commission).

Key Governmental Activities revenue highlights are as follows: Total Program Revenue equaled \$1.1 million, (a decrease of \$342,951 in 2013) primarily due to less capital grants received for Parks and Recreation. General Revenues were down by \$.79 million due to a decrease in Business Licenses Revenues, Police Fines and Property Taxes.

Governmental Activity expense changes between 2013 and 2012 resulted in the following: Finance expenses decreased by \$11,920 due to position being transferred to Utilities. Public Works (which includes Sanitation, Street Lighting, and Public Buildings) increased \$93,620 due to increased fuel and electrical costs. While all other departments showed small increases much of which were associated with increased fuel costs and council approved expenditures for an architectural study and overhaul of the City's web page, Public Safety had a substantial increase of \$243,922 due to increased costs for operations.

Key Business-type Activity revenue highlights are as follows: Total Program Revenue decreased \$139,631 due to increases in Charges for Services of \$940,537 but a decrease in Capacity Fees of approximately \$1.08 million.

**Expenses and Program Revenues – Governmental Activities** - Governmental expenses (totaling \$8.9 million) are funded in part by program-specific revenues of fees for services, grants and contributions. As shown below, Governmental Activities were overall funded by 12.8% 'program revenues', leaving 87.2% 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	\$ (255,392)	\$ —	\$ (255,392)	—	100%
Information technology	(106,544)	—	(106,544)	—	100%
Finance	(70,355)	—	(70,355)	—	100%
Public safety	(4,785,297)	545,554	(4,212,743)	11.5%	88.5%
Public works	(1,398,634)	472,833	(925,801)	33.8%	66.2%
Planning and development	(628,271)	121,286	(506,985)	19.3%	80.7%
Parks and museum	(576,023)	826	(575,197)	.1%	99.9%
Garage	(262,443)	—	(262,443)	—	100%
Depreciation and amortization	(722,934)	—	(722,934)	—	100%
Interest	(109,691)	—	(109,691)	—	100%
<b>Totals</b>	<b>\$ (8,888,584)</b>	<b>\$ 1,140,499</b>	<b>\$ (7,748,085)</b>	<b>12.8%</b>	<b>87.2%</b>

## Government-Wide Financial Analysis (continued)

As in prior years, depreciation and amortization expenses were not allocated to the City's functions due to non-detailed information available and are shown as a single line item in the Statement of Activities as "unallocated", while non-departmental service support expenses were allocated by function in 2013.

### General Revenues by Source – Governmental Activities

As shown in the table on the preceding page, General Revenues funded the City's Governmental Activities by 87.2% in the following categories.

	<u>2013</u>	<u>2012</u>
Property taxes	\$ 3,616,400	\$ 3,756,223
State shared revenue	490,702	412,797
Licenses and other	3,344,898	4,087,220
Investment earnings	2,309	4,053
Miscellaneous	537,011	520,318
Total	<u>\$ 7,991,320</u>	<u>\$ 8,780,611</u>

Overall, the City experienced a 9.0% decrease in General Revenues (or \$789,291 from 2012 to 2013) primarily due to less property taxes and business licenses fees.

**Expenses and Program Revenues – Business-type Activities** - The City's Water and Sewer Utility Enterprise Fund that comprises its Business-type Activities is used for all resources associated with supplying water and providing sewage services to domestic, business and industrial customers within the City limits as well as some of the surrounding unincorporated areas of Lexington County. Operating revenues totaled \$13.1 million in 2013 (as compared to \$12.1 million in 2012) and includes water sales and connection fees of \$4.7 million plus \$8.1 million from sewer services and connection fees. Operating income at year ended June 30, 2013, totaled \$1,874,233 (as compared to \$1,674,318 in 2012). Capacity charges, consisting primarily of system enhancement, capacity (impact) fees, and capital contributions from the Town and the Commission totaled \$8.8 million in 2013 (as compared to \$9.8 million in 2012). The number of sewer customers decreased nominally from 12,150 for 2012 to 11,893 for 2013. The number of water customers also had a small decrease from 8,490 for 2012 to 8,222 for 2013. As stated earlier, the change in net position of the Water and Sewer Utility Fund (\$4.8 million) was primarily a result of capital contributions from the Town and the Commission, less write-off of the old WWTP carrying value.

### 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 2012, actual General Fund revenues for 2013 decreased by \$966,277 (or 10.6%), primarily due to less property tax collections, business licenses and grants. General Fund expenditures, net of Utility Fund overhead allocations and capital outlay, remained virtually unchanged at \$8.6 million for both 2013 and 2012. The General Fund's 'final' budgeted revenues totaled \$8,459,790 and actual revenues achieved equaled \$8,136,359, or \$323,431 less than budget. The City had actual General Fund expenditures before Extraordinary Items of \$8,603,132, compared to a 'final' budget of \$8,687,790 for a favorable budget to actual variance of \$84,658 for the fiscal year ended June 30, 2013.

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

Increases in the cost of gas, diesel fuel, electricity and natural gas contributed significantly to the over original budget expenditures in the General Fund for Public Safety and Public Works. Also, increased actual costs for insurance premiums and legal costs contributed to non-favorable original budget to actual variances in General Government department. The City's Non-department (Support Services) final budget included unspent amounts for prior-year fund balance appropriation, GASB #45-OPEB annual required contribution, and employee merit/Christmas bonus/COLA pool, which respective category expenditures did not occur in fiscal year 2013 and resulted in a favorable budget-to-actual variance.

With continued pressures of state-mandated property tax millage 'caps', the City's final budget reflected a deficiency of estimated revenues over its appropriated expenditures before Other Financing Sources and Uses totaling (\$466,773). The General Fund's other financing sources included \$232,589 in 2013 from the General Fund portion of State Accommodations Taxes.

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 2013 compared to 2012 actual amounts achieved.

General Fund	2013		Variances Favorable (Non- favorable)	2012
	Final Budget	Actual		Actual
<b>Revenue</b>				
Property taxes	\$ 2,923,600	\$ 2,865,633	\$ (57,967)	\$ 2,991,471
Licenses and permits	3,617,255	3,401,971	(215,284)	4,145,714
Fines and forfeitures	338,000	223,204	(114,796)	316,604
State shared revenue	361,568	356,691	(4,877)	310,703
Current services	673,300	692,536	19,236	658,095
Grants and other	544,167	594,568	50,401	678,064
Interest income	1,900	1,756	(144)	1,985
Total revenue	8,459,790	8,136,359	(323,431)	9,102,636
<b>Expenditures</b>				
Current (net of Utility Fund overhead allocations and capital outlay):				
General government	322,538	257,965	64,573	237,577
Information technology	84,258	106,187	(21,929)	73,396
Finance	79,398	69,766	9,632	87,707
Public safety	4,670,803	4,746,330	(75,527)	4,544,851
Public works	1,338,463	1,397,514	(59,051)	1,321,336
Planning and community development	491,500	579,112	(87,612)	543,828
Parks and museum	610,881	590,580	20,301	548,525
Garage	260,379	261,917	(1,538)	250,402
Support services	250,873	24,853	226,020	618,680
Debt service	291,705	285,482	6,223	213,413
Capital outlay	286,992	283,426	3,566	168,818
Total expenditures	8,687,790	8,603,132	84,658	8,608,533
Excess (deficiency) of revenue over (under) expenditures	(228,000)	(466,773)	(238,773)	494,103
Other financing sources and (uses)	228,000	232,589	4,589	793,149
Net change before extraordinary item	—	(234,184)	(234,184)	1,287,252
Extraordinary Item – Fire	—	—	—	(1,040,506)
<b>Net change in fund balance</b>	<b>\$ —</b>	<b>\$ (234,184)</b>	<b>\$ (234,184)</b>	<b>\$ 246,746</b>

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

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

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** - As of June 30, 2013, the City's investment in capital assets for its Governmental Activities totaled \$16.1 million, less accumulated depreciation of \$9.6 million for a net carrying value of \$6.5 million. For its Business-type Activities, total investment in capital assets equaled \$149.5 million, less accumulated depreciation of \$26.9 million for a net carrying value of \$122.5 million. The City's investment in capital assets includes land, buildings, utility system improvements, machinery and equipment, park facilities, vehicles and furniture. The City's significant capital asset acquisition for the Governmental Activities new public safety vehicles and a sanitation truck purchased via installment purchase arrangements. In addition to capital infrastructure and plant improvements for the Business-type Activities (Water and Sewer Utility Fund), the City substantially completed a new 26.0 million gallons per day (mgd) wastewater treatment plant. The final cost of this new plant is estimated to exceed \$65 million. Additional information on the City's capital assets can be found in *Note 5* of this report.

**Long-Term Debt** - At the end of the current fiscal year, the City had total bonded indebtedness outstanding of its Governmental Activities of \$2.8 million, and Business-type Activities of \$52.5 million. Governmental Activities debt consists of a tax increment financing (TIF) bond with an outstanding balance of \$1.8 million, and various installment purchase notes with an outstanding balance of \$1.0 million at June 30, 2013. During 2013, the City continued to draw from a State Revolving Fund (SRF) Loan, Series 2009 for the construction of the new wastewater treatment plant. The new wastewater treatment plant was completed in January 2013. Additional information on the City's long-term debt can be found in *Note 6* of this report.

During the year 2013 the City obtained financing through the State of South Carolina Clean Water State Revolving Funds (SRT) Series 2013 program, for the construction of a new septage pre-treatment facility in the total amount of \$1,150,000. At June 30, 2013, and City had only drawn down on the loan a total of \$114,945. The septage pre-treatment facility is being constructed simultaneously with the demolition of the old Wastewater Treatment Plant. Per the agreement, the entire principal balance will be forgiven at the completion of construction.

### **REQUEST FOR INFORMATION**

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

## BASIC FINANCIAL STATEMENTS



CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 1,115,325	\$ 993,278	\$ 2,108,603
Receivables, net	290,157	7,007,148	7,297,305
Internal balances, net	23,742	(23,742)	—
Inventories	51,930	361,932	413,862
Total current assets	<u>1,481,154</u>	<u>8,338,616</u>	<u>9,819,770</u>
Non-current assets:			
Restricted cash and cash equivalents	1,748,584	13,929,410	15,677,994
Capital assets, net of depreciation	4,153,488	119,520,830	123,674,318
Capital assets not subject to depreciation	2,323,799	3,016,925	5,340,724
Other assets, net	6,667	1,042,096	1,048,763
Total non-current assets	<u>8,232,538</u>	<u>137,509,261</u>	<u>145,741,799</u>
Total Assets	<u>\$ 9,713,692</u>	<u>\$ 145,847,877</u>	<u>\$ 155,561,569</u>
<b>Liabilities and Net Position</b>			
Current liabilities:			
Accounts payable	\$ 264,067	\$ 187,240	\$ 451,307
Accrued expenses and other liabilities	286,468	102,629	389,097
Accrued compensated absences – current portion	124,292	29,220	153,512
Construction contracts & retainages payable	—	86,119	86,119
Unearned revenue, deposits and prepayments	66,116	473,567	539,683
Performance bond – restricted	121,816	—	121,816
Installment purchase contracts payable – current portion	398,457	—	398,457
Current liabilities payable from restricted assets	423,005	6,009,283	6,432,288
Total current liabilities	<u>1,684,221</u>	<u>6,888,058</u>	<u>8,572,279</u>
Long-term (non-current) liabilities:			
Installment purchase contracts payable	604,342	—	604,342
Future capacity charges and credits	—	1,950,000	1,950,000
SRF loans payable	—	32,583,509	32,583,509
TIF and revenue bonds payable	1,390,082	17,073,302	18,463,384
Accrued compensated absences	230,852	56,224	287,076
Other post-employment benefit (OPEB) obligation	941,913	546,449	1,488,362
Total long-term liabilities	<u>3,167,189</u>	<u>52,209,484</u>	<u>55,376,673</u>
Total liabilities	<u>4,851,410</u>	<u>59,097,542</u>	<u>63,948,952</u>
Net position:			
Net investment in capital assets	4,323,676	67,541,961	71,865,637
Restricted for:			
Debt service	791,339	5,448,833	6,240,172
Capital projects	—	5,542,480	5,542,480
Community development and tourism	146,860	—	146,860
Law enforcement	69,496	—	69,496
Unrestricted (deficit)	(469,089)	8,217,061	7,747,972
Total net position	<u>4,862,282</u>	<u>86,750,335</u>	<u>91,612,617</u>
Total Liabilities and Net Position	<u>\$ 9,713,692</u>	<u>\$ 145,847,877</u>	<u>\$ 155,561,569</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2013

Functions and Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net position		
		Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
<b>Governmental activities:</b>							
General government	\$ (255,392)	\$ —	\$ —	\$ —	\$ (255,392)	\$ —	\$ (255,392)
Information technology	(106,544)	—	—	—	(106,544)	—	(106,544)
Finance	(70,355)	—	—	—	(70,355)	—	(70,355)
Public safety	(4,758,297)	541,294	4,260	—	(4,212,743)	—	(4,212,743)
Public works	(1,398,634)	472,833	—	—	(925,801)	—	(925,801)
Planning and community development	(628,271)	—	21,286	100,000	(506,985)	—	(506,985)
Parks and museum	(576,023)	645	181	—	(575,197)	—	(575,197)
Garage	(262,443)	—	—	—	(262,443)	—	(262,443)
Depreciation and amortization (unallocated)	(722,934)	—	—	—	(722,934)	—	(722,934)
Interest	(109,691)	—	—	—	(109,691)	—	(109,691)
<b>Total governmental activities</b>	<b>(8,888,584)</b>	<b>1,014,772</b>	<b>25,727</b>	<b>100,000</b>	<b>(7,748,085)</b>	<b>—</b>	<b>(7,748,085)</b>
<b>Business-type activities:</b>							
Water and sewer utility	(12,588,337)	13,053,768	—	8,768,596	—	9,234,027	9,234,027
<b>Total business-type activities</b>	<b>(12,588,337)</b>	<b>13,053,768</b>	<b>—</b>	<b>8,768,596</b>	<b>—</b>	<b>9,234,027</b>	<b>9,234,027</b>
<b>Total functions and programs</b>	<b>\$ (21,476,921)</b>	<b>\$ 14,068,540</b>	<b>\$ 25,727</b>	<b>\$ 8,768,596</b>	<b>(7,748,085)</b>	<b>9,234,027</b>	<b>1,485,942</b>
<b>General Revenue</b>							
<b>General Revenue:</b>							
Property taxes					3,616,400	—	3,616,400
State shared and unallocated intergovernmental (unrestricted)					490,702	—	490,702
Business licenses, taxes, and penalties					3,344,898	—	3,344,898
Unrestricted investment earnings					2,309	20,799	23,108
Miscellaneous					537,011	14,619	551,630
<b>Total general revenue</b>					<b>7,991,320</b>	<b>35,418</b>	<b>8,026,738</b>
Changes in net position before special item					243,235	9,269,445	9,512,680
Special Item – Wastewater Treatment Plant disposal/decommissioned					—	(4,488,481)	(4,488,481)
<b>Changes in net position</b>					<b>243,235</b>	<b>4,780,964</b>	<b>5,024,199</b>
Net position—beginning of year					4,619,047	81,969,371	86,588,418
Net position—end of year					<b>\$ 4,862,282</b>	<b>\$ 86,750,335</b>	<b>\$ 91,612,617</b>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2013

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 1,029,524	\$ —	\$ 85,801	\$ 1,115,325
Receivables, net	108,170	—	6,468	114,638
Due from other funds	28,742	—	—	28,742
Inventories	51,930	—	—	51,930
Restricted assets:				
Cash and cash equivalents	126,994	655,607	965,983	1,748,584
<b>Total assets</b>	<b>\$ 1,345,360</b>	<b>\$ 655,607</b>	<b>\$ 1,058,252</b>	<b>\$ 3,059,219</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 260,692	\$ —	\$ 3,375	\$ 264,067
Accrued liabilities	223,868	—	12,178	236,046
Other liabilities	50,422	—	—	50,422
Unearned revenue	—	—	9,973	9,973
Deposits and prepayments	56,143	—	—	56,143
Due to other funds	—	—	5,000	5,000
Performance bond – restricted	121,816	—	—	121,816
<b>Total liabilities</b>	<b>712,941</b>	<b>—</b>	<b>30,526</b>	<b>743,467</b>
<b>Fund balances:</b>				
<b>Nonspendable in:</b>				
Inventories	51,930	—	—	51,930
<b>Restricted for:</b>				
Victims Rights Assistance	69,493	—	—	69,493
Redevelopment plan	—	655,607	—	655,607
Tourism and community development	—	—	148,189	148,189
Law enforcement	—	—	3	3
ABC permit	—	—	1,301	1,301
Debt service	—	—	794,432	794,432
	69,493	655,607	943,925	1,669,025
<b>Committed for:</b>				
UST program	25,000	—	—	25,000
<b>Assigned for:</b>				
Christmas in Cayce	5,137	—	—	5,137
Congaree Bluegrass Festival Museum	4,807	—	—	4,807
	—	—	83,801	83,801
	9,944	—	83,801	93,745
Unassigned	476,052	—	—	476,052
<b>Total fund balances</b>	<b>632,419</b>	<b>655,607</b>	<b>1,027,726</b>	<b>2,315,752</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,345,360</b>	<b>\$ 655,607</b>	<b>\$ 1,058,252</b>	

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

— CONTINUED —

<b>Reconciliation to amounts reported for governmental activities in the Statement of Net Position (See Note 14):</b>	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in these funds.	6,477,287
Other assets not available to pay for current period expenditures and therefore, not reported in the funds.	182,186
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in these funds.	<u>(4,112,943)</u>
Net position, end of year – Governmental Activities	<u>\$ 4,862,282</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, 2013

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenue</b>				
Property taxes	\$ 2,865,633	\$ —	\$ 744,046	\$ 3,610,099
Licenses and permits	3,401,971	—	—	3,401,971
Fines and forfeitures	223,204	—	—	223,204
State shared revenue	356,691	—	147,955	504,646
Current services	692,536	—	—	692,536
Grants and other	594,568	—	102,441	697,009
Interest income	1,756	231	321	2,308
<b>Total revenue</b>	<b>8,136,359</b>	<b>231</b>	<b>995,183</b>	<b>9,131,773</b>
<b>Expenditures</b>				
Current:				
General government	257,965	—	—	257,965
Information technology	106,187	—	—	106,187
Finance	69,766	—	—	69,766
Public safety	4,746,330	—	5,797	4,752,127
Public works	1,397,514	—	—	1,397,514
Planning and community development	579,112	1	46,710	625,823
Parks and museum	590,580	—	—	590,580
Garage	261,917	—	—	261,917
Non-departmental and support services	24,853	—	—	24,853
Debt service	285,482	—	489,123	774,605
Capital outlay	283,426	62,190	127,594	473,210
<b>Total expenditures</b>	<b>8,603,132</b>	<b>62,191</b>	<b>669,224</b>	<b>9,334,547</b>
Excess (deficiency) of revenue over expenditures	(466,773)	(61,960)	325,959	(202,774)
<b>Other Financing Sources (Uses)</b>				
Installment purchase contract	190,000	—	—	190,000
Transfers in	42,589	—	—	42,589
Transfers (out)	—	—	(42,589)	(42,589)
<b>Total other financing sources (uses)</b>	<b>232,589</b>	<b>—</b>	<b>(42,589)</b>	<b>190,000</b>
<b>Net change in fund balances</b>	<b>(234,184)</b>	<b>(61,960)</b>	<b>283,370</b>	<b>(12,774)</b>
Fund balances, beginning of year	866,603	717,567	744,356	2,328,526
Fund balances, end of year	\$ 632,419	\$ 655,607	\$ 1,027,726	\$ 2,315,752

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES-  
GOVERNMENTAL FUNDS

— CONTINUED —

<b>Reconciliation to amounts reported for governmental activities in the Statement of Activities (See Note 14):</b>	
Net change in fund balances – total governmental funds	\$ (12,774)
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.	(248,058)
Revenues in the Statement of Activities that do not provide current financial resources are reported as revenues in these funds.	270
Expenses in the Statement of Activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in these funds.	(116,743)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	(227)
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>620,767</u>
Change in net position — Governmental Activities	<u>\$ 243,235</u>

*See accompanying notes to financial statements.*

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

JUNE 30, 2013

	<u>Business-type Activities – Enterprise Fund Water and Sewer Utility</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 993,278
Receivables, net:	
Water and sewer accounts	2,121,744
Other accounts	4,885,404
Inventories	361,932
Total current assets	<u>8,362,358</u>
Non-current assets:	
Restricted cash and cash equivalents	13,929,410
Capital assets, net of depreciation	119,520,830
Capital assets not subject to depreciation	3,016,925
Other assets, net	1,042,096
Total non-current assets	<u>137,509,261</u>
Total assets	<u>\$ 145,871,619</u>
<b>Liabilities and Net Position</b>	
Current liabilities:	
Accounts payable	\$ 187,240
Accrued payroll and related taxes	102,429
Accrued compensated absences – current portion	29,220
Construction contracts and retainage payable	31,345
Retainage payable	54,774
Other liabilities	200
Due to other funds (internal balance)	23,742
Customer deposits and prepayments	473,567
Current liabilities payable from restricted assets	6,009,283
Total current liabilities	<u>6,911,800</u>
Long-term (non-current) liabilities:	
Accrued compensated absences	56,224
SRF loans payable	32,583,509
Revenue bonds payable	17,073,302
Future capacity charges and credits	1,950,000
Other post-employment benefit (OPEB) obligation	546,449
Total long-term liabilities	<u>52,209,484</u>
Total liabilities	<u>59,121,284</u>
Net position:	
Net investment in capital assets	67,541,961
Restricted for:	
Debt service	5,448,833
Capital projects	5,542,480
Unrestricted	8,217,061
Total net position	<u>86,750,335</u>
Total liabilities and net position	<u>\$ 145,871,619</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET FUND POSITION  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2013

	<b>Business-type Activities – Enterprise Fund Water and Sewer Utility</b>
<b>Operating Revenue (pledged as security for revenue bonds)</b>	
Water:	
Sales	\$ 4,630,385
Connection fees	25,937
Sewer:	
Service charges	8,058,293
Connection fees	5,290
Re-connection fees	24,395
Penalties	165,902
Miscellaneous income	143,566
Total operating revenue	13,053,768
<b>Operating Expenses</b>	
Administrative	832,334
Water treatment plant	1,248,038
Water distribution and maintenance	935,718
Wastewater treatment plant	2,217,911
Sewer collection and outfall lines	981,683
Non-departmental and support services	1,617,779
Depreciation and amortization expense	3,346,072
Total operating expenses	11,179,535
Operating income	1,874,233
<b>Non-Operating Revenue (Expenses)</b>	
Interest income	20,799
Gains from sale, disposal of equipment	14,619
Interest expense	(1,264,073)
Bond issuance and refinancing loss amortized	(92,125)
Fiscal agent fees	(52,604)
Total non-operating revenue (expenses)	(1,373,384)
Income before contributions and special item	500,849
<b>Capital Contributions</b>	
Capacity charges and other capital contributions	8,768,596
Income before special item	9,269,445
<b>Special Item</b>	
Wastewater Treatment Plant disposal/decommissioned	(4,488,481)
Change in net position	4,780,964
Net position, beginning of year	81,969,371
Net position, end of year	\$ 86,750,335

*See accompanying notes to financial statements.*



CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2013

	<u>Business-type Activities– Enterprise Fund Water and Sewer Utility</u>
<b>Cash Flows from Operating Activities</b>	
Cash received from:	
Usage fees	\$ 12,486,184
Tap fees	31,227
Service and miscellaneous charges	333,863
Cash paid to (for):	
Employee salaries and related costs	(3,115,139)
Water treatment and distribution costs	(1,559,725)
Sewer treatment and collection costs	(1,193,844)
Other supplies and miscellaneous costs	(2,225,298)
Net cash provided by operating activities	<u>4,757,268</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Proceeds from SRF construction loan	31,883
Proceeds from SRF grant	114,945
Proceeds from sale of capital assets	14,619
Acquisition and construction of capital assets	(5,551,852)
Interest and fiscal agent fees paid on capital related debt	(1,767,316)
Principal payments on bonds and notes	(3,167,094)
Capacity charges and other capital contributions	736,153
Net cash (used in) capital and related financing activities	<u>(9,588,662)</u>
<b>Cash Flows from Investing Activities</b>	
Interest received	20,799
Net cash provided by investing activities	<u>20,799</u>
Net decrease in cash and cash equivalents	(4,810,595)
Cash and cash equivalents, beginning of year (of which \$18,495,344 is restricted)	19,733,283
Cash and cash equivalents, end of year (of which \$13,929,410 is restricted)	<u>\$ 14,922,688</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	\$ 1,874,233
Adjustments to reconcile operating income to net cash provided by operations:	
Depreciation and amortization expense	3,346,072
Changes in certain assets and liabilities:	
Increase in accounts receivable	(221,833)
Increase in inventory	(179,229)
Decrease in accounts payable/accrued liabilities	(185,716)
Increase in amounts due to/from others	(20,586)
Increase in customer deposits and prepayments	19,339
Increase in other post-employment benefit (OPEB) obligation	117,779
Increase in accrued compensated absences	7,209
Net cash provided by operating activities	<u>\$ 4,757,268</u>
<b>Supplemental disclosure of non-cash capital and related financing activities</b>	
Contributed property by developers	\$ 3,354,986
Amortization of bond issuance costs	\$ 92,125

*See accompanying notes to financial statements.*

CITY OF CAYCE, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2013

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 149,869
Total assets	<u>\$ 149,869</u>
<b>Liabilities</b>	
Amounts due to others	\$ 149,869
Total liabilities	<u>\$ 149,869</u>

*See accompanying notes to financial statements.*

CITY OF CAYCE, SOUTH CAROLINA

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

**B. Basis of Presentation**

**Government-Wide and Fund Financial Statements**

Government-wide Financial Statements – The Government-wide financial statements consist of a Statement of Net 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. At June 30, 2013, there were no material component units of the City.

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.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

**B. Basis of Presentation (Continued)**

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

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

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

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

*Governmental Funds*

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

**Special Revenue Funds** – The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally (or donor) restricted to expenditures for specified purposes other than debt service or capital projects. The City maintains special revenue funds for continuing grant programs of rental rehabilitation, community development, home and law enforcement; state restricted funds of accommodation taxes and alcohol permits; plus Cayce Museum Fund.

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

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

**B. Basis of Presentation (Continued)**

*Governmental Funds (Continued)*

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

*Proprietary Funds*

Enterprise Funds – The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City operates a combined Water and Sewer Utility Enterprise Fund.

*Fiduciary Funds*

All of the City’s fiduciary activities are reported in a separate Statement of Fiduciary Net 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, 2013, these included Police Fund and Firemen’s Fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These activities have been excluded from the City’s Government-wide financial statements because the City can not use those assets to finance its operations.

**C. Measurement Focus and Basis of Accounting**

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

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

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

**C. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

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

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

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

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

**D. Budgets and Budgetary Accounting**

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

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

The General Fund operated under a final expenditure budget totaling \$8,687,790, plus \$1,500,000 Utility Fund overhead allocated to the General Fund departments. As further described in the “Required Supplementary Information”, a budgetary comparison schedule for the General Fund is provided. The Water and Sewer Utility Fund operated under a budget totaling \$9,237,951 (including operation and maintenance, capital improvements, debt service principal amounts and coverages). Actual operating expenses totaled \$11,179,535 (including a charge of \$3,346,072 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, 2013.



CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

Cash and Cash Equivalents and Investments

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

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions result in loans or advances between individual funds. Interfund loans outstanding at year-end are recorded as Interfund Receivables/Payables and are expected to be paid within one year. The lending fund reports amounts 'due from other funds', while the borrowing fund reports amounts 'due to other funds'. These interfund receivables and payables are classified as "internal balances" on the Government-wide Statement of Net Position and have been eliminated. Amounts payable to the Governmental activities from the Business-type activities are reported as contra-assets in the Proprietary fund financial statements for consistency and clarity in presentation. The City considers all interfund receivables, net of any payables to be short-term. Advances to/from other funds (if any) represent long-term interfund loans receivable and payable.

Accounts Receivable and Allowance for Doubtful Accounts

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

Inventory and Prepaid Items

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

Other Assets

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

Restricted Assets

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

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

Capital Assets and Depreciation

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

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

Public domains (rights-of-way and easements) have been capitalized using actual and estimated historical costs of such assets that were acquired by the city. The City owns .98 mile of paved subdivision streets at June 30, 2013. However, the City is not responsible for maintenance or reconstruction costs associated with the roads.

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

Capitalization of Interest

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

Long-term Obligations

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

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

Compensated Absences (Accrued Vacation and Sick Leave)

City employees are entitled to accrue and carry forward at fiscal year-end accumulated unused days of annual vacation leave and sick leave. Typically, employees consume newly-earned increments of leave in future periods. Effective July 1, 1994, accumulated annual and sick leave is capped at 400 hours and 720 hours, respectively, per employee. Upon termination of employment, employees are entitled to be paid at current salary levels for accumulated unused annual vacation leave. Prior to July 1, 1994, the City's policy for employees receiving compensation for unused sick leave upon termination was as follows: 15 years of service = 25%; 20 years of service = 50%; 25 years of service = 75%; 30 years of service = 100%. In the Government-wide and Proprietary Fund financial statements, vacation pay is accrued when incurred and reported as a current and long-term liability. In the Governmental Funds, expenditures and liabilities related to these obligations are recognized when they mature (become due). Vacation pay that is expected to be liquidated, for example, as a result of employee resignations and retirements, with expendable available financial resources is reported as an expenditure and a fund liability in the General Fund, when applicable.

Unearned Revenue

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

Net Position and Fund Balances

In the Government-wide financial statements, the difference between the City's total assets and deferred inflows, less total liabilities and deferred outflows represents net position. Net position for both the governmental and proprietary fund types displays three components – net investment in capital assets; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the assets available for future operations. In the Fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor the constraints on the specific purposes for which amounts in those funds can be spent. "Nonspendable" fund balances include those amounts that cannot be spent because they are either not in a spendable form or legally or contractually required to be maintained intact. "Restricted" fund include those amounts that are legally restricted by outside parties, laws, governments, or enabling legislation for use for a specific purpose. "Committed" fund balances are amounts that can only be used for specific purposes due to constraints imposed by formal action of the City Council which is the City's highest level of decision making authority. A formal action by Council, typically an ordinance, would be required to rescind a commitment. "Assignments" of fund balance present management's intent, but are neither restricted nor committed. "Unassigned" fund balance is the residual classification representing fund balance that has not been restricted, committed, or assigned to a specific purpose. Due to its form of government (Council-Manager), the City Manager is authorized to assign amounts to a specific purpose.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

Property Taxes

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

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

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

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

Program and General Revenue

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

"General revenues" reported by the City include property taxes, state-shared taxes, business licenses (which are appropriately not classified as program revenue 'fees for services' due to their non-matching characteristics) and other government imposed non-exchange fees (e.g. franchise fees, which are general revenue fees-in-lieu of business licenses).

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

Interfund Activities

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

Comparative Data and Reclassifications

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

Use of Estimates

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

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**2. Deposits and Investments**

As of June 30, 2013, the City had the following cash and investment balances:

Cash on hand	\$ 1,450
Carrying amount of deposits	10,109,696
Carrying amount of investments	7,812,612
Funds held in trust by State	<u>12,708</u>
Total	<u>\$ 17,936,466</u>
 Statement of Net Asset balances:	
Cash and cash equivalents	\$ 2,108,603
Cash and cash equivalents – restricted	15,677,994
Cash and cash equivalents – fiduciary	<u>149,869</u>
Total	<u>\$ 17,936,466</u>
 Investments are categorized as follows:	
State Treasurer’s Investment pool	\$ 12,708
Money Market Funds	<u>7,812,612</u>
Total	<u>\$ 7,825,320</u>

Deposits

Custodial credit risk of deposits is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At June 30, 2013, the carrying amount of the City’s cash deposits with financial institutions was \$10,109,696 and the financial institution’s balances totaled \$10,694,189. Of this balance, \$1,010,510 was covered by federal depository insurance and the remaining balance was covered by collateral held by the financial institutions’ trust departments in the City’s name. The City’s cash on hand at June 30, 2013, amounted to \$1,450. Accordingly, the City was not exposed to custodial credit risk.

CITY OF CAYCE, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Investments

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

As of June 30, 2013, the City had the following investments subject to interest rate risk:

	<u>Fair Value</u>	<u>Maturity</u>
State Treasurer's Investment Pool	\$ 12,708	60 days weighted average of portfolios
Money Market Funds	7,760,012	8 days weighted average of portfolios

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

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

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

CITY OF CAYCE, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Investments (Continued)

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

*Custodial credit risk.* Custodial credit risk of investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment balances were covered by collateral held by the financial institution's trust department in the City's name. The City does not have an investment policy for custodial credit risk. As of June 30, 2013, the City was not exposed to custodial credit risk.

*Concentration of Credit Risk.* The City places no limit on the amount it may invest in any one issuer. More than 5 percent of the City's investments are in money market funds. These investments are 99% respectively, of the City's total investments.

**3. Receivables**

Receivables at June 30, 2013, including the applicable allowances for uncollectible accounts, are as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Property taxes	\$ 1,614,596	\$ —
Solid waste (sanitation) user fees	25,719	—
Water and sewer accounts	—	2,156,744
Wastewater Treatment Plant contributions due	—	4,885,404
Other	51,814	—
Housing assistance notes receivable	11,258	—
Due from other governments:		
General Fund:		
State shared revenue	92,528	—
Special Revenue Fund:		
Accommodations tax	29,290	—
ABC Permit Fund:		
Due from state government	3,000	—
Payment in lieu of taxes	4,309	—
Gross receivables	1,832,514	7,042,148
Less, allowance for uncollectible	(1,542,357)	(35,000)
Net total receivables	\$ 290,157	\$ 7,007,148



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, 2013, were as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 23,742	\$ —
Water and Sewer Fund	—	23,742
	\$ 23,742	\$ 23,742

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

**5. Capital Assets**

A summary of the changes in the City's capital assets during the year ended June 30, 2013, are as follows:

**Governmental Activities:**

	<b>Balance June 30, 2012</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>Balance June 30, 2013</b>
Capital assets not being depreciated:					
Land and rights-of-way	\$ 2,244,246	\$ —	\$ —	\$ —	\$ 2,244,246
Construction in progress	205,186	229,444	—	(355,077)	79,553
Total capital assets not being depreciated	2,449,432	229,444	—	(355,077)	2,323,799
Capital assets being depreciated:					
Land improvements	4,058,355	—	—	355,077	4,413,432
Buildings and improvements	1,508,518	—	—	—	1,508,518
Furniture, vehicles, equipment	7,704,257	243,766	(122,845)	—	7,825,178
Totals capital assets being depreciated	13,271,130	243,766	(122,845)	355,077	13,747,128
Less, accumulated depreciation for:					
Land improvements	(1,902,553)	(272,351)	—	—	(2,174,904)
Buildings and improvements	(1,078,581)	(32,859)	—	—	(1,111,440)
Furniture, vehicles, equipment	(6,013,857)	(416,057)	122,618	—	(6,307,296)
Total accumulated depreciation	(8,994,991)	(721,267)	122,618	—	(9,593,640)
Total capital assets being depreciated, net	4,276,139	(477,501)	(227)	355,077	4,153,488
Net capital assets – Governmental Activities	\$ 6,725,571	\$ (248,057)	\$ (227)	\$ —	\$ 6,477,287

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**5. Capital Assets (Continued)**

**Business-Type Activities:**

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2013</u>
Capital assets not being depreciated:					
Land and rights-of-way	\$ 330,568	\$ —	\$ —	\$ —	\$ 330,568
Construction in progress	<u>64,825,570</u>	<u>3,774,718</u>	<u>—</u>	<u>(65,913,931)</u>	<u>2,686,357</u>
Total capital assets not being depreciated	<u>65,156,138</u>	<u>3,774,718</u>	<u>—</u>	<u>(65,913,931)</u>	<u>3,016,925</u>
Capital assets being depreciated:					
Water plant and distribution system	37,039,386	112,089	—	81,195	37,232,670
Wastewater plant and collection system	46,658,197	371,758	(8,859,535)	65,832,736	104,003,156
Furniture, vehicles, equipment	<u>4,839,126</u>	<u>485,812</u>	<u>(96,053)</u>	<u>—</u>	<u>5,228,885</u>
Total capital assets being depreciated	<u>88,536,709</u>	<u>969,659</u>	<u>(8,955,588)</u>	<u>65,913,931</u>	<u>146,464,711</u>
Less, accumulated depreciation for:					
Water plant and distribution system	(12,399,355)	(1,015,528)	—	—	(13,414,881)
Wastewater plant and collection system	(12,984,630)	(1,879,522)	4,371,054	—	(10,493,098)
Furniture, vehicles, equipment	<u>(2,738,878)</u>	<u>(393,076)</u>	<u>96,052</u>	<u>—</u>	<u>(3,035,902)</u>
Total accumulated depreciation	<u>(28,122,863)</u>	<u>(3,288,126)</u>	<u>4,467,106</u>	<u>—</u>	<u>(26,943,881)</u>
Total capital assets being depreciated, net	<u>60,413,846</u>	<u>(2,318,467)</u>	<u>(4,488,482)</u>	<u>65,913,931</u>	<u>119,520,830</u>
Net capital assets -- Business-type Activities	<u>\$125,569,984</u>	<u>\$ 1,456,251</u>	<u>\$ (4,488,482)</u>	<u>\$ —</u>	<u>\$ 122,537,755</u>

For the year ended June 30, 2013, 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 \$402,809 was capitalized as part of the construction in progress for Business-type Activities at June 30, 2013.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**6. Long-Term Debt**

Long-term debt of the City at June 30, 2013, consisted of the following:

**A. Governmental Activities**

Tax Increment Financing (TIF) Revenue Bond, Series 2002 issued October 24, 2002, to develop and improve certain tax district of the City. The bonds mature semi-annually on October 24, and April 24, with principal amounts of \$148,199 to \$483,244, with an applicable semi-annual interest at 4.03 percent per annum.	\$ 1,813,087
Installment purchase contract, (SCBA equipment) dated May 27, 2010, interest at 2.99 percent per annum, due on or before May 15, 2015.	65,217
Installment purchase contract, (pumper fire truck) dated October 5, 2010, interest at 2.53 percent per annum, due on or before November 9, 2015.	307,150
Installment purchase contract, (sanitation vehicle) dated December 16, 2011, interest at 1.83 percent per annum, due on or before January 6, 2016.	378,519
Installment purchase contract, (24 vehicles) dated December 22, 2011, interest at 1.93 percent per annum, due on or before December 5, 2014.	87,972
Installment purchase contract, (6 vehicles) dated January 24, 2013, interest at 1.13 percent per annum, due on or before January 15, 2016.	163,941
	2,815,886
Less, current portions (due within one year):	
TIF Revenue Bond, Series 2002 payable	(423,005)
Installment purchase contracts payable	(398,457)
Total long-term debt – Governmental Activities	\$ 1,994,424

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

**B. Business-Type Activities**

Clean Water State Revolving Funds Loan (SRF), Series 2002, interest (3.75% per annum) payable quarterly, final payment due September 1, 2023.	\$ 981,312
Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2004, interest (2.00% - 4.00% per annum) payable semi-annually, final payment due July 1, 2015.	2,810,000
Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2007A, interest (4.00% - 5.25% per annum) payable semi-annually, final payment due July 1, 2027	15,635,000
Clean Water State Revolving Funds Loan (SRF), Series 2009, interest (2.25% per annum) payable quarterly, final payment due March 1, 2032.	33,123,025
	52,549,337
Add:	
Series 2004 Bond premium	12,584
Series 2007A Bond premium	518,307
Series 2007A Bond refunding loss	(172,589)
Less, current portions (due within one year):	
Water and Sewer Bonds payable (2004 and 2007A)	(1,730,000)
State Revolving Fund Loans (2002 and 2009)	(1,520,828)
Total long-term debt – Business-type Activities	\$ 49,771,756

New SRF Loan/Grant

During the year 2013, the City obtained financing through the State of South Carolina Clean Water State Revolving Funds (SRF) Series 2013 for the construction of a new septage treatment facility in the total amount of \$1,150,000. At June 30, 2013, the City had only drawn on the loan a total of \$114,945. Per the agreement, the entire principal balance will be forgiven at the completion of construction. Accordingly, the City has reported the drawn amount as contributed capital grant. (See Note 11 and 12)

Bond Insurer Ratings Down Grade – Debt Service Reserves Funding

During the fiscal year 2008, the City's bond insurer (XL Capital Assurance) for its Series 2007A Water and Sewer Revenue Bonds was downgraded by various national rating agencies. During fiscal years 2009-2011, the City funded the Debt Service Reserve Accounts for the Series 2004 Bonds, Series 2007A Bonds, and Series 2009 SRF loan in the amounts of \$878,046, \$1,776,350 and \$2,352,410, respectively. As a result, the City's ratings on its outstanding bonds remained unaffected. During fiscal year 2013, the City amended its Supplemental Indenture of Trust in order to reduce the balances of the Debt Service Reserve Accounts associated with its SRF loans. The Series 2009 reserve amount was reduced from \$2,352,410 to \$1,085,104 and the Series 2002 reserve amount was reduced from \$105,200 to \$52,000. Per the indenture amendment, the City is able to use such savings toward its debt service coverage ratios test.

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, 2013, were as follows:

	<u>Date of Issue</u>	<u>Outstanding 6/30/12</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding 6/30/13</u>
<b>Governmental Activities:</b>					
TIF Revenue Bonds	10/24/02	\$ 2,219,547	\$ —	\$ (406,460)	\$ 1,813,087
Installment purchase contracts	Various	\$ 1,217,108	\$ 190,000	\$ (404,309)	\$ 1,002,799
Accrued compensated absences	—	\$ 367,779	\$ —	\$ (12,635)	\$ 355,144
<b>Business-type Activities:</b>					
Clean Water State Revolving Funds Loan	12/01/02	\$ 1,046,396	\$ —	\$ (65,084)	\$ 981,312
Water and Sewer System Refunding and Improvement Revenue Bonds	7/15/04	\$ 3,680,000	\$ —	\$ (870,000)	\$ 2,810,000
Water and Sewer System Refunding and Improvement Revenue Bonds	9/11/07	\$ 16,430,000	\$ —	\$ (795,000)	\$ 15,635,000
Clean Water State Revolving Funds Loan	9/15/09	\$ 34,528,152	\$ 31,883	\$ (1,437,010)	\$ 33,123,025
Accrued compensated absences	—	\$ 78,235	\$ 34,522	\$ (27,313)	\$ 85,444

Accrued compensated absences due within one year for the Governmental Activities total \$124,292 and for Business-type Activities total \$29,220 at June 30, 2013.

CITY OF CAYCE, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

**D. Annual Requirements for Long-Term Debt**

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

	<u>Interest</u>	<u>Principal</u>	<u>Total Requirements</u>
<b>Governmental Activities:</b>			
<b>Tax Increment Revenue Bonds,</b>			
<b>Series 2002:</b>			
2014 (due within one year)	\$ 68,848	\$ 423,005	\$ 491,853
2015	51,629	440,224	491,853
2016	33,709	458,144	491,853
2017	15,060	476,793	491,853
2018	302	14,921	15,223
	<u>\$ 169,548</u>	<u>\$ 1,813,087</u>	<u>\$ 1,982,635</u>
<b>Installment Purchase</b>			
<b>Contracts:</b>			
2014 (due within one year)	\$ 18,157	\$ 398,457	\$ 416,614
2015	10,247	376,593	386,840
2016	3,309	227,749	231,058
	<u>\$ 31,713</u>	<u>\$ 1,002,799</u>	<u>\$ 1,034,512</u>

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

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

	<u>Interest</u>	<u>Principal</u>	<u>Total Requirements</u>
<b>Business-type Activities:</b>			
<b>SRF Loan, Series 2002:</b>			
2014 (due within one year)	\$ 21,376	\$ 83,818	\$ 105,194
2015	19,474	85,720	105,194
2016	17,529	87,665	105,194
2017	15,540	89,654	105,194
2018	13,505	91,688	105,194
2019-2023	35,359	490,610	525,970
2024-2027	440	52,157	52,597
	<u>\$ 123,223</u>	<u>\$ 981,312</u>	<u>\$ 1,104,537</u>
<b>Revenue Bonds, Series 2004:</b>			
2014 (due within one year)	\$ 94,400	\$ 900,000	\$ 994,400
2015	57,600	940,000	997,600
2016	19,400	970,000	989,400
	<u>\$ 171,400</u>	<u>\$ 2,810,000</u>	<u>\$ 2,981,400</u>
<b>Revenue Bonds, Series 2007A:</b>			
2014 (due within one year)	\$ 762,063	\$ 830,000	\$ 1,592,063
2015	725,075	860,000	1,585,075
2016	685,250	910,000	1,595,250
2017	618,050	1,780,000	2,398,050
2018	522,237	1,870,000	2,392,237
2019-2023	1,191,259	7,050,000	8,241,259
2024-2027	279,929	2,335,000	2,614,929
	<u>\$ 4,783,863</u>	<u>\$ 15,635,000</u>	<u>\$ 20,418,863</u>
<b>SRF Loan, Series 2009</b>			
2014 (due within one year)	\$ 733,200	\$ 1,437,010	\$ 2,170,210
2015	700,594	1,469,616	2,170,210
2016	667,247	1,502,963	2,170,210
2017	633,144	1,537,066	2,170,210
2018	598,267	1,571,943	2,170,210
2019-2023	2,439,848	8,411,202	10,851,050
2024-2028	1,441,273	9,409,777	10,851,050
2029-2032	354,839	7,783,448	8,138,287
	<u>\$ 7,568,412</u>	<u>\$ 33,123,025</u>	<u>\$ 40,691,437</u>

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

During 2003, the Town of Springdale entered a contract with the City of Cayce to remit annually sums of money originally (\$114,437) to reimburse the City for the SRF Loan debt service. This contract was modified effective March 1, 2012, to reduce in the interest rate from 3.75% to 2.25%. The new payment is \$26,298.41 to be remitted quarterly (\$105,194 annually). Such contract and receipt of revenue are contingent based on the annual budget appropriated by the Town of Springdale.

There are a number of limitations and restrictions contained in the City's revenue bond indentures, among which, is for the City to earn a 115:1 ratio of net revenues (without capital facility charges) to combined debt service, or combined ratios of 110:1 of net revenues (without capital facility charges) to combined debt service and 120:1 of net revenue with capital facility charges to combined debt service. The City was in compliance with these requirements at June 30, 2013.

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

**E. Other Assets**

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

	<b>Original Amounts</b>	<b>Accumulated Amortization</b>	<b>Net Carrying Amounts</b>
<b><u>Governmental Activities:</u></b>			
2002 TIF Revenue Bond	\$ 25,000	\$ (18,333)	\$ 6,667
<b><u>Business-type Activities:</u></b>			
Contract Obligations	\$ 803,883	\$ (180,607)	\$ 623,276
Series 2002, SRF Loan	15,927	(8,760)	7,167
Series 2004, Refunding Revenue Bonds	684,991	(616,492)	68,499
Series 2007A, Refunding Revenue Bonds	338,817	(101,645)	237,172
Series 2009, SRF Loan	117,758	(11,776)	105,982
	\$ 1,961,376	\$ (919,280)	\$ 1,042,096

Bond refunding gains or losses are being amortized over the shorter of the bond life, with such amounts reported net of long-term debt. The Series 2007A bond refunding resulted in a loss of \$345,179, and with an accumulated amortization amount equal to \$172,590, results in a net carrying amount of \$172,589 at June 30, 2013. Amortized bond issue costs totaled \$1,666 for Governmental Activities and \$92,125 for Business-type Activities for the year ended June 30, 2013. Amortized contract obligation expense totaled \$52,177 for business-type activities.



CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**7. Net Position**

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
<b><u>Net Investment in Capital Assets:</u></b>		
Net capital assets	\$ 6,477,287	\$ 122,537,755
Less, revenue bonds payable	(1,150,812)	(20,178,186)
Less, construction loan payable	—	(32,477,527)
Less, construction and retainages payable	—	(2,340,081)
Less, installment purchase contracts	(1,002,799)	—
Total net investment in capital assets	\$ 4,323,676	\$ 67,541,961
	<b>Governmental Activities</b>	<b>Business-type Activities</b>
<b><u>Restricted:</u></b>		
Restricted cash and cash equivalents:		
General fund	\$ 126,994	\$ —
Debt service	791,339	5,959,021
Capital projects	—	7,966,047
Housing	13,599	—
Community development	2,630	—
Less, liabilities payable from restricted assets	(121,178)	(2,933,755)
Victim's Rights Assistance	69,493	—
Tourism	145,559	—
Law enforcement	3	—
ABC permit activities	1,301	—
Rental rehabilitation	3,000	—
Total restricted net position	\$ 1,032,740	\$ 10,991,313

**8. Employee Retirement**

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

The City's total covered payroll for the year ended June 30, 2013, was approximately \$7,201,484 of which \$4,933,520 was for substantially all employees covered by SCRS and \$2,267,964 was for PORS covered employees.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**8. Employee Retirement (Continued)**

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

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

State statutes also determine the levels of contributions required by both employers and employees. Non-public safety members were required to contribute 7.0, 6.5 and 6.5 percent of their compensation for the fiscal year 2013, 2012, and 2011, respectively. Effective July 1, 2013, the employee contribution rate will be 7.50 percent. Under this system, the City's contributions were 10.6, 9.535 and 9.39, percent of each member employees compensation for the fiscal years 2013, 2012, and 2011, respectively. Effective June 1, 2014 the employer required contribution will be 10.6 percent, which included .15 percent of group life coverage. Required and actual contributions to SCRS by the city for the years ending June 30, 2013, 2012 and 2011 were \$486,663, \$422,040, and \$382,312, respectively. Public safety employees were required to contribute 7.84, 6.5 and 6.5 percent of their compensation for the fiscal years 2013, 2012 and 2011, respectively, effective July 1, 2014, the employer compensation rate will be 12.84 percent, which included .2 percent of group life and .2 percent of accidental death coverage. Required and actual contributions to PORS by the city for the years ending June 30, 2013, 2012 and 2011 were \$321,072, \$297,759, and \$274,782, respectively. The City contributed 100% of the required contribution for each of the plans for the years ending June 30, 2013, 2012, and 2011.

A comprehensive annual financial report containing financial statements and required supplementary information for the SCRS and PORS, which is issued and publicly available on the website [www.retirement.sc.gov](http://www.retirement.sc.gov), or a copy may be obtained by submitting in writing a request to the South Carolina Retirement System, P. O. Box 11960, Columbia, SC 29211-1960.

TERI Program

The Teacher and Employee Retention Incentive Program (TERI), is deferred retirement option plan offered by the SCRS and available to City employees. Active SCRS members eligible for service retirement after January 1, 2002 may continue employment after retirement for up to 5 years with no income limitation. Effective July 1, 2013, the TERI program limited new retirees to participation through June 30, 2018.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Plan Description

In addition to the pension benefits described in *Note 8*, the City maintains a policy whereby an employee who was hired prior to July 1, 2009 and who qualifies under the South Carolina Retirement System's Regular Service retirement and who has 15 years of service with the City will have the opportunity to participate in the City's single employer defined benefit other post-employment benefit (OPEB) plan, hereafter referred to as "OPEB" or the "Program". The plan offers retired employees' premium payments for the employee group health insurance plan (including dental) at no cost. The City's policy premium rates were \$501.22 for the retiree and \$526.82 for the spouse for the year ended June 30, 2013. The retiree pays nothing for retiree only coverage and pays the full premium rate of \$526.82 for spouse coverage. The program covers the retired employee until the earlier of (1) the retired employee reaches age 65, or (2) the retired employee qualifies for health insurance under another plan. The City (through the Mayor and Council) currently administers the program and maintains the authority for establishing benefits and funding policy. The program does not issue separate stand alone financial statements and is not included in the financial statements of another entity.

Funding Policy

The City's contributions are financed on a pay-as-you-go basis and therefore, no trust fund has been established which would maintain plan assets. At June 30, 2013, the City had six retired employees with an average age of 61.7 years covered by the program with monthly premium costs averaging \$501.22 per participant. Total expenses incurred by the City for the year ended June 30, 2013 were \$24,810 or 17.70% of the annual required contribution and have been incurred by the General Fund and \$10,534 or 29.6% have been incurred by the Proprietary Fund. For prior fiscal years 2012 and 2011, total funding expenses were \$22,542 and \$12,973, respectively. The City contributed 20.16%, 17.7%, and 3.3%, of the annual other post-employment benefit cost for the years ended June 30, 2013, 2012, and 2011, respectively.

Annual Other Post-Employment Benefit (OPEB) Cost

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

Employer normal costs	\$ 64,831
Amortization of UAL	110,993
Annual required contribution (ARC)	<u>175,824</u>
Interest on net other post-employment benefit (OPEB) obligation	66,976
Adjustment to required annual contribution	<u>38,035</u>
Annual other post-employment benefit (OPEB) cost	280,835
Contributions made	<u>(35,344)</u>
Increase in net other post-employment benefit (OPEB) obligation	245,491
Net other post-employment benefit (OPEB) obligation – beginning of year	<u>1,242,871</u>
Net other post-employment benefit (OPEB) obligation – end of year	<u>\$ 1,488,362</u>

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

The City's annual other post-employment benefit cost was \$412,982, \$395,757 and \$378,874, for the fiscal years 2013, 2012 and 2011, respectively. The City's net other post-employment benefit (OPEB) obligation was \$1,488,362, \$1,110,725 and \$727,941 for the fiscal years 2013, 2012 and 2011, respectively.

Funded Status and Funding Progress

The actuarial accrued liability for benefits was \$1,807,942 as of the last actuarial valuation as of July 1, 2012, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan at May 2012) was \$4,067,863, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 26 percent. The covered payroll in the plan as of June 30, 2013 was \$7,201,484.

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

Actuarial Methods and Assumptions

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

In the actuarial valuation dated July 1, 2012, the Entry Age Normal cost method and the Level Dollar Amount Open amortization method were used. The unfunded actuarial accrued liability ("UAAL") amortization payment is the level percent of payroll required to fully amortize the UAAL over a 30 year period. The remaining amortization period is 30 years. The actuarial assumptions included an estimated investment rate of return of 4.50% (which is the annual return net of both administrative and investment related expenses) and a healthcare inflation rate of 8% to 4% at a constant rate over ten years for fiscal years 2014 and later. The health care trend rate for fiscal years 2012 to 2013 was medical = 2.53%, dental = 0.00%, and life = 0.00%..

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**10. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial property insurance coverage; general liability coverage; inland marine and automobile liability; professional and public officials liability; and various Fidelity bond coverages for its employees. There have been no significant reductions in insurance coverage in the current year, and settled claims have not exceeded coverage in any of the last three fiscal years.

During the fiscal year, the City's business risk insurance provides building and content coverage up to \$106,512 million general liability for property and casualty and up to \$1 million general liability for persons or property per occurrence.

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

Capacity charges and capital contributions in the Water and Sewer Utility Fund for the year ended June 30, 2013, 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, 2013, were as follows:

Contributed property by developers	\$ 3,623,532
Capacity charges	120,314
SRF Series 2013 Septage Facility forgivable loan/grant	114,945
Other contributions	<u>4,909,805</u>
Total capacity charges and other capital contributions recognized	<u>\$ 8,768,596</u>

**12. Commitments**

New Septage Treatment Facility

On January 31, 2013, the City obtained a loan from the South Carolina Water Quality Revolving Fund Authority to assist with the construction of a new Septage Receiving Station pursuant to fiscal year 2011 Federal Appropriations Act (Public Law 112-10) to provide additional subsidization for wastewater infrastructure facilities. The City is constructing a new 100,000 gallons-per-day septage/oil/grease receiving facility with an estimated total cost of \$1.15 million. Pursuant to the agreement, the entire principal balance will be forgiven at the completion of construction. The city anticipates completion of the facility during FY 13-14.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**12. Commitments (continued)**

Special Item

As a result of constructing a new 26.0 MGD Wastewater Treatment Plant (WWTP) the City decommissioned and substantially disposed of the old 9.0 MGD WWTP. The remaining unamortized cost was written off in 2013 and has been recognized as a Special Item.

**13. Contingencies**

Litigation

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

Federal and State Assisted Programs

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

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

CITY OF CAYCE, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**14. Reconciliation of Government-Wide and Fund Financial Statements**

**A. Explanations of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net 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	\$ 16,070,927
Less, accumulated depreciation	<u>(9,593,640)</u>
Net amount reported	<u><u>\$ 6,477,287</u></u>

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

State shared (local government fund) and accommodation tax revenue	\$ 121,818
Property taxes revenue	53,701
Other assets, net of amortization	<u>6,667</u>
Net amount reported	<u><u>\$ 182,186</u></u>

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

Revenue bond and installment purchase contracts	\$ (2,815,886)
Accrued compensated absences	(355,144)
Other post employment benefits (OPEB)	<u>(941,913)</u>
Net amount reported	<u><u>\$ (4,112,943)</u></u>

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

The Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances includes a reconciliation between net changes in fund balance and Changes in Net 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	\$ 473,210
Depreciation expense	<u>(721,268)</u>
Net amount reported	<u>\$ (248,058)</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	\$ 270
Net amount reported	<u>\$ 270</u>

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

Amortization expense	\$ (1,666)
Change in accrued compensated absence	12,635
Other post employment benefits (OPEB)	<u>(127,712)</u>
Net amount reported	<u>\$ (116,743)</u>

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

Proceeds from installment purchase contract	\$ (190,000)
Principal repayments – Installment purchase contracts	404,307
Principal repayments – TIF Bonds	<u>406,460</u>
Net amount reported	<u>\$ 620,767</u>



CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**15. Subsequent Events**

Management has evaluated subsequent events which may require disclosure through October 29, 2013.

**16. New and Additional Pronouncements**

The GASB has issued Statement No. 62, *"Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements"*. This Statement codifies into GASB accounting and financial reporting standards the "legacy" standards from the private-sector. The requirements of this Statement are effective for financial statements ending June 30, 2013, and did not require any material changes in how the City reports its Water and Sewer Enterprise Fund.

The GASB has issued Statement No. 63, *"Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position"*. This statement establishes standards for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and also requires related disclosures. The requirements of this Statement are effective for the City's financial statements ending June 30, 2013, which the City implemented. As required, the City reclassified its previously reported "net assets" to "net position". At June 30, 2013, the City does not maintain any deferred outflows and inflows of resources which should be reported as required by GASB Statement No. 63.

The GASB has issued Statement No. 65, *"Items Previously Reported as Assets and Liabilities"*. This statement specifies the items that were previously reported as assets and liabilities that should now be reported as deferred outflows of resources, deferred inflows of resources, outflows of resources, or inflows of resources. The requirements of this Statement are effective for the City's financial statements for periods beginning after June 30, 2013, and will require the City to restate amounts previously reported as bond issue costs as well as adjust its reporting for certain deferred outflows and inflows of resources as defined.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CAYCE, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED JUNE 30, 2013  
(With comparative actual amounts for year ended June 30, 2012)

	2013			Variance Positive (Negative)	2012
	Budget		Actual		Actual
	Original	Final			
<b>Revenue</b>					
Property taxes	\$ 2,928,600	\$ 2,923,600	\$ 2,865,633	\$ (57,967)	\$ 2,991,471
Licenses and permits	3,617,255	3,617,255	3,401,971	(215,284)	4,145,714
Fines and forfeitures	338,000	338,000	223,204	(114,796)	316,604
State shared revenue	356,568	361,568	356,691	(4,877)	310,703
Current services	698,300	673,300	692,536	19,236	658,095
Grants and other	1,570,200	544,167	594,568	50,401	678,064
Interest income	1,900	1,900	1,756	(144)	1,985
<b>Total revenue</b>	<b>\$ 9,510,823</b>	<b>\$ 8,459,790</b>	<b>\$ 8,136,359</b>	<b>\$ (323,431)</b>	<b>9,102,636</b>
<b>Expenditures</b>					
<b>General Government</b>					
Legislative	54,533	54,533	43,880	10,653	40,742
Administrative	481,162	482,242	442,658	39,584	431,678
Recorder's Court	117,761	118,001	121,121	(3,120)	54,948
Legal	88,073	88,073	70,617	17,456	85,789
Total	741,529	742,849	678,276	64,573	613,157
Less, Utility Fund overhead	—	(420,311)	(420,311)	—	(372,291)
Net general government	741,529	322,538	257,965	64,573	240,866
<b>Information Technology</b>					
Administrative	169,185	169,245	191,174	(21,929)	146,792
Less, Utility Fund overhead	—	(84,987)	(84,987)	—	(73,396)
Net information technology	169,185	84,258	106,187	(21,929)	73,396
<b>Finance</b>					
Finance and accounting	238,686	239,406	229,591	9,815	273,096
Tax collection	20,060	20,060	20,243	(183)	19,988
Total	258,746	259,466	249,834	9,632	293,084
Less, Utility Fund overhead	—	(180,068)	(180,068)	—	(203,159)
Net finance	258,746	79,398	69,766	9,632	89,925
<b>Public Safety</b>					
Administrative	451,574	452,534	490,668	(38,134)	359,082
Police - Detectives	607,147	608,887	596,479	12,408	705,500
Police - Traffic	2,874,176	2,881,556	2,939,033	(57,477)	3,635,468
Fire	710,333	711,953	706,957	4,996	—
Animal services	159,711	160,011	157,331	2,680	—
Total	4,802,941	4,814,941	4,890,468	(75,527)	4,700,050
Less, Utility Fund overhead	—	(86,806)	(86,806)	—	(45,163)
Less, capital outlay	—	(57,332)	(57,332)	—	(32,336)
Net public safety	4,802,941	4,670,803	4,746,330	(75,527)	4,622,551

CITY OF CAYCE, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

Expenditures (Continued)	2013			Variance Positive (Negative)	2012
	Budget		Actual		Actual
	Original	Final			
<b>Public Works</b>					
Street lighting	150,000	150,000	151,602	(1,602)	146,380
Sanitation	1,157,435	1,160,735	1,185,443	(24,708)	1,157,390
Public buildings	109,965	110,205	142,946	(32,741)	178,963
Total	1,417,400	1,420,940	1,479,991	(59,051)	1,482,733
Less, Utility Fund overhead	—	(42,817)	(42,817)	—	(68,197)
Less, capital outlay	—	(39,660)	(39,660)	—	(84,090)
Net public works	1,417,400	1,338,463	1,397,514	(59,051)	1,330,446
<b>Community Relations</b>					
Promotions and events	89,534	89,534	122,357	(32,823)	142,209
Total community relations	89,534	89,534	122,357	(32,823)	142,209
<b>Planning and Development</b>					
Planning and zoning	401,006	401,966	456,755	(54,789)	404,460
Total planning and development	401,006	401,966	456,755	(54,789)	404,460
<b>Parks and Museum</b>					
Parks	482,399	483,959	463,053	20,906	456,384
Museum	126,442	126,922	127,527	(605)	121,060
Total	608,841	610,881	590,580	20,301	577,444
Less, capital outlay	—	—	—	—	(21,758)
Net parks and museum	608,841	610,881	590,580	20,301	555,686
<b>Garage</b>					
Garage	349,563	350,403	351,941	(1,538)	380,692
Less, Utility Fund overhead	—	(90,024)	(90,024)	—	(96,701)
Less, capital outlay	—	—	—	—	(30,634)
Net garage	349,563	260,379	261,917	(1,538)	253,357
<b>Non-departmental and Support Services</b>					
Non-departmental and support services	272,520	441,040	211,454	229,586	779,371
Less, Utility Fund overhead	—	(167)	(167)	—	(265,965)
Less, capital outlay	—	(190,000)	(186,434)	(3,566)	—
Net support services	272,520	250,873	24,853	226,020	513,406

CITY OF CAYCE, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2013			Variance Positive (Negative)	2012
	Budget		Actual		Actual
	Original	Final			
<b>Expenditures (Continued)</b>					
<b>Debt Service</b>					
Principal retirement	409,657	409,657	404,307	5,350	294,974
Interest and fiscal charges	27,901	27,901	27,028	873	25,145
Total debt service	437,558	437,558	431,335	6,223	320,119
Less, overhead allocated – Utility Fund	—	(145,853)	(145,853)	—	(106,706)
Net debt service	437,558	291,705	285,482	6,223	213,413
<b>Capital Outlay</b>	—	286,992	283,426	3,566	168,818
<b>Total expenditures</b>	<b>9,548,823</b>	<b>8,687,790</b>	<b>8,603,132</b>	<b>84,658</b>	<b>8,608,533</b>
Excess (deficiency) of revenue over expenditures	(38,000)	(228,000)	(466,773)	(238,773)	494,103
<b>Other Financing Sources (Uses)</b>					
Installment purchase contract	—	190,000	190,000	—	755,402
Transfers in:					
Accommodations Tax Fund	38,000	38,000	42,589	4,589	37,747
Total other financing sources (uses)	38,000	228,000	232,589	4,589	793,149
Net change before extraordinary item	—	—	(234,184)	(234,184)	1,287,252
<b>Extraordinary Item</b>					
Fire contract expenses	—	—	—	—	(1,040,506)
<b>Net change in fund balance</b>	—	—	<b>(234,184)</b>	<b>(234,184)</b>	<b>246,746</b>
Fund balance, beginning of year	866,603	866,603	866,603	—	619,857
Fund balance, end of year	<u>\$ 866,603</u>	<u>\$ 866,603</u>	<u>\$ 632,419</u>	<u>\$ (234,184)</u>	<u>\$ 866,603</u>

*See Notes to Budgetary Comparison Schedule*

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO BUDGETARY COMPARISON SCHEDULE

JUNE 30, 2013

**Budgets and Budgetary Accounting**

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

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

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

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

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

The General Fund operated under a final expenditure budget totaling \$8,687,790, plus \$1,500,000 Utility Fund overhead allocations, which have been netted against departmental expenditures in the comparison schedule.

**Budget to Actual Deficits**

Should actual General Fund expenditures exceed final budget, such differences would be funded by unreserved and reserved fund balances, additional unbudgeted revenue, and transfers as applicable.

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

JUNE 30, 2013

Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/01/08	—	\$2,477,000	\$2,477,000	0%	\$5,161,000	48%
7/01/12	—	\$ 1,807,942	\$1,807,942	0%	\$6,927,435	26%

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

## OTHER FINANCIAL INFORMATION



CITY OF CAYCE, SOUTH CAROLINA

COMBINING 'NON-MAJOR' GOVERNMENTAL  
FINANCIAL STATEMENTS

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

JUNE 30, 2013

	Special Revenue Funds						Total Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	
	Rental Rehabilitation Program	Accom- modations Tax	Community Development	ABC Permit Fund	Home Grant	Law Enforcement Grant Fund				Museum Fund
<b>Assets</b>										
Cash and cash equivalents:										
Unrestricted	\$ —		\$ —	\$ 2,000	\$ —	\$ —	\$ 83,801	\$ 85,801	\$ —	\$ 85,801
Restricted	65,640	69,331	2,630	1,301	13,588	9,976	—	162,466	803,517	965,983
Property tax receivable	—	—	—	—	—	—	—	—	3,093	3,093
Notes receivables – housing assistance loans, net	375	—	—	—	—	—	—	375	—	375
Other receivables	—	—	—	3,000	—	—	—	3,000	—	3,000
<b>Total assets</b>	<b>\$ 66,015</b>	<b>\$ 69,331</b>	<b>\$ 2,630</b>	<b>\$ 6,301</b>	<b>\$ 13,588</b>	<b>\$ 9,976</b>	<b>\$ 83,801</b>	<b>\$ 251,642</b>	<b>\$ 806,610</b>	<b>\$ 1,058,252</b>
<b>Liabilities and Fund Balances</b>										
<b>Liabilities:</b>										
Unearned revenue	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9,973	\$ —	\$ 9,973	\$ —	\$ 9,973
Account payable	3,375	—	—	—	—	—	—	3,375	—	3,375
Accrued interest	—	—	—	—	—	—	—	—	12,178	12,178
Due to other funds	—	—	—	5,000	—	—	—	5,000	—	5,000
<b>Total liabilities</b>	<b>3,375</b>	<b>—</b>	<b>—</b>	<b>5,000</b>	<b>—</b>	<b>9,973</b>	<b>—</b>	<b>18,348</b>	<b>12,178</b>	<b>30,526</b>
<b>Fund balance:</b>										
<b>Restricted for:</b>										
Debt service	—	—	—	—	—	—	—	—	794,432	794,432
Tourism and community development	62,640	69,331	2,630	—	13,588	—	—	148,189	—	148,189
Law enforcement	—	—	—	—	—	3	—	3	—	3
ABC permit activities	—	—	—	1,301	—	—	—	1,301	—	1,301
<b>Total restricted</b>	<b>62,640</b>	<b>69,331</b>	<b>2,630</b>	<b>1,301</b>	<b>13,588</b>	<b>3</b>	<b>—</b>	<b>149,493</b>	<b>794,432</b>	<b>943,925</b>
<b>Assigned for:</b>										
Museum	—	—	—	—	—	—	83,801	83,801	—	83,801
<b>Total fund balances</b>	<b>62,640</b>	<b>69,331</b>	<b>2,630</b>	<b>1,301</b>	<b>13,588</b>	<b>3</b>	<b>83,801</b>	<b>233,294</b>	<b>794,432</b>	<b>1,027,726</b>
<b>Total liabilities and fund balances</b>	<b>\$ 66,015</b>	<b>\$ 69,331</b>	<b>\$ 2,630</b>	<b>\$ 6,301</b>	<b>\$ 13,588</b>	<b>\$ 9,976</b>	<b>\$ 83,801</b>	<b>\$ 251,642</b>	<b>\$ 806,610</b>	<b>\$ 1,058,252</b>

CITY OF CAYCE, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2013

	Special Revenue Funds						Total Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
	Rental Rehabilitation Program	Accom- modations Tax	Community Development	ABC Permit Fund	Home Grant	Law Enforcement Grant Fund			
<b>Revenue</b>									
Property taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 744,446	\$ 744,466
State shared	—	90,033	—	16,980	—	—	—	107,013	147,955
Federal state and other grants	—	—	—	100,000	—	2,260	181	102,441	102,441
Interest income	2	—	—	17	—	—	2	21	321
Total revenue	2	90,033	—	116,997	—	2,260	183	209,475	785,708
<b>Expenditures</b>									
Planning/development:									
Tourism related	—	43,335	—	127,594	—	—	—	170,929	170,929
Less capital outlay	—	—	—	(127,594)	—	—	—	(127,594)	(127,594)
Net tourism related	—	43,335	—	—	—	—	—	43,335	43,335
Debt service:									
Principal	—	—	—	—	—	—	—	—	406,460
Interest and fiscal charges	—	—	—	—	—	—	—	—	82,663
Other	3,375	—	—	—	—	5,797	—	9,172	9,172
Capital outlay	—	—	—	127,594	—	—	—	127,594	127,594
Total expenditures	3,375	43,335	—	127,594	—	5,797	—	180,101	489,123
Excess (deficiency) of revenue over expenditures	(3,373)	46,698	—	(10,597)	—	(3,537)	183	29,374	296,585
<b>Other Financing Sources (Uses)</b>									
Transfers in (out)	—	(42,589)	—	—	—	—	—	(42,589)	(42,589)
<b>Net change in fund balances</b>	<b>(3,373)</b>	<b>4,109</b>	<b>—</b>	<b>(10,597)</b>	<b>—</b>	<b>(3,537)</b>	<b>183</b>	<b>(13,215)</b>	<b>296,585</b>
Fund balances, beginning of year	66,013	65,222	2,630	11,898	13,588	3,540	83,618	246,509	497,847
Fund balances, end of year	\$ 62,640	\$ 69,331	\$ 2,630	\$ 1,301	\$ 13,588	\$ 3	\$ 83,801	\$ 233,294	\$ 794,432

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, 2013  
(With comparative figures June 30, 2012)

	<u>Current Year</u>	<u>Prior Year</u>
<b>Assets</b>		
Cash and cash equivalents:		
Unrestricted	\$ 1,029,524	\$ 2,233,648
Restricted	126,994	91,491
Property taxes receivable	1,381,491	1,263,731
Other receivables	81,842	73,288
Less, allowance for uncollectible accounts	(1,355,163)	(1,235,093)
Due from other funds	28,742	44,328
Notes receivable – housing assistance loans	10,883	10,883
Less, allowance for uncollectible accounts	(10,883)	(10,883)
Inventory – supplies (at cost)	51,930	41,613
<b>Total assets</b>	<u>\$ 1,345,360</u>	<u>\$ 2,513,006</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 260,692	\$ 1,242,640
Accrued salaries and wages	223,868	230,502
Other liabilities	50,422	33,081
Deposits and prepayments	56,143	52,208
Performance bond - restricted	121,816	87,972
Due to other funds	—	—
<b>Total liabilities</b>	<u>712,941</u>	<u>1,646,403</u>
Fund balance:		
Nonspendable in:		
Inventories	51,930	41,613
Restricted for:		
Victims Rights Assistance	69,493	88,698
Committed for:		
UST program	25,000	25,000
Assigned for:		
Christmas in Cayce	5,137	9,729
Congaree Bluegrass Festival	4,807	7,532
	<u>9,944</u>	<u>17,261</u>
Unassigned	476,052	694,031
<b>Total fund balance</b>	<u>632,419</u>	<u>866,603</u>
<b>Total liabilities and fund balance</b>	<u>\$ 1,345,360</u>	<u>\$ 2,513,006</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2013  
(With comparative actual amounts year ended June 30, 2012)

	Current Year			Prior Year
	Final Budget	Actual	Variance Pos. (Neg.)	Actual
<b>Revenue</b>				
Property taxes	\$ 2,923,600	\$ 2,865,633	\$ (57,967)	\$ 2,991,471
Licenses and permits	3,617,255	3,401,971	(215,284)	4,145,714
Fines and forfeitures	338,000	223,204	(114,796)	316,604
State shared revenue	361,568	356,691	(4,877)	310,703
Current services	673,300	692,536	19,236	658,095
Grants and other	544,167	594,568	50,401	678,064
Interest income	1,900	1,756	(144)	1,985
<b>Total revenue</b>	<b>8,459,790</b>	<b>8,136,359</b>	<b>(323,431)</b>	<b>9,102,636</b>
<b>Expenditures</b>				
Current (net of Utility Fund overhead allocations and capital outlay):				
Legislative	32,641	21,988	10,653	24,445
Administrative	119,052	79,468	39,584	110,000
Recorder's court	118,001	121,121	(3,120)	54,948
Legal	52,844	35,388	17,456	51,473
Information technology	84,258	106,187	(21,929)	73,396
Finance and accounting	59,338	49,523	9,815	69,937
Tax collector	20,060	20,243	(183)	19,988
Public safety:				
Administrative	407,157	445,291	(38,134)	355,007
Detectives	608,887	596,479	12,408	705,500
Police	2,822,811	2,880,288	(57,477)	3,562,044
Fire	671,937	666,941	4,996	—
Animal services	160,011	157,331	2,680	—
Street lighting	150,000	151,602	(1,602)	146,380
Sanitation	1,151,915	1,176,623	(24,708)	1,121,488
Public buildings	36,548	69,289	(32,741)	62,578
Community relations	89,534	122,357	(32,823)	142,209
Planning and development	401,966	456,755	(54,789)	404,460
Museum	126,922	127,527	(605)	121,060
Parks	483,959	463,053	20,906	434,626
Garage	260,379	261,917	(1,538)	253,357
Non-departmental and support services	250,873	24,853	226,020	513,406
Debt service	291,705	285,482	6,223	213,413
Capital outlay	286,992	283,426	3,566	168,818
<b>Total expenditures</b>	<b>8,687,790</b>	<b>8,603,132</b>	<b>84,658</b>	<b>8,608,533</b>
Excess (deficiency) of revenue over expenditures	(228,000)	(466,773)	(238,773)	494,103
<b>Other Financing Sources (uses)</b>				
Installment purchase contract	190,000	190,000	—	755,402
Transfers in:				
Accommodation tax	38,000	42,589	4,589	37,747
<b>Total other financing sources (uses)</b>	<b>228,000</b>	<b>232,589</b>	<b>4,589</b>	<b>793,149</b>
Net change before extraordinary item	—	(234,184)	(234,184)	1,287,252
<b>Extraordinary Item – Fire</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,040,506)</b>
<b>Net change in fund balance</b>	<b>—</b>	<b>(234,184)</b>	<b>(234,184)</b>	<b>246,746</b>
Fund balance, beginning of year	866,603	866,603	—	619,857
<b>Fund balance, end of year</b>	<b>\$ 866,603</b>	<b>\$ 632,419</b>	<b>\$ (234,184)</b>	<b>\$ 866,603</b>

CITY OF CAYCE, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUE — BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2013

	<u>Final Budget</u>	<u>Actual</u>
<b>Revenue</b>		
Property taxes:		
Property tax – current (Lexington County)	\$ 1,862,000	\$ 1,850,480
Property tax – current (Richland County)	124,000	104,193
Penalties – current	2,600	2,306
Property tax – delinquent	50,000	30,166
Penalties – delinquent	15,000	9,960
Other property tax collections	100,000	108,270
Fees in lieu of taxes	770,000	760,258
	<u>2,923,600</u>	<u>2,865,633</u>
Licenses and permits:		
Business licenses – current	3,500,000	3,282,117
Business licenses – prior year	2,000	16,150
Penalties – business licenses	5,500	16,150
Building permits	97,855	70,845
Electrical permits	5,000	6,877
Plumbing permits	3,000	5,089
Gas permits	2,200	3,483
Garage sale permits	1,200	960
Miscellaneous permits	500	300
	<u>3,617,255</u>	<u>3,401,971</u>
Fines and forfeitures:		
Criminal fines	58,000	30,720
Traffic fines	240,000	159,816
Parking fines	2,000	1,580
Victims assistance	38,000	31,088
	<u>338,000</u>	<u>223,204</u>
State shared and other revenue:		
Local government fund	285,000	270,719
Merchants inventory tax	71,568	71,566
Local option sales tax	4,000	12,047
County municipal revenue fund	1,000	2,359
	<u>361,568</u>	<u>356,691</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	200,000	223,549
Animal control fees	20,000	20,060
Special services – SRO officers	63,000	71,702
Sanitation and tipping fees		
Commercial	300,000	300,547
Residential	87,000	73,899
Duplication services	3,300	2,779
	<u>673,300</u>	<u>692,536</u>
Grants and Other:		
Miscellaneous	27,000	65,188
Sale of plastic bags	3,500	4,175
Sale of personal property	30,000	23,081
Donated revenue – Christmas in Cayce	—	4,600
Donated revenue – Congaree Bluegrass Festival	—	16,686
Admission and rents	700	645
Recycling revenue	9,000	6,658
LRADAC/AET agreements	25,000	22,568
Grant revenue:		
SCMIT grant	—	2,000
Utility Fund fees	448,967	448,967
	<u>544,167</u>	<u>594,568</u>
Interest income	1,900	1,756
<b>Total revenue</b>	<u><b>8,459,790</b></u>	<u><b>8,136,359</b></u>
<b>Other Financing Sources</b>		
Installment purchase contract	190,000	190,000
Transfers in:		
Accommodations tax – General Fund portion	38,000	42,589
Total other financing sources	<u>228,000</u>	<u>232,589</u>
<b>Total revenue and other financing sources</b>	<u><b>\$ 8,687,790</b></u>	<u><b>\$ 8,368,948</b></u>

CITY OF CAYCE, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2013

	<u>Final Budget</u>	<u>Actual</u>
<b>Departments</b>		
Legislative:		
Salaries and wages	\$ 23,700	\$ 23,700
Retirement, insurance and other benefits	3,310	2,990
Printing and office supplies	600	1,564
Postage	282	259
Memberships and dues	2,756	2,594
Travel	7,950	2,628
Telephone	1,950	1,992
Advertising	500	488
Employee training	3,060	1,080
Awards	4,875	3,865
City election expense	2,000	1,455
City events/special meetings	700	93
Other	2,850	1,172
Total legislative	<u>54,533</u>	<u>43,880</u>
Less, overhead allocation – Utility Fund	(21,892)	(21,892)
Net legislative	<u>32,641</u>	<u>21,988</u>
Administrative:		
Salaries and wages	327,982	304,028
Retirement, insurance and other benefits	94,621	91,509
Printing and office supplies	3,200	4,342
Postage	563	516
Publications	300	173
Memberships and dues	1,800	1,958
Travel	8,400	9,328
Automotive operating	9,400	6,728
Telephone	9,546	10,243
Advertising expense	11,000	1,259
General insurance	3,100	2,939
Employee training	4,670	4,759
Professional services – human resources	2,210	2,700
Professional services – technical assistance	300	
Service contracts	2,550	422
Other	2,600	1,754
Total administrative	<u>482,242</u>	<u>442,658</u>
Less, overhead allocation – Utility Fund	(363,190)	(363,190)
Net administrative	<u>119,052</u>	<u>79,468</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	67,757	72,528
Retirement, insurance and other benefits	25,268	24,369
Juror fees	3,000	1,646
Printing and office supplies	2,500	2,695
Postage	5,912	5,439
Membership and dues	250	120
Travel	1,160	1,481
Employee training	870	717
General insurance	514	1,192
Service contracts	9,590	9,948
Special departmental supplies	1,180	986
Total record's court	<u>118,001</u>	<u>121,121</u>
Legal:		
Printing and office supplies	75	10
Postage	423	387
Professional services	70,000	61,401
Professional services – Prosecutor fees	16,000	8,119
Codification of City code	1,575	700
Total legal	<u>88,073</u>	<u>70,617</u>
Less, overhead allocation – Utility Fund	<u>(35,229)</u>	<u>(35,229)</u>
Net legal	<u>52,844</u>	<u>35,388</u>
Information Technology (IT):		
Salaries and wages	83,700	84,020
Retirement, insurance and other benefits	23,871	23,760
Printing and office supplies	600	280
Postage	140	127
Publications	100	—
Memberships and dues	688	335
Travel	576	713
Telephone	1,150	1,058
Service contracts	3,896	4,983
Equipment repairs	500	396
Software and licenses	10,627	29,178
Employee training	2,190	168
General insurance	500	704
Website maintenance	1,000	991
Professional services	13,300	14,288
Computer network equipment, non-capital	26,207	29,638
Other	200	535
Total IT	<u>169,245</u>	<u>191,174</u>
Less, overhead allocation – Utility Fund	<u>(84,987)</u>	<u>(84,987)</u>
Net IT	<u>84,258</u>	<u>106,187</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>		
Finance and Accounting:		
Salaries and wages	145,413	147,633
Retirement, insurance and other benefits	46,742	47,749
Printing and office supplies	4,000	1,236
Postage	704	647
Memberships and dues	500	470
Telephone	2,362	2,183
Automotive operating	1,200	690
Car lease	3,735	2,799
Service contracts	13,150	6,501
Insurance - vehicles	900	768
General insurance	2,300	1,757
Employee training	900	—
Professional services	17,500	17,158
Total finance and accounting	<u>239,406</u>	<u>229,591</u>
Less, overhead allocation – Utility Fund	(180,068)	(180,068)
Net finance and accounting	<u>59,338</u>	<u>49,523</u>
Tax Collector:		
Printing and office supplies	50	10
Postage	60	55
Professional services	19,950	20,178
Total tax collector	<u>20,060</u>	<u>20,243</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	227,893	225,010
Retirement, insurance and other benefits	72,374	75,659
Printing and office supplies	10,200	9,185
Postage	2,533	2,329
Memberships and dues	655	540
Travel	2,000	1,221
Automotive operating	4,000	3,908
Electric and gas	42,500	40,884
Telephone	38,479	48,372
Maintenance and service contracts	7,500	3,971
Building repairs	20,000	21,819
Uniforms	1,200	900
Janitorial supplies	300	782
Medical supplies and physician expense	8,500	9,752
Advertising	1,000	75
Insurance - vehicles	1,652	1,535
General insurance	4,623	5,122
Employee training	500	344
Community relations	1,000	989
Special contracts	5,125	4,771
Explorer Scouts	500	—
Machinery and equipment	—	33,500
Total public safety – administrative	<u>452,534</u>	<u>490,668</u>
Less, overhead allocation – Utility Fund	<u>(45,377)</u>	<u>(45,377)</u>
Net public safety – administrative	<u>407,157</u>	<u>445,291</u>
Public Safety – police/detectives:		
Salaries and wages	357,238	361,696
Overtime	14,351	12,035
Retirement, insurance and other benefits	142,736	144,060
Memberships and dues	650	385
Travel	1,500	735
Automotive operating	55,665	38,694
Maintenance and service contracts	5,914	3,752
Machinery and equipment repairs	200	—
Radio supplies	350	—
Uniforms and clothing	4,800	5,651
Insurance - vehicles	10,738	8,832
General insurance	9,245	11,462
Employee training	2,500	1,839
Specialized department supplies	3,000	3,338
Machines and equipment	—	4,000
Total public safety – police/detectives	<u>608,887</u>	<u>596,479</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	1,652,624	1,648,744
Overtime	108,630	127,655
Retirement, insurance and other benefits	701,977	690,636
Membership and dues	1,040	1,192
Travel	1,200	611
SCMIT/DOJ vest grant expense	10,000	7,703
Automotive operating	129,664	195,846
Maintenance and service contracts	18,000	13,482
Machinery and equipment repairs	9,500	3,496
SLED equipment	2,185	2,544
Small hand tools	500	86
Radio supplies	500	192
Safety supplies	2,600	6,525
Uniforms and clothing	32,000	36,312
Jail detention	400	858
Laundry and linen service	100	—
Insurance - vehicles	39,648	38,817
General insurance	49,692	54,463
Employee training	15,000	16,201
Victim's assistance	58,046	50,293
Department of Juvenile Justice fees	10,000	2,475
Specialized department supplies	20,000	22,175
Machinery and equipment	18,250	18,727
Total public safety – police/traffic	<u>2,881,556</u>	<u>2,939,033</u>
Less, overhead allocation – Utility Fund	(41,429)	(41,429)
Less, capital outlay	(17,316)	(17,316)
Net public safety – police/traffic	<u>2,822,811</u>	<u>2,880,288</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 – fire:		
Salaries and wages	357,751	351,605
Overtime	20,400	26,810
Fire department overtime - responses	22,412	27,066
Retirement, insurance and other benefits	157,932	130,704
Membership and dues	545	460
Travel	1,000	15
Automotive operating	60,868	56,085
Maintenance and service contracts	5,235	2,215
Machinery and equipment repairs	1,500	959
Building repairs – dog pound	13,000	8,597
SLED equipment		
Small hand tools	1,000	873
Radio supplies	300	—
Safety supplies	3,500	1,876
Uniforms and clothing	5,500	6,041
Janitorial supplies	600	413
Air pack and fire extinguisher	3,460	1,272
Insurance - vehicles	7,434	6,147
General insurance	10,401	11,384
Employee training	5,000	3,142
Specialized department supplies	5,000	27,277
Machinery and equipment	29,115	44,016
Total public safety –fire	<u>711,953</u>	<u>706,957</u>
Less, overhead allocation – Utility Fund	—	—
Less, capital outlay	(40,016)	(40,016)
Net public safety – fire	<u>671,937</u>	<u>666,941</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	74,705	69,842
Overtime	5,152	4,106
Retirement, insurance and other benefits	30,100	29,808
Printing and office supplies	500	81
Membership and dues	400	40
Travel	500	—
Automotive operating	4,880	2,661
Electric and gas	12,000	3,000
Maintenance and service contracts	540	247
Machinery and equipment repairs	2,500	322
Building repairs – dog pound	2,500	2,424
Radio supplies	100	54
Uniforms and clothing	926	639
Janitorial supplies	1,500	937
Advertising	6,000	3,567
Insurance - vehicles	1,660	1,160
General insurance	2,312	2,531
Employee training	1,175	150
Specialized department supplies	2,933	3,537
Animal control supplies	9,628	14,587
Machinery and equipment	—	17,638
Total public safety – animal services	<u>160,011</u>	<u>157,331</u>
Less, overhead allocation – Utility Fund	—	—
Less, capital outlay	—	—
Net public safety – animal services	<u>160,011</u>	<u>157,331</u>
 Street Lighting:		
Electricity	<u>150,000</u>	<u>151,602</u>
Total street lighting	<u>150,000</u>	<u>151,602</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>		
Sanitation:		
Salaries and wages	547,135	547,152
Overtime	1,500	746
Retirement, insurance and other benefits	227,461	229,121
Printing and office supplies	800	342
Postage	640	1,108
Memberships and dues	300	284
Travel expense	500	15
Automotive operating	165,421	190,029
Telephone	7,000	4,893
Maintenance and service contracts	400	1,270
Equipment repairs	2,500	1,782
Waste disposal and tipping fees	152,000	160,922
Small hand tools	4,000	840
Safety supplies	3,000	1,842
Uniforms and clothing	8,000	6,650
Cleaning and sanitation supplies	450	173
Medical supplies and physician expense	1,850	1,533
Software and licenses	456	—
Insurance - vehicles	17,091	15,768
General insurance	7,681	9,664
Employee training	500	60
Contract labor	500	1,053
Special supply – garbage bags	3,500	3,310
Special supply – recycle bins and leaf bags	2,200	626
Machines and equipment	5,850	6,260
Total sanitation	<u>1,160,735</u>	<u>1,185,443</u>
Less, overhead allocation – Utility Fund	(8,820)	(8,820)
Less, capital outlay	—	—
Net sanitation	<u>1,151,915</u>	<u>1,176,623</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 overtime	29,824	30,234
Overtime	200	277
Retirement, insurance and other benefits	12,528	13,005
Electric and gas	30,000	28,438
Telephone	10,000	10,381
Maintenance and service contracts	2,500	2,013
Equipment repairs	3,000	1,099
Building repairs	6,800	4,838
Paint supplies	400	343
Electric/light supplies	500	350
Uniform expense	250	192
Janitorial supplies	2,800	2,321
General insurance	778	838
Copy machine/contract	5,325	4,962
Machines and equipment	4,000	3,975
Professional service contract	—	39,660
Other	1,300	20
Total public buildings	<u>110,205</u>	<u>142,946</u>
Less, overhead allocation – Utility Fund	(33,997)	(33,997)
Less, capital outlay	<u>(39,660)</u>	<u>(39,660)</u>
Net public buildings	<u>36,548</u>	<u>69,289</u>
Community Relations:		
Central Midlands Council of Governments	8,000	11,745
Central Midlands Regional Transportation Association	22,784	17,653
Municipal Association of SC	5,500	5,402
Lexington County Municipal Association	500	1,073
River Alliance	10,000	10,000
Professional services	15,000	16,579
Christmas decorations and citizen's drop-in	4,400	3,562
Employee/family Christmas party	2,800	2,777
Community programs	7,950	5,445
City newsletter expense	12,600	14,283
Christmas in Cayce festival	—	13,692
Congaree Bluegrass festival	—	20,146
Total community relations	<u>89,534</u>	<u>122,357</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	233,413	288,495
Retirement, insurance and other benefits	78,831	93,822
Printing and office supplies	2,700	2,538
Postage	282	258
Dues and membership	1,600	1,758
Travel	3,500	3,081
Automotive operating	1,600	2,241
Telephone	5,530	6,209
Building repairs	300	1,781
Small hand tools	500	120
Uniform expense	400	382
Advertising	1,500	1,658
Insurance - vehicles	1,730	768
General insurance	3,000	3,245
Employee training	3,330	2,682
NPDES phase II project	47,000	39,660
Professional services	10,000	2,899
Special contract – copier	2,650	2,481
Special department supplies	4,100	2,677
Total planning and development	<u>401,966</u>	<u>456,755</u>
Museum:		
Salaries and wages	83,785	85,033
Retirement, insurance and other benefits	29,202	27,270
Printing and office supplies	600	542
Postage	140	127
Dues and memberships	200	—
Travel	1,000	392
Electric and gas	6,000	5,705
Telephone	2,200	4,146
Service contracts	800	653
Equipment repairs	500	401
Building repairs	700	1,241
Insurance – vehicles	—	392
General insurance	1,795	1,625
Total museum	<u>126,922</u>	<u>127,527</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	274,376	265,174
Overtime	1,500	1,037
Retirement, insurance and other benefits	117,807	99,789
Membership dues	500	474
Postage	140	127
Telephone	3,850	3,452
Travel	310	15
Automotive operating	25,000	20,878
Electric and gas	16,000	15,828
Service contracts	1,750	920
Software and licenses	456	—
Machinery and equipment repairs	5,000	9,346
Building repairs	2,000	14,554
Small hand tools	1,450	1,609
Printing and office supplies	300	144
Sign and sign supplies	1,500	1,664
Safety supplies	1,900	1,585
Uniforms and clothing	2,200	2,289
Cleaning supplies	2,000	2,098
Chemicals	700	715
Medical supplies and physician expense	600	783
Insurance - vehicles	8,500	6,611
General insurance	6,680	6,438
Employee training	1,690	1,100
Specialized departmental supplies	7,000	5,719
Beautification board	750	704
Machinery and equipment	—	—
Total parks	<u>483,959</u>	<u>463,053</u>
Less, capital outlay	—	—
Net parks	<u>483,959</u>	<u>463,053</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	206,438	210,947
Overtime	1,500	2,273
Retirement, insurance and other benefits	78,186	75,767
Printing and office supplies	400	193
Travel	1,000	485
Automotive operating	6,000	7,879
Electric and gas	8,000	7,606
Telephone	3,650	2,531
Maintenance and service contracts	1,500	2,752
Machinery and equipment repairs	4,000	3,289
Building repairs	2,000	2,159
Small hand tools	5,000	5,204
Paint supplies	300	—
Electrical supplies	300	—
Uniforms and clothing	2,400	2,372
Software and licenses	10,379	7,334
Insurance – vehicles	2,550	1,535
General insurance	3,000	3,147
Employee training	6,800	6,245
Specialized department supplies	7,000	10,223
Total garage	<u>350,403</u>	<u>351,941</u>
Less, overhead allocation– Utility Fund	(90,024)	(90,024)
Less, capital outlay	—	—
Net garage	<u>260,379</u>	<u>261,917</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>		
Non-departmental and Support Services:		
Retiree insurance expense	24,059	24,810
GASB 45-OPEB	130,490	—
Bonus pool	3,520	—
Surety bonds	500	210
Allocation of prior-year unreserved funds (contingencies)	92,471	—
Installment purchase contracts – equipment	190,000	186,434
Total non-departmental and support services	<u>441,040</u>	<u>211,454</u>
Less, overhead allocation – Utility Fund	(167)	(167)
Less, capital outlay	(190,000)	(186,434)
Net non-departmental and support services	<u>250,873</u>	<u>24,853</u>
<b>Debt Service:</b>		
Note and lease payments	409,657	404,307
Interest and fiscal agent charges	27,901	27,028
Total debt service	<u>437,558</u>	<u>431,335</u>
Less, overhead allocation – Utility Fund	(145,853)	(145,853)
Net debt services	<u>291,705</u>	<u>285,482</u>
<b>Capital Outlay</b>	<u>286,992</u>	<u>283,426</u>
<b>Total expenditures</b>	<u><u>\$ 8,687,790</u></u>	<u><u>\$ 8,603,132</u></u>

SPECIAL REVENUE FUNDS

CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2013  
(With comparative total figures at June 30, 2012)

	Rental	Accom-	Community	ABC	Home	Law	Museum	Totals	
	Rehabilitation	modations	Development	Permit	Grant	Enforcement	Fund	2013	2012
	Program	Tax		Fund		Grant Fund			
<b>Assets</b>									
Cash and cash equivalents:									
Unrestricted	\$ —	\$ —	\$ —	\$ 2,000	\$ —	\$ —	\$ 83,801	\$ 85,801	\$ 173,317
Restricted	65,640	69,331	2,630	1,301	13,588	9,976	—	162,466	160,040
Receivables – housing assistance									
loans, grants, taxes, net	375	—	—	—	—	—	—	375	375
Other receivables	—	—	—	3,000	—	—	—	3,000	1,800
<b>Total assets</b>	<b>\$ 66,015</b>	<b>\$ 69,331</b>	<b>\$ 2,630</b>	<b>\$ 6,301</b>	<b>\$ 13,588</b>	<b>\$ 9,976</b>	<b>\$ 83,801</b>	<b>\$ 251,642</b>	<b>\$ 335,532</b>
<b>Liabilities and Fund Balances</b>									
Liabilities:									
Unearned revenue	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9,973	\$ —	\$ 9,973	\$ 9,421
Accounts payable	3,375	—	—	—	—	—	—	3,375	—
Construction contracts payable	—	—	—	—	—	—	—	—	66,593
Retainage payable	—	—	—	—	—	—	—	—	13,009
Due to other funds	—	—	—	5,000	—	—	—	5,000	—
<b>Total liabilities</b>	<b>3,375</b>	<b>—</b>	<b>—</b>	<b>5,000</b>	<b>—</b>	<b>9,973</b>	<b>—</b>	<b>18,348</b>	<b>89,023</b>
Fund balance:									
Restricted for:									
Tourism and community development	62,640	69,331	2,630	—	13,588	—	—	148,189	147,453
Law enforcement	—	—	—	—	—	3	—	3	3,540
ABC permit activities	—	—	—	1,301	—	—	—	1,301	11,898
<b>Total restricted</b>	<b>62,640</b>	<b>69,331</b>	<b>2,630</b>	<b>1,301</b>	<b>13,588</b>	<b>3</b>	<b>—</b>	<b>149,493</b>	<b>162,891</b>
Assigned for:									
Museum improvement	—	—	—	—	—	—	83,801	83,801	83,618
<b>Total fund balances</b>	<b>62,640</b>	<b>69,331</b>	<b>2,630</b>	<b>1,301</b>	<b>13,588</b>	<b>3</b>	<b>83,801</b>	<b>233,294</b>	<b>246,509</b>
<b>Total liabilities and fund balances</b>	<b>\$ 66,015</b>	<b>\$ 69,331</b>	<b>\$ 2,630</b>	<b>\$ 6,301</b>	<b>\$ 13,588</b>	<b>\$ 9,976</b>	<b>\$ 83,801</b>	<b>\$ 251,642</b>	<b>\$ 335,532</b>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2013  
 (With comparative total figures year ended June 30, 2012)

	Rental Rehabilitation Program	Accommodations Tax	Community Development	ABC Permit Fund	Home Grant	Law Enforcement Grant Fund	Museum Fund	Totals	
								2013	2012
<b>Revenue</b>									
Federal grants	\$ —	\$ —	\$ —	\$ 100,000	\$ —	\$ 2,260	\$ 181	\$ 102,441	\$ 22,766
State shared	—	90,033	—	16,980	—	—	—	107,013	101,297
Interest income	2	—	—	17	—	—	2	21	257
Total revenue	<u>2</u>	<u>90,033</u>	<u>—</u>	<u>116,997</u>	<u>—</u>	<u>2,260</u>	<u>183</u>	<u>209,475</u>	<u>124,320</u>
<b>Expenditures</b>									
Tourism related	—	43,335	—	127,594	—	—	—	170,929	224,440
Less, capital outlay	—	—	—	(127,594)	—	—	—	(127,594)	(165,293)
Net tourism related	—	43,335	—	—	—	—	—	43,335	59,147
Other	3,375	—	—	—	—	5,797	—	9,172	22,737
Capital outlay	—	—	—	127,594	—	—	—	127,594	165,293
Total expenditures	<u>3,375</u>	<u>43,335</u>	<u>—</u>	<u>127,594</u>	<u>—</u>	<u>5,797</u>	<u>—</u>	<u>180,101</u>	<u>247,177</u>
Excess (deficiency) of revenue over expenditures	(3,373)	46,698	—	(10,597)	—	(3,537)	183	29,374	(122,857)
<b>Other Financing Sources (Uses)</b>									
Transfers in (out)	—	(42,589)	—	—	—	—	—	(42,589)	(37,747)
<b>Net change in fund balances</b>	<b>(3,373)</b>	<b>4,109</b>	<b>—</b>	<b>(10,597)</b>	<b>—</b>	<b>(3,537)</b>	<b>183</b>	<b>(13,215)</b>	<b>(160,604)</b>
Fund balances, beginning of year	66,013	65,222	2,630	11,898	13,588	3,540	83,618	246,509	407,113
Fund balances, end of year	<u>\$ 62,640</u>	<u>\$ 69,331</u>	<u>\$ 2,630</u>	<u>\$ 1,301</u>	<u>\$ 13,588</u>	<u>\$ 3</u>	<u>\$ 83,801</u>	<u>\$ 233,294</u>	<u>\$ 246,509</u>

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND  
BALANCE SHEET

JUNE 30, 2013

(With comparative amounts for June 30, 2012)

	<u>Current Year</u>	<u>Prior Year</u>
<b>Assets</b>		
Restricted cash and cash equivalents	\$ 803,517	\$ 512,755
Property taxes receivable	3,093	—
Total assets	<u>\$ 806,610</u>	<u>\$ 512,755</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accrued interest payable	\$ 12,178	\$ 14,908
Fund balance:		
Restricted for debt service	794,432	497,847
Total liabilities and fund balance	<u>\$ 806,610</u>	<u>\$ 512,755</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2013  
(With comparative figures year ended June 30, 2012)

	<u>Current Year</u>	<u>Prior Year</u>
<b>Revenue</b>		
Current property taxes	\$ 744,046	\$ 729,987
State shared revenue	40,942	35,544
Interest on investments	300	955
Total revenue	<u>785,708</u>	<u>766,486</u>
<b>Expenditures</b>		
Debt Service:		
Principal	406,460	390,562
Interest and fiscal charges	82,663	98,669
Total expenditures	<u>489,123</u>	<u>489,231</u>
Excess (deficiency) of revenue over expenditures	296,585	277,255
<b>Other Financing Sources (Uses)</b>		
Transfer (out) to Capital Project Fund	<u>—</u>	<u>(400,000)</u>
<b>Net change in fund balance</b>	<b>296,585</b>	<b>(122,745)</b>
Fund balance, beginning of year	<u>497,847</u>	<u>620,592</u>
Fund balance, end of year	<u>\$ 794,432</u>	<u>\$ 497,847</u>



CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND  
BALANCE SHEET

JUNE 30, 2013

(With comparative figures at June 30, 2012)

	<u>Current Year</u>	<u>Prior Year</u>
<b>Assets</b>		
Cash and cash equivalents – restricted	\$ 655,607	\$ 717,567
Total assets	<u>\$ 655,607</u>	<u>\$ 717,567</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Construction contracts and retainages payable	\$ —	\$ —
Fund balance:		
Restricted for redevelopment plan	<u>655,607</u>	<u>717,567</u>
Total liabilities and fund balance	<u>\$ 655,607</u>	<u>\$ 717,567</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2013  
(With comparative figures year ended June 30, 2012)

	<u>Current Year</u>	<u>Prior Year</u>
<b>Revenue</b>		
Project revenue	\$ —	\$ 269,744
Interest income	231	857
Total revenue	<u>231</u>	<u>270,601</u>
<b>Expenditures</b>		
Capital outlay:		
Park	62,190	70,687
Infrastructure	—	55,633
Other:		
Brickworks	—	—
Cayce Tennis and Fitness Center	—	—
Other	1	320
Total expenditures	<u>62,191</u>	<u>126,640</u>
Excess (deficiency) of revenue over expenditures	(61,960)	143,961
<b>Other Financing Sources (Uses)</b>		
Transfer in from Debt Service Fund	<u>—</u>	<u>400,000</u>
<b>Net change in fund balance</b>	<b>(61,960)</b>	<b>543,961</b>
Fund balance, beginning of year	<u>717,567</u>	<u>173,606</u>
Fund balance, end of year	<u>\$ 655,607</u>	<u>\$ 717,567</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, 2013

(With comparative figures at June 30, 2012)

	Current Year	Prior Year		Current Year	Prior Year
<b>Assets</b>			<b>Liabilities and Net Position</b>		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 993,278	\$ 1,237,939	Accounts payable	\$ 187,240	\$ 380,453
Receivables:			Accrued salaries and wages	102,429	93,921
Water and sewer accounts (net of allowance for doubtful accounts, \$35,000 in 2013 and 2012)	2,121,744	1,866,238	Accrued compensated absences – current portion	29,220	27,313
Other accounts	4,885,404	239,175	Construction contracts payable	31,345	175,781
Inventory	361,932	182,703	Retainage payable	54,774	44,032
Total current assets	<u>8,362,358</u>	<u>3,526,055</u>	Other liabilities	200	1,211
Current restricted assets:			Due to other funds (internal balances)	23,742	44,328
Cash and cash equivalents:			Customer deposits and prepayments	473,567	454,228
Employee benefit accounts	4,342	1,642	Total current liabilities	<u>902,517</u>	<u>1,221,267</u>
Bond and interest redemption	5,959,021	6,761,952	Current liabilities payable from restricted assets:		
Project and construction funds	7,966,047	11,731,750	Accrued interest payable	510,188	548,354
Total current restricted assets	<u>13,929,410</u>	<u>18,495,344</u>	SRF and bonds payable – current portion	3,245,133	3,146,390
Capital assets:			Construction contracts payable	2,253,962	3,196,289
Land and rights-of-way	330,568	330,568	Total current liabilities payable from restricted assets	<u>6,009,283</u>	<u>6,891,033</u>
Equipment	5,228,885	4,839,126	Long-term liabilities:		
Utility plants in service	141,235,826	83,697,583	Accrued compensated absences	56,224	50,922
Construction in process	2,686,357	64,825,570	Future capacity charges and credits	1,950,000	5,304,986
	149,481,636	153,692,847	SRF loans payable	32,583,509	34,093,159
Less, accumulated depreciation	(26,943,881)	(28,122,863)	Revenue bonds payable (\$16,715,000 plus bonds premium \$530,891 less deferred refunding \$172,589 net of amortization of \$20,841 in 2013 and 2012)	17,073,302	18,824,143
Net capital assets	<u>122,537,755</u>	<u>125,569,984</u>	Other post-employment benefit (OPEB) obligation	546,449	428,670
Other assets:			Total long-term liabilities	<u>52,209,484</u>	<u>58,701,880</u>
*02 SRF loan issue cost (net of amortization of \$8,760 in 2013 and \$7,963 in 2012)	7,167	7,964	Total liabilities	<u>59,121,284</u>	<u>66,814,180</u>
*04 bond issue cost (net of amortization of \$616,492 in 2013 and \$547,993 in 2012)	68,499	136,998	Net position:		
*07A bond issue cost (net of amortization of \$101,645 in 2013 and \$84,704 in 2012)	237,172	254,113	Net investment in capital assets	67,541,961	66,405,669
*09 SRF loan issue cost (net of amortization of \$11,776 in 2013 and \$5,888 in 2012)	105,982	111,870	Restricted for debt and capital projects	10,991,313	12,186,134
Contract obligations, net	623,276	681,223	Unrestricted	8,217,061	3,377,568
Net other assets	<u>1,042,096</u>	<u>1,192,168</u>	Total net position	<u>86,750,335</u>	<u>81,969,371</u>
Total assets	<u>\$ 145,871,619</u>	<u>\$ 148,783,551</u>	Total liabilities and net position	<u>\$ 145,871,619</u>	<u>\$ 148,783,551</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, 2013  
(With comparative figures year ended June 30, 2012)

	Current Year	Prior Year
<b>Operating Revenue (pledged as security for revenue bonds)</b>		
Water:		
Sales	\$ 4,630,385	\$ 4,732,797
Connection fees	25,937	82,864
Sewer:		
Service charges	8,058,293	6,958,593
Connection fees	5,290	6,662
Re-connection fees	24,395	43,220
Penalties	165,902	189,722
Miscellaneous income	143,566	99,373
Total operating revenue	13,053,768	12,113,231
<b>Operating Expenses</b>		
Administrative	832,334	732,536
Water treatment plant	1,248,038	1,154,592
Water distribution and maintenance	935,718	1,211,603
Wastewater treatment plant	2,217,911	2,125,008
Sewer collection and outfall lines	981,683	1,062,030
Non-departmental and support services	1,617,779	1,721,256
Depreciation and amortization expense	3,346,072	2,431,888
Total operating expenses	11,179,535	10,438,913
Operating income	1,874,233	1,674,318
<b>Non-Operating Revenue (Expenses)</b>		
Interest income	20,799	26,801
Gains (losses) from sale, disposal of equipment and property	14,619	(844)
Interest expense	(1,264,073)	(1,194,731)
Bond issuance and refinancing loss amortized	(92,125)	(92,124)
Fiscal agent fees	(52,604)	(7,233)
Total non-operating revenue (expenses)	(1,373,384)	(1,268,131)
Income before contributions and special item	500,849	406,187
<b>Capital Contributions</b>		
Capacity charges and other capital contributions	8,768,596	9,848,764
Income before special item	9,269,445	10,254,951
<b>Special Item</b>		
Wastewater Treatment Plant disposal/decommissioned	(4,488,481)	—
Change in net position	4,780,964	10,254,951
Net position, beginning of year	81,969,371	71,714,420
Net position, end of year	\$ 86,750,335	\$ 81,969,371



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

YEAR ENDED JUNE 30, 2013  
(With comparative actual figures year ended June 30, 2012)

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
<b>Departments</b>				
<u>Administrative:</u>				
Salaries and wages	\$ 363,705	\$ 342,311	\$ 21,394	\$ 337,299
Overtime	1,500	1,658	(158)	1,650
Retirement, insurance and other benefits	123,436	137,358	(13,922)	106,430
Other post-employment benefits (OPEB)	4,810	—	4,810	—
Printing and office supplies	9,000	8,279	721	10,643
Postage	36,500	43,078	(6,578)	39,062
Memberships and dues	920	263	657	870
Travel	1,980	2,264	(284)	952
Automotive operating expenses	3,000	3,582	(582)	2,733
Telephone	8,150	7,235	915	2,194
Maintenance and service contracts	23,800	18,729	5,071	22,441
Machinery and equipment repairs	360	101	259	111
Safety supplies	250	23	227	374
Uniforms and clothing	150	103	47	288
Doctor and medical expenses	4,100	3,335	765	3,251
Advertising	8,000	2,470	5,530	2,857
Insurance	2,000	2,309	(309)	2,478
General insurance (building and contents)	4,500	4,743	(243)	4,343
Employee training – continuing education	2,565	992	1,573	654
Professional services	40,000	31,778	8,222	31,743
Professional services – legal	35,000	55,709	(20,709)	26,484
Professional services – engineering	29,000	18,981	10,019	28,233
Professional services – consultant fees	29,988	50,504	(20,516)	22,683
Special contracts – CSX	—	100	(100)	250
Special contracts – copier	2,675	2,487	188	2,560
Special contracts – collection expense	87,200	78,982	8,218	76,782
Website	2,750	5,500	(2,750)	—
Fiscal agent fees	8,000	7,233	767	—
Machines and equipment – non-capital	18,000	2,227	15,773	5,171
	<u>851,339</u>	<u>832,334</u>	<u>19,005</u>	<u>732,536</u>
<u>Water Treatment Plant:</u>				
Salaries and wages	408,654	417,983	(9,329)	400,172
Overtime	41,000	43,215	(2,215)	41,653
Retirement, insurance and other benefits	165,242	162,283	2,959	144,999
Other post-employment benefits (OPEB)	5,411	—	5,411	—
Printing and office supplies	600	551	49	573
Postage	250	225	25	112
Permit fees	27,000	22,608	4,392	26,532
Memberships and dues	1,000	519	481	977
Travel	2,360	1,312	1,048	349
Automotive operating expense	8,500	6,930	1,570	8,130
Electric and gas	270,000	263,049	6,951	259,911
Telephone	5,000	10,539	(5,539)	4,583

— CONTINUED —

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

— CONTINUED —

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
<u>Water Treatment Plant (continued):</u>				
Lubrication supplies	900	664	236	894
Maintenance and service contracts	27,499	17,845	9,654	10,614
Machinery and equipment repairs	119,000	40,993	78,007	55,701
Building repairs	500	443	57	(112)
Small hand tools	900	650	250	798
Electrical and lighting supplies	600	494	106	270
Safety supplies	1,500	1,357	143	1,701
Uniforms and clothing	2,000	1,997	3	2,020
Cleaning and sanitation supplies	600	523	77	583
Chemicals	155,400	195,546	(40,146)	134,581
Laboratory supplies	23,500	17,764	5,736	20,369
Insurance	3,000	2,309	691	2,478
General insurance (building and contents)	30,886	20,278	10,608	24,967
Employee training	3,000	1,153	1,847	1,041
Consultant lab tests	9,000	14,541	(5,541)	2,468
Machines & equipment – non-capital	49,300	2,267	47,033	8,228
	<u>1,362,602</u>	<u>1,248,038</u>	<u>114,564</u>	<u>1,154,592</u>
<u>Water Distribution and Maintenance:</u>				
Salaries and wages	461,386	439,722	21,664	456,466
Overtime	102,500	67,990	34,510	117,606
Retirement, insurance and other benefits	202,652	183,808	18,844	186,510
Other post-employment benefits (OPEB)	7,816	—	7,816	—
Dues and memberships	1,500	1,780	(280)	443
Travel	500	195	305	—
Automotive operating expense	45,000	54,825	(9,825)	59,287
Electricity and gas	35,000	38,759	(3,759)	34,268
Telephone	15,000	11,327	3,673	6,901
Maintenance and service contracts	7,000	5,305	1,695	909
Machinery and equipment repairs	10,000	8,813	1,187	8,845
Building repairs	250	—	250	189
Small hand tools	4,000	2,594	1,406	3,794
Masonry supplies	3,000	1,227	1,773	2,269
Asphalt supplies	32,000	16,151	15,849	27,821
Radio supplies	250	—	250	—
Safety supplies	4,750	3,725	1,025	2,951
Uniforms and clothing	3,600	2,089	1,511	1,785
Chemicals	200	—	200	—
Utility repair supplies and meters	190,000	51,616	138,384	246,081
Insurance	12,310	11,207	1,103	9,914
General insurance (building and contents)	11,100	11,271	(171)	11,100
Employee training	4,750	4,893	(143)	4,355
Water distribution equipment meters	13,293	1,814	11,479	11,547
Machines & equipment – non-capital	258,100	16,607	241,493	18,562
	<u>1,425,957</u>	<u>935,718</u>	<u>490,239</u>	<u>1,211,603</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		
<u>Wastewater Treatment Plant:</u>				
Salaries and wages	502,757	514,281	(11,524)	483,450
Overtime	38,000	39,241	(1,241)	34,264
Retirement, insurance and other benefits	189,005	192,855	(3,850)	167,081
Other post-employment benefits (OPEB)	6,615	—	6,615	—
Printing and office supplies	525	367	158	449
Postage	250	229	21	—
Permit fees – DHEC	3,250	2,973	277	2,739
Memberships and dues	1,315	705	610	713
Travel	2,350	3,331	(981)	2,330
Automotive operating expense	45,000	56,109	(11,109)	66,872
Electric and gas	543,200	699,132	(155,932)	510,673
Telephone	10,855	18,934	(8,079)	3,930
Lubrication supplies	5,000	1,178	3,822	2,685
Maintenance and service contracts	18,800	6,331	12,469	2,670
Machinery and equipment repairs	45,800	21,027	24,773	95,929
Building repairs	800	277	523	297
Sludge disposal fees	226,000	271,916	(45,916)	408,733
Small hand tools	2,000	1,341	659	2,916
Electrical and lighting supplies	210	—	210	—
Radio supplies	200	82	118	—
Safety supplies	7,500	4,916	2,584	7,547
Uniforms and clothing	3,200	2,434	766	455
Cleaning and sanitation supplies	800	506	294	515
Water	160,000	—	160,000	—
Chemicals	325,000	282,054	42,946	243,173
Laboratory supplies	33,550	32,183	1,367	23,001
Insurance	9,000	8,097	903	6,612
General insurance (building and contents)	113,750	37,944	75,806	21,498
Employee training	6,053	1,143	4,910	1,809
Professional services – lab	26,500	13,523	12,977	17,957
Force main/line repairs	—	232	(232)	—
Machines and equipment – non-capital	34,110	4,570	29,540	16,710
	<u>2,361,395</u>	<u>2,217,911</u>	<u>143,484</u>	<u>2,125,008</u>
<u>Sewer Collection and Outfall Lines:</u>				
Salaries and wages	376,742	353,102	23,640	300,269
Overtime	80,000	58,642	21,358	83,132
Retirement, insurance and other benefits	170,755	155,644	15,111	128,262
Other post-employment benefits (OPEB)	5,411	—	5,411	—
Dues and memberships	350	100	250	75
Travel	300	18	282	—
Automotive operating expense	93,000	94,190	(1,190)	95,498
Electricity and gas	115,000	124,357	(9,357)	114,553
Telephone	34,300	26,836	7,464	22,206
Lubrication supplies	300	—	300	106
Maintenance and service contracts	12,500	14,637	(2,137)	6,995

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

— CONTINUED —

	Current Year		Variance Positive (Negative)	Prior Year Actual
	Budget	Actual		
<u>Sewer Collection and Outfall Lines (continued):</u>				
Machinery and equipment repairs	103,000	65,101	37,899	118,240
Small hand tools	4,000	3,725	275	3,131
Cement and masonry materials	400	835	(435)	563
Asphalt and grading supplies	25,000	7,493	17,507	29,466
Radio supplies	250	—	250	—
Safety supplies	5,800	5,187	613	3,097
Uniforms and clothing	3,100	4,226	(1,126)	1,272
Cleaning and sanitation supplies	300	199	101	194
Chemicals	23,050	29,908	(6,858)	43,448
Utility repair supplies	45,471	2,061	43,410	79,365
Transmission line operations and maintenance	5,000	—	5,000	—
Easement contracts	400	—	400	—
Insurance – vehicle	13,310	13,116	194	9,914
General insurance (building and contents)	11,912	12,430	(518)	11,911
Employee training	1,500	556	944	93
Professional services	—	7,500	(7,500)	—
Machines & equipment – non-capital	136,900	1,820	135,080	10,240
	<u>1,268,051</u>	<u>981,683</u>	<u>286,368</u>	<u>1,062,030</u>
<u>Non-departmental and support services:</u>				
Retiree insurance expense	—	—	—	—
Other post-employment benefit (OPEB) expense	—	117,779	(117,779)	30,063
Self-insurance	—	—	—	—
Christmas bonus pool	—	—	—	—
O&M indirect costs	1,500,000	1,500,000	—	1,690,835
Capital improvement/project reserve	85,000	—	85,000	—
Capital equipment reserve	85,000	—	85,000	—
Web-site	—	—	—	358
	<u>1,670,000</u>	<u>1,617,779</u>	<u>52,221</u>	<u>1,721,256</u>
Depreciation and amortization expense	<u>298,607</u>	<u>3,346,072</u>	<u>(3,047,465)</u>	<u>2,431,888</u>
Total operating expenses	<u>\$9,237,951</u>	<u>\$ 11,179,535</u>	<u>\$ (1,941,584)</u>	<u>\$10,438,913</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, 2013

	<b>Balance, June 30, 2012</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, June 30, 2013</b>
<b>Assets</b>				
Cash and cash equivalents:				
Firemen's fund	\$ 52,658	\$ 37,682	\$ (22,149)	\$ 68,191
Police fund	77,833	27,829	(23,984)	81,678
Total assets	<u>\$ 130,491</u>	<u>\$ 65,511</u>	<u>\$ (46,133)</u>	<u>\$ 149,869</u>
<b>Liabilities</b>				
Amounts due to others:				
Firemen's fund	\$ 52,658	\$ 37,682	\$ (22,149)	\$ 68,191
Police fund	77,833	27,829	(23,984)	81,678
Total liabilities	<u>\$ 130,491</u>	<u>\$ 65,511</u>	<u>\$ (46,133)</u>	<u>\$ 149,869</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, 2013

<b>General capital assets and construction-in-progress, June 30, 2012</b>	\$ 15,720,562
<b>Add, expenditures by General Fund and Capital Projects Fund:</b>	
Land, buildings, other improvements, furniture and equipment	473,210
<b>Deduct, surplus sales and other deletions by General Fund:</b>	
Building, furniture and equipment	<u>(122,845)</u>
<b>General capital assets and construction-in-progress, June 30, 2013</b>	<u><u>\$ 16,070,927</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, 2013

	Due Dates	Interest Rates	Bonds and Notes				Coupons/Interest			Debt Service Requirements Next Fiscal Year			
			Outstanding July 1, 2012	Long-Term Borrowing	Matured	Paid	Outstanding June 30, 2013	Outstanding July 1, 2012	Matured	Paid	Outstanding June 30, 2013	Principal	Interest
<b>General Long-Term Debt</b>													
Tax Increment Financing Revenue Bond, Series 2002	4/24/03-17	4.03	\$ 2,219,547	\$ —	406,460	(406,460)	\$ 1,813,087	\$ —	\$ 85,393	\$ (85,393)	\$ —	\$ 423,005	\$ 68,848
Installment purchase contract, monthly payments of principal and interest	Various	1.88-4.95	1,217,108	190,000	404,309	(404,309)	1,002,799	—	27,113	(27,113)	—	398,457	18,157
<b>Total general long-term debt</b>			<b>\$ 3,436,655</b>	<b>\$ 190,000</b>	<b>\$ 810,769</b>	<b>\$ (810,769)</b>	<b>\$ 2,815,886</b>	<b>\$ —</b>	<b>\$ 112,506</b>	<b>\$ (112,506)</b>	<b>\$ —</b>	<b>\$ 821,462</b>	<b>\$ 87,005</b>
<b>Water and Sewer Utility Fund Debt</b>													
Clean Water State Revolving Fund loan, Series 2002, interest and principal payable quarterly	12/1/03-23	2.25	\$ 1,046,396	\$ —	\$ 65,084	\$ (65,084)	\$ 981,312	\$ —	\$ 23,235	\$ (23,235)	\$ —	\$ 83,818	\$ 21,376
Water and Sewer System Revenue Bonds, Series 2004, interest payable semi-annually, principal payable annually	7/1/05-15	2.00-4.00	3,680,000	—	870,000	(870,000)	2,810,000	—	129,800	(129,800)	—	900,000	94,400
Water and Sewer System Revenue Bonds, Series 2007A, interest payable semi-annually, principal payable annually	1/1/08-6/30/21	4.00-4.625	16,430,000	—	795,000	(795,000)	15,635,000	—	796,594	(796,594)	—	830,000	762,063
Clean Water State Revolving Fund Loan, Series 2009, interest and principal payable quarterly	9/29/09-32	2.25	34,528,152	31,883	1,437,010	(1,437,010)	33,123,025	—	765,083	(765,083)	—	1,437,010	733,200
<b>Total water and sewer utility fund debt</b>			<b>\$55,684,548</b>	<b>\$ 31,883</b>	<b>\$3,167,094</b>	<b>\$ (3,167,094)</b>	<b>\$52,549,337</b>	<b>\$ —</b>	<b>\$1,714,712</b>	<b>\$ (1,714,712)</b>	<b>\$ —</b>	<b>\$ 3,250,828</b>	<b>\$1,611,039</b>

VICTIM'S RIGHTS ASSISTANCE

CITY OF CAYCE, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

YEAR ENDED JUNE 30, 2013

<b>Court Fines and Assessments</b>	
Court fines and assessments collected	\$ 507,329
Court fines and assessments remitted to State Treasurer	(283,124)
Audit fees paid	<u>(1,000)</u>
Total court fines and assessments retained by the City	<u>\$ 223,205</u>
<b>Surcharges and Assessments retained by City</b>	
Total surcharges collected	\$ 9,809
Total assessments	<u>21,279</u>
Total surcharges and assessments retained by city	<u>\$ 31,088</u>
<b>Funds Allocated to Victims Services</b>	
Carryover funds from prior year	\$ 88,698
Surcharges and assessments retained	31,088
Expenditures for victims services	<u>(50,293)</u>
Total unexpended victims rights assistance funds	<u>\$ 69,493</u>

## STATISTICAL SECTION

**Financial Trends** – These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time. .... 91-97

**Revenue Capacity** – These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property tax revenue. .... 98-101

**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. .... 102-106

**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. 107-109

**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. .... 110-112

CITY OF CAYCE, SOUTH CAROLINA

NET POSITION BY COMPONENT  
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 4,323,676	\$ 3,847,244	\$ 3,542,010	\$ 4,797,026	\$ 4,607,696	\$ 5,651,516	\$ 5,093,684	\$ 5,011,165	\$ 4,042,598	\$ 3,982,069
Restricted	1,077,695	912,655	1,215,170	1,548,803	1,421,780	268,554	300,873	115,771	791,610	1,031,972
Unrestricted	(469,089)	(140,852)	(985,075)	(493,433)	(190,606)	(40,898)	(589,783)	(576,942)	(178,961)	(227,823)
Total governmental activities net position	<u>\$ 4,862,282</u>	<u>\$ 4,619,047</u>	<u>\$ 3,772,105</u>	<u>\$ 5,852,396</u>	<u>\$ 5,838,870</u>	<u>\$ 5,879,172</u>	<u>\$ 4,804,774</u>	<u>\$ 4,549,994</u>	<u>\$ 4,655,247</u>	<u>\$ 4,786,218</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 67,541,961	\$ 66,405,669	\$ 58,750,650	\$ 43,931,424	\$ 35,843,888	\$ 32,372,962	\$ 34,549,212	\$ 25,888,963	\$ 26,096,413	\$ 25,590,042
Restricted	10,991,313	12,186,134	8,300,588	5,872,577	1,598,531	1,575,172	1,337,240	1,330,006	949,865	1,082,062
Unrestricted	8,217,061	3,377,568	4,663,182	7,903,032	9,766,255	10,206,822	5,741,910	10,444,907	8,458,315	7,046,035
Total business type activities net position	<u>\$ 86,750,335</u>	<u>\$ 81,969,371</u>	<u>\$ 71,714,420</u>	<u>\$ 57,707,033</u>	<u>\$ 47,208,674</u>	<u>\$ 44,154,956</u>	<u>\$ 41,628,362</u>	<u>\$ 37,663,876</u>	<u>\$ 35,504,593</u>	<u>\$ 33,718,139</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 71,865,637	\$ 70,252,913	\$ 62,292,660	\$ 48,728,450	\$ 40,451,584	\$ 38,024,478	\$ 39,642,896	\$ 30,900,128	\$ 30,139,011	\$ 29,572,111
Restricted	11,999,008	13,098,789	9,515,758	7,421,380	3,020,311	1,843,726	1,638,113	1,445,777	1,741,475	2,114,034
Unrestricted	7,747,972	3,236,716	3,678,107	7,409,599	9,575,649	10,165,924	5,152,127	9,867,965	8,279,354	6,818,212
Total primary government net position	<u>\$ 91,612,617</u>	<u>\$ 86,588,418</u>	<u>\$ 75,486,525</u>	<u>\$ 63,559,429</u>	<u>\$ 53,047,544</u>	<u>\$ 50,034,128</u>	<u>\$ 46,433,136</u>	<u>\$ 42,213,870</u>	<u>\$ 40,159,840</u>	<u>\$ 38,504,357</u>

CITY OF CAYCE, SOUTH CAROLINA

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

LAST TEN FISCAL YEARS

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>										
<b>Governmental activities:</b> <sup>(3)</sup>										
General government	\$ 255,392	\$ 224,912	\$ 497,316	\$ 656,284	\$ 565,029	\$ 530,042	\$ 495,970	\$ 441,767	\$ 397,446	\$ 363,816
Information technology	106,544	73,396	—	—	—	—	—	—	—	—
Finance	70,355	82,275	101,476	127,862	194,352	190,399	191,106	198,075	188,705	180,560
Public safety	4,758,297	4,514,375	3,878,041	4,122,059	4,271,262	3,895,074	3,745,640	2,754,866	2,631,906	2,619,365
Public works	1,398,634	1,305,014	1,187,652	1,186,723	1,027,091	1,290,153	836,595	1,067,538	873,264	862,572
Planning and community development	628,271	595,472	3,297,107	609,701	591,283	441,026	411,118	339,632	330,905	329,276
Parks and museum	576,023	541,286	469,933	514,635	878,374	485,703	462,343	345,502	317,633	328,634
Garage	262,443	244,377	200,620	214,446	177,478	298,751	240,133	188,514	178,053	177,146
Depreciation and amortization (unallocated)	722,934	671,692	593,095	599,090	605,353	532,900	497,515	517,844	537,234	499,947
Non-departmental and support services <sup>(1)</sup>	—	—	—	—	—	—	—	1,482,576	1,280,348	1,272,243
Interest	109,691	123,814	128,429	145,968	166,919	173,679	188,205	210,360	236,771	254,866
Total governmental activities	<u>\$8,888,584</u>	<u>8,376,613</u>	<u>10,353,669</u>	<u>8,176,768</u>	<u>8,477,141</u>	<u>7,837,727</u>	<u>7,068,625</u>	<u>7,546,674</u>	<u>6,972,265</u>	<u>6,888,425</u>
<b>Business-type activities:</b>										
Water and sewer utility	12,588,337	11,733,001	10,873,285	10,075,440	9,258,516	8,752,480	7,738,967	7,462,982	6,728,686	6,051,406
Total business-type activities	<u>12,588,337</u>	<u>11,733,001</u>	<u>10,873,285</u>	<u>10,075,440</u>	<u>9,258,516</u>	<u>8,752,480</u>	<u>7,738,967</u>	<u>7,462,982</u>	<u>6,728,686</u>	<u>6,051,406</u>
Total primary government expenses	<u>\$ 21,476,921</u>	<u>\$ 20,109,614</u>	<u>\$ 21,226,954</u>	<u>\$ 18,252,208</u>	<u>\$ 17,735,657</u>	<u>\$ 16,590,207</u>	<u>\$ 14,807,592</u>	<u>\$ 15,009,656</u>	<u>\$ 13,700,951</u>	<u>\$ 12,939,831</u>
<b>Program Revenue</b>										
<b>Governmental activities:</b>										
Fees for services <sup>(4)</sup>	\$ 1,014,772	\$ 1,053,270	\$ 1,006,202	\$ 1,070,167	\$ 1,385,124	\$ 1,353,981	\$ 1,276,434	\$ 984,119	\$ 932,990	\$ 1,024,896
Operating grants and contributions <sup>(2)</sup>	25,727	163,049	387,123	445,491	129,259	3,242	206,008	671,268	555,443	161,397
Capital grants and contributions	100,000	267,131	49,323	33,833	192,342	127,349	47,700	143,161	126,999	393,313
Total governmental activities	<u>1,140,499</u>	<u>1,483,450</u>	<u>1,442,648</u>	<u>1,549,491</u>	<u>1,706,725</u>	<u>1,484,572</u>	<u>1,530,142</u>	<u>1,798,548</u>	<u>1,615,432</u>	<u>1,579,606</u>
<b>Business-type activities:</b>										
Fees for services <sup>(5)</sup>	13,053,768	12,113,231	11,113,085	9,949,750	9,722,466	9,279,771	8,703,224	7,629,646	6,526,635	5,889,643
Operating grants and contributions	—	—	—	—	—	—	—	—	—	—
Capital grants and contributions	8,768,596	9,848,764	13,721,503	10,191,975	2,871,370	2,644,723	2,681,105	1,602,110	1,807,200	9,968,069
Total business-type activities	<u>21,822,364</u>	<u>21,961,995</u>	<u>24,834,588</u>	<u>20,141,725</u>	<u>12,593,836</u>	<u>11,924,494</u>	<u>11,384,329</u>	<u>9,231,756</u>	<u>8,333,835</u>	<u>15,857,712</u>
Total primary government program revenue	<u>\$ 22,962,863</u>	<u>\$ 23,445,445</u>	<u>\$ 26,277,236</u>	<u>\$ 21,691,216</u>	<u>\$ 14,300,561</u>	<u>\$ 13,409,066</u>	<u>\$ 12,914,471</u>	<u>\$ 11,030,304</u>	<u>\$ 9,949,267</u>	<u>\$ 17,437,318</u>

— CONTINUED —



CITY OF CAYCE, SOUTH CAROLINA

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

— CONTINUED —

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Revenue and Other Changes</b>										
<u>Governmental activities:</u>										
Property taxes	\$ 3,616,400	\$ 3,756,223	\$ 3,408,455	\$ 2,975,601	\$ 2,619,710	\$ 2,452,705	\$ 2,222,653	\$ 2,191,196	\$ 2,011,497	\$ 1,986,559
State shared and unallocated intergovernmental	490,702	412,797	439,907	484,627	560,234	587,990	550,286	523,377	497,357	484,001
Business licenses and other taxes	3,344,898	4,087,220	2,909,802	3,124,799	3,090,229	3,193,603	2,830,976	2,781,636	2,684,062	2,170,002
Gain/(loss) from sales of assets	—	—	—	—	—	—	—	—	(19,128)	—
Unrestricted investment earnings	2,309	4,053	9,497	9,485	21,309	96,838	144,116	138,341	4,455	5,982
Miscellaneous	537,011	520,318	63,069	46,291	17,875	52,940	45,232	56,913	47,619	60,028
Transfers	—	—	—	—	420,757	1,043,477	—	(48,590)	—	—
Total governmental activities	<u>7,991,320</u>	<u>8,780,611</u>	<u>6,830,730</u>	<u>6,640,803</u>	<u>6,730,114</u>	<u>7,427,553</u>	<u>5,793,263</u>	<u>5,642,873</u>	<u>5,225,862</u>	<u>4,706,572</u>
<u>Business-type activities:</u>										
Gain/(loss) from sales of assets	—	(844)	—	—	—	—	—	15,210	5,400	8,865
Unrestricted investment earnings	20,799	26,801	41,837	61,639	135,795	388,896	312,364	326,709	175,905	57,422
Miscellaneous	14,619	—	4,247	370,435	3,360	9,161	6,760	—	—	—
Transfers	—	—	—	—	(420,757)	(1,043,477)	—	48,590	—	—
Total business-type activities	<u>35,418</u>	<u>25,957</u>	<u>46,084</u>	<u>432,074</u>	<u>(281,602)</u>	<u>(645,420)</u>	<u>319,124</u>	<u>390,509</u>	<u>181,305</u>	<u>66,287</u>
Total primary government general revenue and other changes	<u>\$ 8,026,738</u>	<u>\$ 8,806,568</u>	<u>\$ 6,876,814</u>	<u>\$ 7,072,877</u>	<u>\$ 6,448,512</u>	<u>\$ 6,782,133</u>	<u>\$ 6,112,387</u>	<u>\$ 6,033,382</u>	<u>\$ 5,407,167</u>	<u>\$ 4,772,859</u>
Extraordinary Item – Fire	\$ —	\$ (1,040,506)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Special Item – Wastewater Treatment Plant disposal/decommissioned	\$ (4,488,481)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Changes in Net Position</b>										
Governmental activities	\$ 243,235	\$ 846,942	\$ (2,080,291)	\$ 13,526	\$ (40,302)	\$ 1,074,398	\$ 254,780	\$ (105,253)	\$ (130,971)	\$ (602,247)
Business-type activities	4,780,964	10,254,951	14,007,387	10,498,359	3,053,718	2,526,594	3,964,486	2,159,283	1,786,454	9,872,593
Total primary government changes in net position	<u>\$ 5,024,199</u>	<u>\$ 11,101,893</u>	<u>\$ 11,927,096</u>	<u>\$ 10,511,885</u>	<u>\$ 3,013,416</u>	<u>\$ 3,600,992</u>	<u>\$ 4,219,266</u>	<u>\$ 2,054,030</u>	<u>\$ 1,655,483</u>	<u>\$ 9,270,346</u>

- (1) Beginning in 2007, the City allocated non-departmental and support services to functional activities for its Governmental Activities.
- (2) Beginning in 2007, the City reported expenses reimbursed by the Water & Sewer Utility Fund net of reimbursement.
- (3) Beginning in 2007, the City allocated overhead costs associated with its Utility Fund to the functional areas of Governmental Activities.
- (4) Fees for services for the governmental activities primarily consist of police fines, fire hydrant service fees, sanitation and tapping fees and other special service fees.
- (5) Fees for services for the business-type activity consist primarily of sales for water and sewer services.
- (6) Beginning in 2013, the City implemented GASB Statement #63 and reclassified "net assets" to "net position."

CITY OF CAYCE, SOUTH CAROLINA

PROGRAM REVENUE BY FUNCTION  
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities:</b>										
General government (1)	\$ —	\$ —	\$ 51,694	\$ 2,527	\$ —	\$ —	\$ —	\$ 575,000	\$ 375,000	\$ 229,500
Information technology	—	—	—	—	—	—	—	—	—	—
Finance	—	—	—	—	—	—	—	—	—	—
Public safety	545,554	752,605	924,772	926,953	741,906	553,521	793,932	449,242	586,478	506,546
Public works	472,833	432,704	414,308	501,847	769,983	678,163	619,535	651,348	551,349	678,553
Planning and community development	121,286	27,757	31,120	51,550	51,556	—	—	—	—	66,400
Parks and museum	826	270,384	20,754	66,614	143,280	252,888	116,675	122,958	102,605	98,607
Garage	—	—	—	—	—	—	—	—	—	—
<b>Total governmental activities</b>	<b>1,140,499</b>	<b>1,483,450</b>	<b>1,442,648</b>	<b>1,549,491</b>	<b>1,706,725</b>	<b>1,484,572</b>	<b>1,530,142</b>	<b>1,798,548</b>	<b>1,615,432</b>	<b>1,579,606</b>
<b>Business-type activities:</b>										
Water and sewer utility	21,822,364	21,961,995	24,834,588	20,141,725	12,593,836	11,924,494	11,384,329	9,231,756	8,333,835	15,857,712
<b>Total business-type activities</b>	<b>21,822,364</b>	<b>21,961,995</b>	<b>24,834,588</b>	<b>20,141,725</b>	<b>12,593,836</b>	<b>11,924,494</b>	<b>11,384,329</b>	<b>9,231,756</b>	<b>8,333,835</b>	<b>15,857,712</b>
<b>Total program revenue by function and program</b>	<b>\$ 22,962,863</b>	<b>\$ 23,445,445</b>	<b>\$ 26,277,236</b>	<b>\$ 21,691,216</b>	<b>\$ 14,300,561</b>	<b>\$ 13,409,066</b>	<b>\$ 12,914,471</b>	<b>\$ 11,030,304</b>	<b>\$ 9,949,267</b>	<b>\$ 17,437,318</b>

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

CITY OF CAYCE, SOUTH CAROLINA

FUND BALANCES  
GOVERNMENTAL FUNDS  
(Modified accrual basis of accounting)

LAST TEN FISCAL YEARS

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Fund</b>										
Nonspendable	\$ 51,930	\$ 41,613	\$ 35,177	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Restricted	69,493	113,698	133,512	—	—	—	—	—	—	—
Committed	25,000	—	—	—	—	—	—	—	—	—
Assigned	9,944	17,261	20,267	—	—	—	—	—	—	—
Unassigned	476,052	694,031	430,901	—	—	—	—	—	—	—
Reserved	—	—	—	187,280	194,005	195,913	205,925	193,487	219,432	224,409
Unreserved	—	—	—	(209,352)	(4,412)	(123,661)	(640,160)	(438,891)	(268,222)	(19,919)
Total general fund	<u>632,419</u>	<u>866,603</u>	<u>619,857</u>	<u>(22,072)</u>	<u>189,593</u>	<u>72,252</u>	<u>(434,235)</u>	<u>(245,404)</u>	<u>(48,790)</u>	<u>204,490</u>
<b>All Other Governmental Funds</b>										
Restricted, reported in:										
Special revenue funds	149,493	246,509	406,477	—	—	—	—	—	—	—
Debt service funds	794,432	497,847	620,592	—	—	—	—	—	—	—
Capital projects funds	655,607	717,567	173,606	—	—	—	—	—	—	—
Assigned, reported in:										
Special revenue funds	83,801	—	636	—	—	—	—	—	—	—
Reserved, reported in:										
Special revenue funds	—	—	—	82,207	82,673	82,651	82,627	82,589	82,549	82,513
Debt service funds	—	—	—	1,349,255	1,215,761	1,143,438	1,017,411	501,959	557,429	479,319
Capital projects funds	—	—	—	2,277,644	2,356,749	2,590,056	3,047,680	3,539,774	4,369,751	—
Unreserved, reported in:										
Special revenue funds	—	—	—	323,318	352,489	374,364	365,716	304,704	304,606	304,730
Capital projects funds	—	—	—	—	—	—	—	—	—	4,407,221
Total all other governmental funds	<u>1,683,333</u>	<u>1,461,923</u>	<u>1,201,311</u>	<u>4,032,424</u>	<u>4,007,672</u>	<u>4,190,509</u>	<u>4,513,434</u>	<u>4,429,026</u>	<u>5,314,335</u>	<u>5,273,783</u>
Total primary government	<u>\$ 2,315,752</u>	<u>\$ 2,328,526</u>	<u>\$ 1,821,168</u>	<u>\$ 4,010,352</u>	<u>\$ 4,197,265</u>	<u>\$ 4,262,761</u>	<u>\$ 4,079,199</u>	<u>\$ 4,183,622</u>	<u>\$ 5,265,545</u>	<u>\$ 5,478,273</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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenue</b>										
Property taxes	\$ 3,610,099	\$ 3,721,458	\$ 3,351,690	\$ 2,899,938	\$ 2,624,276	\$ 2,383,985	\$ 2,227,451	\$ 2,178,548	\$ 1,960,894	\$ 1,982,392
Licenses and permits	3,401,971	4,145,714	2,945,593	3,296,449	3,511,330	3,534,887	3,116,879	2,781,636	2,684,062	2,236,402
Fines and forfeitures	223,204	316,604	328,356	282,399	284,215	239,960	337,679	352,974	381,086	327,469
State shared revenue	504,646	447,544	489,425	541,999	613,976	625,855	594,905	507,669	492,398	481,643
Current services	692,536	658,095	620,316	601,501	668,994	636,283	625,946	630,328	640,276	335,258
Grants and other	697,009	970,574	504,317	494,349	366,262	327,625	1,310,757	851,139	670,849	614,831
Interest income	2,308	4,054	9,497	9,485	21,309	96,836	144,116	138,341	4,455	5,982
<b>Total revenue</b>	<b>9,131,773</b>	<b>10,264,043</b>	<b>8,249,194</b>	<b>8,126,120</b>	<b>8,090,362</b>	<b>7,845,431</b>	<b>8,357,733</b>	<b>7,440,635</b>	<b>6,834,020</b>	<b>5,983,977</b>
<b>Expenditures<sup>1</sup></b>										
Current:										
General government	257,965	237,577	243,093	322,933	334,079	410,300	456,196	441,767	397,446	363,816
Information technology	106,187	73,396	—	—	—	—	—	—	—	—
Finance	69,766	87,707	69,582	68,791	132,174	133,598	196,415	198,075	188,705	180,560
Public safety	4,752,127	4,566,632	3,342,951	3,377,945	3,267,295	2,990,865	2,902,975	2,754,866	2,631,906	2,619,365
Public works	1,397,514	1,321,336	1,085,494	1,025,127	1,204,368	1,031,851	1,005,933	1,067,538	873,264	862,572
Planning and community development	625,823	603,295	3,253,279	498,344	496,265	390,710	332,888	339,632	330,905	329,276
Parks and museum	590,580	549,481	407,817	407,097	396,719	355,486	385,507	345,502	317,633	328,634
Garage	261,917	250,402	165,610	154,796	118,365	135,652	238,020	188,514	178,053	177,146
Non-department and support services	24,853	511,974	863,085	1,504,764	1,559,494	1,518,150	1,397,835	1,422,192	1,289,261	1,272,243
Debt service and other financing:										
Principal	664,914	685,536	573,730	581,740	580,340	882,569	518,350	545,554	377,155	178,827
Interest	109,691	123,814	128,430	145,968	166,919	176,465	193,663	232,889	222,188	230,182
Capital outlay	473,210	460,431	804,800	381,641	510,656	1,019,876	834,374	1,260,414	261,791	507,417
<b>Total expenditures</b>	<b>9,334,547</b>	<b>9,471,581</b>	<b>10,937,871</b>	<b>8,469,146</b>	<b>8,766,674</b>	<b>9,045,522</b>	<b>8,462,156</b>	<b>8,796,943</b>	<b>7,068,307</b>	<b>7,050,038</b>
Excess (deficiency) of revenue over expenditures	(202,774)	792,462	(2,688,677)	(343,026)	(676,312)	(1,200,091)	(104,423)	(1,356,308)	(234,287)	(1,066,061)

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

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

—CONTINUED—

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Other Financing Sources (Uses)</b>										
Installment purchase contracts	190,000	755,402	499,493	156,113	190,059	340,176	—	322,975	21,559	153,600
Transfers in	42,589	437,747	939,470	38,326	459,522	1,082,135	38,533	37,552	27,833	27,530
Transfers (out)	(42,589)	(437,747)	(939,470)	(38,326)	(38,765)	(38,658)	(38,533)	(86,142)	(27,833)	(27,530)
Total other financing sources (uses)	190,000	755,402	499,493	156,113	610,816	1,383,653	—	274,385	21,559	153,600
Net change in fund balances before extraordinary item	(12,774)	1,547,864	(2,189,184)	(186,913)	(65,496)	183,562	(104,423)	(1,081,923)	(212,728)	(912,461)
Extraordinary Item – Fire	—	(1,040,506)	—	—	—	—	—	—	—	—
Net change in fund balances	(12,774)	507,358	(2,189,184)	(186,913)	(65,496)	183,562	(104,423)	(1,081,923)	(212,728)	(912,461)
Fund balances, beginning of year	2,328,526	1,821,168	4,010,352	4,197,265	4,262,761	4,079,199	4,183,622	5,265,545	5,478,273	6,390,734
Fund balances, end of year	<u>\$ 2,315,752</u>	<u>\$2,328,526</u>	<u>\$1,821,168</u>	<u>\$4,010,352</u>	<u>\$4,197,265</u>	<u>\$4,262,761</u>	<u>\$4,079,199</u>	<u>\$4,183,622</u>	<u>\$5,265,545</u>	<u>\$5,478,273</u>
Debt service as a percentage of non-capital expenditures	12%	10%	7%	9%	10%	15%	10%	12%	10%	7%

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

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

Fiscal Year	Real and Personal Property				Less: Tax Exempt (FILOT)	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Value	Percentage of Total Assessed Value to Estimated Actual Value
	Residential	Manufacturing/ Commercial/ Industrial	Motor Vehicles						
2004	\$ 20,135,170	\$ 10,947,910	\$ 5,946,530	\$ (3,214,710)	\$ 33,814,900	40.50	\$ 549,794,233	6.2%	
2005	20,188,560	11,559,850	5,777,510	(3,292,460)	34,233,460	40.50	549,456,050	6.2%	
2006	25,067,670	10,784,460	5,976,860	(3,356,000)	38,472,990	42.50	654,096,861	5.9%	
2007	25,396,160	12,567,235	5,402,340	(5,792,520)	37,573,215	42.50	767,801,614	4.9%	
2008	26,418,340	13,044,310	5,289,010	(5,921,020)	38,830,640	44.50	769,750,286	5.0%	
2009	27,142,680	18,481,310	5,383,210	(10,944,250)	40,062,950	46.00	887,711,138	4.5%	
2010	27,497,250	20,681,250	5,012,660	(11,267,780)	41,923,380	46.00	938,592,286	4.5%	
2011*	32,002,480	31,373,060	4,414,160	(20,893,160)	46,896,540	41.25	818,978,882	5.7%	
2012	32,995,290	27,666,827	4,801,730	(18,539,870)	46,923,977	46.93	823,005,284	5.7%	
2013	33,861,520	31,369,790	5,033,320	(22,674,050)	47,860,580	43.27	834,372,162	5.7%	

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)

<b>Fiscal Year</b>	<b>City Millage <sup>(1)</sup></b>	<b>County Millage</b>	<b>School District Millage</b>	<b>All Other Districts</b>	<b>Total Millage</b>
2004	40.500	68.775	183.140	20.200	312.615
2005	40.500	72.223	183.140	22.000	317.863
2006	42.500	64.639	168.400	20.331	295.870
2007	42.500	67.132	173.150	21.022	303.804
2008	44.500	70.692	178.600	25.113	318.905
2009	46.000	73.931	178.600	23.617	322.148
2010	46.000	74.238	178.600	22.468	321.306
*2011	41.250	70.428	176.210	22.013	309.901
**2012	46.930	71.709	176.210	22.690	317.539
2013	43.270	73.768	176.210	22.402	315.650

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. The 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.

CITY OF CAYCE, SOUTH CAROLINA  
PRINCIPAL PROPERTY TAX PAYERS

COMPARISON OF 2013 TO 2004

Taxpayer	Type of Business	2013			2004		
		Assessment	Rank	Percentage of Total Assessed Valuation	Assessment	Rank	Percentage of Total Assessed Valuation
SCANA, Inc (SCE&G INCLUDED)	Electric Utility	\$23,339,310	1	33.09%	\$1,354,290	3	4.01%
Owen Electric Steel Co. of S.C.	Manufacturer, Steel	3,204,140	2	4.54%	4,953,100	1	14.65%
Riverside Columbia LP	Apartments	1,104,360	3	1.57%	547,580	4	1.62%
Farm Bureau Insurance of S.C.	Insurance	906,600	4	1.29%	450,280	6	1.33%
Bell South Telecommunication, Inc.	Telecommunication	719,330	5	1.02%	1,546,720	2	4.57%
EDR Cayce, LLC	Apartments	614,290	6	0.87%	409,000	7	1.21%
Parkland Partnership	Shopping Center	508,990	7	0.72%	461,520	5	1.46%
Granby Crossing, L.P.	Apartments	448,820	8	0.64%	406,200	8	1.20%
CMC Steel	Metal Fabricators	412,320	9	0.58%	-	-	-
Cole CV Cayce SC LLC	Real Estate	297,000	10	0.42%	-	-	-
Southern First Bank National	Banking	272,100	11	0.39%	-	-	-
Virginia American Industries, Inc. (RECO)	Manufacturer, Industrial Tanks	206,080	13	0.29%	171,820	12	0.51%
WED Properties LLC	Real Estate	203,750	14	0.29%	-	-	-
WRH Edenwood LTD	Apartments	201,360	15	0.29%	-	-	-
Cayce Crossing, L.P.	Shopping Center	200,650	16	0.28%	157,230	15	0.46%
Cayce Retail Investors LLC	Real Estate	195,000	17	0.28%	-	-	-
W.P. Hylton, LLC (Park Place 440)	Real Estate	190,780	18	0.27%	249,850	11	0.74%
Southeastern Concrete Products	Manufacturer, Concrete	184,820	19	0.26%	255,910	10	0.76%
Efron, Marvin & Sara T	Optometry/Eye Associates	165,260	20	0.23%	-	-	-
The BOC Group, Inc.	Real Estate	-	-	-	288,010	9	0.85%
Small, Jr., Robert S.	Real Estate	-	-	0.00%	166,460	13	0.49%
Thompson Dental Co	Dental Supplier	-	-	0.00%	163,890	14	0.48%
Curry, Jane G., Life Est. Etal. Tr	Real Estate	45,010	-	0.06%	151,850	16	0.45%
Time Warner Ent.- Advance Newhouse	Telecommunication	126,080	-	0.18%	151,370	17	0.45%
Love Chevrolet	Car Dealership	143,160	-	0.20%	136,520	18	0.40%
Sellers & Son Holding Co.	Real Estate	144,520	-	0.20%	128,260	19	0.38%
Genuine Parts Co.	Parts Supplier	140,490	-	0.20%	120,370	20	0.36%
Total		\$ 34,200,160		48.49%			
Total Assessed Value (Includes FILOT)		\$ 70,534,630					
Total Assessed Value (Not Including FILOT)		\$ 47,860,580					

Source: Lexington County Auditor's Office.

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



CITY OF CAYCE, SOUTH CAROLINA  
PROPERTY TAX LEVIES AND COLLECTIONS<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			Percentage of Levy	Total Collections Received in Fiscal Year for All Levies <sup>3</sup>
		Current Amount	Delinquent Amounts	Total		Total
2004	\$ 1,480,282	\$ 1,313,662	NA	\$ 1,313,662	89%	\$ 1,345,597
2005	1,378,322	1,177,596	49,846	1,227,442	89%	1,324,979
2006	1,575,138	1,396,515	59,804	1,456,319	92%	1,448,144
2007	1,584,077	1,362,656	107,669	1,470,325	93%	1,422,356
2008	1,692,004	1,480,304	19,496	1,499,800	89%	1,542,832
2009	1,843,767	1,591,476	61,167	1,652,643	90%	1,650,292
2010	1,897,309	1,691,680	107,874	1,799,554	95%	1,854,051
2011	1,826,802	1,624,572	119,773	1,744,345	95%	1,873,739
2012	2,165,282	1,878,733	63,173	1,941,906	90%	1,945,144
2013	2,027,828	1,788,626	23,896	1,812,522	89%	1,884,856

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

Source: Lexington County Treasurer.

CITY OF CAYCE, SOUTH CAROLINA  
RATIOS OF OUTSTANDING LONG-TERM DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Total Income	Amount Per Capita (Population)
	General Obligation Bonds	Tax Increment Financing (TIF) Revenue Bonds	Promissory Notes and Installment Purchase Contracts Payable	Water and Sewer System Revenue Bonds	Clean Water State Revolving Fund Loans	Installment Purchase Contracts Payable			
2004	\$ —	\$ 4,950,000	\$ 621,021	\$ 21,750,000	\$ 1,367,099	\$ —	\$ 28,688,120	13.3%	\$ 2,329
2005	—	4,701,801	509,306	22,875,000	1,352,295	—	29,438,402	13.6%	2,392
2006	—	4,345,376	638,046	22,030,000	1,448,746	—	28,462,168	13.2%	2,281
2007	—	4,025,450	434,142	20,880,000	1,387,786	—	26,727,378	12.4%	2,133
2008	—	3,692,501	565,406	26,125,000	1,324,508	226,764	31,934,179	14.8%	2,525
2009	—	3,346,000	520,650	24,720,000	1,258,823	138,220	29,983,693	13.9%	2,295
2010	—	2,985,394	455,631	23,240,000	1,190,640*	46,809	27,918,474	12.9%	2,137
2011	—	2,610,109	756,680	21,705,000	1,119,864*	—	26,191,653	10.1%	2,091
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

*\*The 2009 State Revolving Fund Construction Loan of approximately \$35 million not included in this amount.*

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

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

Fiscal Year	Total General Bonded Indebtedness	Percentage of Assessed Value of Taxable Property	Per Capita
2004	—	—	—
2005	—	—	—
2006	—	—	—
2007	—	—	—
2008	—	—	—
2009	—	—	—
2010	—	—	—
2011	—	—	—
2012	—	—	—
2013	—	—	—

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, 2013

<b>Political Subdivisions</b>	<b>Assessed Value</b>	<b>General Bonded Debt Outstanding</b>		
		<b>Debt Outstanding</b>	<b>Percentage Applicable to Cayce Taxpayers<sup>2</sup></b>	<b>Cayce's Taxpayers Share of Debt<sup>1</sup></b>
Lexington County	\$ 1,117,988,550	\$ 54,980,604	5.97%	\$ 3,282,342
Lexington School District 2	263,703,570	30,547,000	25.3%	7,734,500
Lexington Recreation District	825,462,500	19,200,000	8.09%	1,553,280
Riverbanks Zoo	1,117,988,550	3,090,746	5.97%	184,518
Total overlapping general bonded debt		<u>\$ 107,818,350</u>	<u>11.8%</u>	<u>\$ 12,754,640</u>
<b><u>Direct City Debt Outstanding</u></b>				
<b><u>Governmental Activities:</u></b>				
Tax Increment Financing (TIF)				
Revenue Bonds				\$ 1,813,087
Installment Purchase Contracts				1,002,799
<b><u>Business-type Activities:</u></b>				
Water and Sewer System				
Revenue Bonds				18,445,000
Clean Water State Revolving Fund Loans				34,104,337
Total direct City debt outstanding				<u>\$ 55,365,143</u>
Total Direct & Overlapping Debt				<u>\$ 68,119,863</u>

Source: Lexington County 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.

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Total Assessed Valuation</b>	\$47,860,580	\$46,923,977	\$46,896,540	\$41,923,380	\$40,062,950	\$38,830,640	\$37,573,215	\$38,472,990	\$34,233,460	\$33,814,900
Maximum General Obligation Debt limited to 8% of total assessed valuation (1)	3,828,846	3,753,918	3,751,723	3,353,870	3,205,036	3,106,451	3,005,857	3,077,839	2,738,677	2,705,192
Outstanding bonds chargeable to bond limit	—	—	—	—	—	—	—	—	—	—
Legal debt margin	<u>\$ 3,828,846</u>	<u>\$ 3,753,918</u>	<u>\$ 3,751,723</u>	<u>\$ 3,353,870</u>	<u>\$ 3,205,036</u>	<u>\$ 3,106,451</u>	<u>\$ 3,005,857</u>	<u>\$ 3,077,839</u>	<u>\$ 2,738,677</u>	<u>\$ 2,705,192</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

Source: Lexington County Auditor's Office.

CITY OF CAYCE, SOUTH CAROLINA

PLEGGED REVENUE — REVENUE BOND COVERAGE WATER AND SEWER ENTERPRISE FUND

LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Gross Revenues <sup>(1)</sup>	\$13,899,383	\$12,140,032	\$11,159,169	\$10,381,824	\$ 9,861,621	\$ 9,677,828	\$ 9,022,348	\$ 7,971,565	\$ 6,707,940	\$ 5,955,930
Expenses of Operating and Maintaining the System <sup>(2)</sup>	(7,886,067)	(8,014,258)	(7,391,785)	(6,630,334)	(6,352,267)	(6,509,486)	(4,927,517)	(4,837,560)	(4,037,915)	(3,519,802)
Net Revenues	6,013,316	4,125,774	3,767,384	3,751,490	3,509,354	3,168,342	4,094,831	3,134,005	2,670,025	2,436,128
Combined Debt Service Requirements <sup>(3)</sup>	4,881,806	3,240,906	2,707,437	2,709,725	2,818,044	2,212,235	2,216,564	1,943,037	1,978,975	1,973,186
Debt Service Coverage <sup>(4)</sup>	123%	127%	139%	138%	124%	143%	185%	161%	135%	123%

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- 1) Gross revenues are shown exclusive of Capital Facility Charges. For 2013, gross revenues include debt service reserve account savings.
- 2) Expenses of operating and maintenance the system include transfers and are exclusive of depreciation, amortization and other non-cash expenses.
- 3) Includes principal and interest payments on revenue bonds and state revolving funds loans.
- 4) Coverage calculation shown exclusive of Capital Facility Charges.

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net Revenues	\$ 6,013,316	\$ 4,125,774	\$ 3,767,384	\$ 3,751,490	\$ 3,509,354	\$ 3,168,342	\$ 4,094,831	\$ 3,134,005	\$ 2,670,025	\$ 2,436,128
Capital Facility Charges	5,030,119	9,848,764	13,721,503	7,168,737	1,580,790	1,486,154	1,058,798	1,287,901	4,798,905	2,279,398
Total	\$ 11,043,455	\$13,974,538	17,488,887	10,920,227	5,090,144	4,654,496	5,153,629	4,421,906	7,468,930	4,715,526
Combined Debt Service Requirements <sup>(3)</sup>	4,881,806	3,240,906	2,707,437	2,709,725	2,818,044	2,212,235	2,216,564	1,943,037	1,978,975	1,973,186
Debt Service Coverage <sup>(5)</sup>	226%	431%	646%	403%	180%	210%	236%	228%	377%	239%

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

Source: City of Cayce Revenue Bond Indenture of Trust

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

**COMMERCIAL PERMITS VALUES TEN FISCAL YEAR REPORT**

<b>Occurrence</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Alterations	\$ 4,355,520	\$ 583,964	\$ 1,485,764	\$ 1,445,301	\$ 5,027,581	\$ 1,124,891	\$ 2,346,231	\$ 804,889	\$ 2,432,119	\$ 425,085
Additions	1,171,880	368,348	94,692	74,256	565,615	9,311,921	31,860	439,200	1,387,770	45,994
New Construction	1,084,624	78,420	105,830	62,060,078	42,184,048	62,749,070	53,319,654	3,599,775	22,834,886	1,592,345
<b>Sub-total:</b>	<b>6,612,024</b>	<b>1,030,732</b>	<b>1,686,286</b>	<b>63,579,635</b>	<b>47,777,244</b>	<b>73,185,882</b>	<b>55,697,745</b>	<b>4,843,864</b>	<b>26,654,775</b>	<b>2,063,424</b>
Signage	73,417	44,130	88,105	169,376	93,959	84,372	111,034	97,025	79,705	90,374
<b>Commercial Totals</b>	<b>\$ 6,685,441</b>	<b>\$ 1,074,862</b>	<b>\$ 1,774,391</b>	<b>\$ 63,749,011</b>	<b>\$ 47,871,203</b>	<b>\$ 73,270,254</b>	<b>\$ 55,808,779</b>	<b>\$ 4,940,889</b>	<b>\$ 26,734,480</b>	<b>\$ 2,153,798</b>

**RESIDENTIAL PERMITS VALUES TEN FISCAL YEAR REPORT**

<b>Occurrence</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Alterations	\$ 1,558,973	\$ 976,387	\$ 804,757	\$ 2,236,743	\$ 882,040	\$ 926,205	\$ 1,699,842	\$ 1,211,767	\$ 1,171,058	\$ 903,816
Additions	297,543	192,946	226,930	225,550	201,607	826,408	565,569	341,180	192,906	487,588
Multi-Family	—	1,354,057	—	—	—	—	—	—	—	—
Single-Family	7,917,316	4,105,918	676,678	3,518,000	9,898,625	5,075,670	8,989,979	11,506,440	5,193,427	1,063,025
<b>Residential Totals:</b>	<b>\$ 9,773,832</b>	<b>\$ 6,629,308</b>	<b>\$ 1,708,365</b>	<b>\$ 5,980,293</b>	<b>\$ 10,982,272</b>	<b>\$ 6,828,283</b>	<b>\$ 11,255,390</b>	<b>\$ 13,059,387</b>	<b>\$ 6,557,391</b>	<b>\$ 2,454,429</b>
<b>Yearly Grand Total:</b>	<b>\$ 16,459,273</b>	<b>\$ 7,704,170</b>	<b>\$ 3,482,756</b>	<b>\$ 69,729,304</b>	<b>\$ 58,853,475</b>	<b>\$ 80,098,537</b>	<b>\$ 67,064,169</b>	<b>\$ 18,000,276</b>	<b>\$ 33,291,871</b>	<b>\$ 4,608,227</b>

CITY OF CAYCE, SOUTH CAROLINA  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST 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 (2012 estimate)	12,679	270,406	4,723,723
Per Capita Income (in 2010 dollars)	\$ 22,710	\$ 26,842	\$ 23,854
Median Household Income (in 2010 dollars)	\$ 41,271	\$ 52,857	\$ 44,587
Median Family Income (in 2010 dollars)	\$ 51,769	\$ 65,903	\$ 55,220
Total Personal Income (in 2010 dollars)	\$ 287,940,090	\$ 7,258,237,852	\$ 112,679,688,442

<b>Population Estimates<sup>1</sup> (July 1, 2011)</b>	<b>Cayce</b>	<b>Lexington County</b>	<b>South Carolina</b>
2003	12,347	225,765	4,143,420
2004	12,320	229,233	4,196,799
2005	12,307	232,989	4,249,385
2006	12,478	237,957	4,324,799
2007	12,533	242,797	4,404,914
2008	12,646	248,518	4,479,800
2009	13,062	255,607	4,561,242
2010	12,528	262,391	4,625,364
2011	12,743	267,129	4,679,230
2012	12,679	270,406	4,723,723

<b>Unemployment Rates<sup>2</sup> (Annual Average)</b>	<b>Cayce</b>	<b>Lexington County</b>	<b>South Carolina</b>
2004	N/A	4.9	6.8
2005	N/A	4.9	6.8
2006	N/A	4.6	6.4
2007	N/A	4.1	5.6
2008	N/A	4.8	6.8
2009	N/A	8.2	11.5
2010	N/A	8.2	11.2
2011	N/A	7.9	10.4
2012	N/A	6.9	9.1
2013 <sup>3</sup>	N/A	6.4	8.3

<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	551	10.0%	178	6.2%
10,000 - 14,999	308	5.6%	83	2.9%
15,000 - 24,999	729	13.2%	317	11.1%
25,000 - 34,999	623	11.2%	256	9.0%
35,000 - 49,999	1,146	20.7%	501	17.6%
50,000 - 74,999	1,116	20.2%	634	22.2%
75,000 - 99,999	505	9.1%	374	13.1%
100,000 - 149,999	455	8.2%	419	14.7%
150,000 - 199,999	48	0.9%	48	1.7%
200,000 and over	50	0.9%	44	1.5%
<b>Totals</b>	<b>5,531</b>	<b>100.0%</b>	<b>2,854</b>	<b>100.0%</b>

Sources: <sup>1</sup> U.S. Bureau of the Census. Census 2010, based on calendar years.

<sup>2</sup> S.C. Department of Employment and Workforce, August 2013.

<sup>3</sup> Six month average from January 1, 2013 through June 30, 2013.

<sup>4</sup> State demographic information for all categories, updated as of July 1, 2013.

<sup>5</sup> Income demographics for the City are based on estimates from the Bureau of the Census, American Community Survey, latest year 2012.

N/A = Not Available



CITY OF CAYCE, SOUTH CAROLINA

PRINCIPAL EMPLOYERS  
(TEN LARGEST)

JUNE 30, 2013

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

Taxpayer		2013			2006		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
SCANA, Inc	Electric Utility	1,636	1	19.2%	200	4	3.0%
SMI Steel	Manufacturer, Steel	378	2	4.4%	360	1	5.4%
Lexington School District 2	Public School System	256	3	3.0%	-	-	0.0%
Farm Bureau Insurance of S.C.	Insurance	284	4	3.3%	175	5	2.6%
Bi-Lo, LLC	Grocer	172	5	2.0%	-	-	0.0%
CINTAS	Uniform Provider	101	6	1.2%	-	-	0.0%
RENO USA	Water Heaters Mfg.	87	7	1.0%	90	-	1.3%
Love Chevrolet Co.	Car Dealership	80	8	0.9%	-	-	0.0%
Krispy Kreme Doughnut Co.	Retail	70	9	0.8%	65	7	1.0%
Genuine Parts Co.	Parts Distributor	64	10	0.8%	-	-	0.0%
<b>Total</b>		<b>3,128</b>		<b>36.8%</b>	<b>890</b>		<b>13.3%</b>
Approximate number employed within the city limits		<u>8,500</u>			<u>6,660</u>		

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

Information does not include governmental institutions such as the City itself and schools.

CITY OF CAYCE, SOUTH CAROLINA

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Employees by Function/Program</b>										
<u>Governmental Activities</u>										
General government:										
Legislative	5	5	5	5	5	5	5	5	5	5
Administrative	4	4	5	5	5	5	5	5	5	5
Recorder's court	2	1	1	1	1	1	1	1	1	1
IT***	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Finance:										
Accounting	3	3	4	4	4	4	4	4	4	4
Public safety:										
Animal control	2	2	2	2	2	2	2	2	2	2
Dispatchers	5	5	5	5	5	5	5	5	5	4
Administrative	4	4	4	4	4	4	4	4	4	4
Detectives	8	8	9	9	9	9	8	9	9	9
Traffic/Victim's Advocate*	38	39	47	48	47	45	44	41	41	41
Fire **	9	9	—	—	—	—	—	—	—	—
Planning and community development:										
Administrative	6	5	5	5	5	5	5	5	5	5
Public works:										
Public buildings	1	1	1	1	1	1	1	1	1	1
Sanitation	17	17	16	16	16	16	16	15	15	15
Garage	5	5	5	5	4	4	4	4	4	4
Parks and museum:										
Museum	2	2	2	2	2	2	2	2	2	2
Parks	9	9	8	8	8	8	8	8	8	8
Subtotals	<u>122</u>	<u>119</u>	<u>119</u>	<u>120</u>	<u>118</u>	<u>116</u>	<u>114</u>	<u>111</u>	<u>111</u>	<u>110</u>
<u>Business-type Activities</u>										
Water and sewer utility:										
Administrative	8	8	7	7	6	6	6	6	6	6
Water treatment plant	10	10	10	10	10	10	10	10	10	10
Water distribution and maintenance*	14	14	14	14	13	12	12	12	12	12
Sewer collection and outfall lines*	12	12	10	9	9	9	9	9	9	9
Wastewater treatment plant	12	12	11	11	11	10	10	10	10	10
Subtotals	<u>56</u>	<u>56</u>	<u>52</u>	<u>51</u>	<u>49</u>	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>
Total	<u>178</u>	<u>175</u>	<u>171</u>	<u>171</u>	<u>167</u>	<u>163</u>	<u>161</u>	<u>158</u>	<u>158</u>	<u>157</u>

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

Note: Schedule is based on budgeted full-time positions.

\* Seldom were all positions filled throughout the fiscal year.

\*\*Fire personnel were split out from Public Safety Traffic starting July 1, 2012.

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

CITY OF CAYCE, SOUTH CAROLINA

OPERATING INDICATORS AND CAPITAL ASSETS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<u>Governmental activities</u>										
General government:										
Area in Square Miles	16.2	16.2	16.2	16.2	16.2	16.2	15	15	13	13
Population of City <sup>1</sup>	12,679	12,743	12,528	13,062	12,646	12,556	12,382	12,597	12,432	12,412
Public safety:										
Number of stations	6	6	6	6	6	6	6	6	6	6
Number of Police Officers	2	2	2	2	1	1	1	1	1	1
Number of Firefighters	9	9	7	7	7	7	5	5	5	6
Number of Public Safety Officers*	47	47	50	51	52	49	49	47	47	47
Dispatchers and Victim's Advocate	6	6	6	6	6	6	6	6	6	5
Number of arrests	887	728	830	523	992	898	938	945	1,154	1,220
Number of emergency incidents	2,968	5,295	9,388	10,494	8,781	2,403	4,535	4,634	4,764	5,176
Planning and community development:										
Permits issues	917	276	239	341	376	349	317	397	353	259
Estimated cost of construction	16,459,273	7,704,170	3,482,756	69,725,305	58,853,475	80,098,537	67,064,169	18,000,276	33,291,871	4,608,227
Public works:										
Active vehicles in vehicle replacement plan	152	149	130	122	122	120	119	115	117	118
Refuse collected (average tons per day)	44.4	35.3	48.0	47.8	17.58	13.43	14.10	18.84	19.82	20.64
Recyclables collected (average tons per day)	1.18	1.06	1.05	1.04	1.14	1.40	3.00	1.27	1.29	1.35
Parks and museum:										
Number of parks	9	9	8	8	8	6	6	6	6	6
Number of playgrounds	5	5	5	5	4	3	3	1	1	1
Museum complex	1	1	1	1	1	1	1	1	1	1

<sup>1</sup>Based on latest U.S. Census or estimates

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

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

— CONTINUED —

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Business-type activities</b>										
Water and sewer utility:										
Number of water customers – end of period	8,222	8,490	8,337	7,329	7,248	7,230	7,098	7,071	6,891	6,825
Number of sewer customers – end of period	11,893	12,150	10,812	10,757	10,651	10,629	8,424	6,792	6,224	5,872
Water plant filtration capacity per day – gallons (GPD)	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000
Maximum daily pumping capacity of water – gallons	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Average daily filtration flow – water GPD	2,730,000	3,070,000	3,090,000	3,050,000	3,000,000	3,310,000	4,530,000	3,220,000	3,020,000	3,068,000
Peak average filtration flow – water GPD	3,750,000	4,300,000	3,790,000	3,440,000	3,300,000	3,300,000	4,530,000	3,210,000	3,220,000	3,984,000
Peak daily filtration flow – water GPD	4,020,000	4,389,000	4,130,000	4,410,000	5,199,000	5,393,000	5,500,000	4,970,000	4,842,000	4,790,000
Wastewater plant treatment capacity per day – gallons	25,000,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000
Average daily treated flow – wastewater GPD	6,666,000	5,733,000	4,303,000	6,758,000	6,056,000	5,407,000	5,660,000	5,470,000	5,197,000	5,040,000
Peak average treated flow – wastewater GPD	7,417,000	6,184,000	6,002,000	9,030,000	7,196,000	6,796,000	6,261,000	6,597,000	6,736,000	6,386,000
Peak daily treated flow – wastewater GPD	13,181,000	9,557,000	10,871,000	14,188,000	12,795,000	9,615,000	13,040,000	7,096,000	9,390,000	7,905,000
Number of miles of water mains owned by City	214.8	214.0	210.5	207	128	124	123	121	119	110
Number of miles of sewage collection lines owned by City	265.7	265	260	260	158	156	152	123	119	119

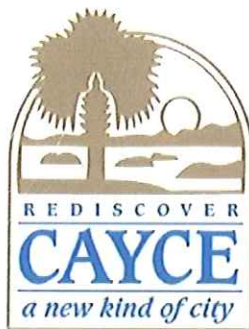
Source: City of Cayce Finance and Utility Departments.

Note: Information mostly obtained through internal reports and records.

CITY OF CAYCE, SOUTH CAROLINA

Cover Story

Photo by Tara Yates, First Place winner in the 2013 Cayce Calendar Contest



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