

CITY OF CAYCE, SOUTH CAROLINA

BRIDGING THE GAP



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING JUNE 30, 2016

CITY OF CAYCE, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2016

WITH

REPORT OF INDEPENDENT AUDITOR

Issued by:
Finance Department

CITY OF CAYCE, SOUTH CAROLINA

CITY OF CAYCE, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2016

CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	i
List of Principal Officials	iii
Certificate of Achievement for Excellence in Financial Reporting.....	vii
Organizational Chart	viii

FINANCIAL SECTION

Report of Independent Auditor	1-3
Management's Discussion and Analysis	4-13

Basic Financial Statements

Government-Wide

Statement of Net Position	14-15
Statement of Activities.....	16

Governmental Funds

Balance Sheet	17-18
Statement of Revenue, Expenditures and Changes in Fund Balances	19-20

Proprietary Fund

Balance Sheet	21-22
Statement of Revenue, Expenses and Changes in Fund Net Position	23
Statement of Cash Flows	24-25

Fiduciary Funds

Statement of Fiduciary Net Position	26
---	----

Notes to Financial Statements	27-63
-------------------------------------	-------

Required Supplementary Information

(Other than Management's Discussion and Analysis)

Budgetary Comparison Schedule – General Fund	64-66
Notes to Budgetary Comparison Schedule	67
Other Post-Employment Benefits Schedule of Funding Progress	68
Schedule of the City's Proportionate Share of the Net Pension Liability – SCRS.....	69
Schedule of the City's Contributions – SCRS.....	70
Schedule of the City's Proportionate Share of the Net Pension Liability – PORS	71
Schedule of the City's Contributions – PORS	72

CONTENTS

— CONTINUED —

OTHER FINANCIAL INFORMATION

Combining 'Non-Major' Governmental Financial Statements	
Combining Balance Sheet – Non-Major Governmental Funds	73
Combining Statement of Revenue, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds	74
Individual Fund Financial Statements:	
General Fund	
Balance Sheet	75
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual	76
Schedule of Revenue – Budget and Actual	77-78
Schedule of Expenditures – Budget and Actual	79-92
Special Revenue Funds	
Combining Balance Sheet	93
Combining Statement of Revenue, Expenditures and Changes in Fund Balances	94
Debt Service Fund	
Balance Sheet	95
Statement of Revenue, Expenditures and Changes in Fund Balance	96
Capital Projects Fund	
Balance Sheet	97
Statement of Revenue, Expenditures and Changes in Fund Balance	98
Water and Sewer Utility Fund	
Balance Sheet	99
Statement of Revenue, Expenses and Changes in Fund Net Position	100
Schedule of Operating Expenses – Budget and Actual	101-106
Agency Funds	
Statement of Changes in Assets and Liabilities	107
Capital Assets Used in Operations of Governmental Funds	
Statement of Changes in Capital Assets used in Operations of Governmental Funds	108
Schedule of Changes Long-Term Debt	
Schedule of Bonds, Notes, and Other Long-Term Debt Outstanding	109
Victim's Rights Assistance	
Schedule of Court Fines, Assessments and Surcharges	110

CONTENTS

— CONTINUED —

STATISTICAL SECTION (Unaudited and not covered by the Report of Independent Auditor)

Net Position by Component – Last Ten Fiscal Years	111
Changes in Net Position – Last Ten Fiscal Years	112-113
Program Revenue by Function – Last Ten Fiscal Years	114
Fund Balances – Governmental Funds – Last Ten Fiscal Years	115
Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years	116-117
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years ...	118
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	119
Principal Property Tax Payers – Years 2016 and 2007	120
Property Tax Levies and Collection – Last Ten Fiscal Years	121
Ratios of Outstanding Long-Term Debt by Type – Last Ten Fiscal Years	122
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	123
Total Direct and Overlapping Debt	124
Legal Debt Margin Information – Last Ten Fiscal Years	125
Pledged Revenue – Revenue Bond Coverage Water and Sewer	
Enterprise Fund – Last Ten Fiscal Years	126
Construction Values – Last Ten Fiscal Years	127
Demographic and Economic Statistics	128
Principal Employers	129
Full-Time Equivalent City Government Employees by Function/Program – Last Ten	
Fiscal Years	130
Operating Indicators and Capital Assets by Function/Program – Last Ten	
Fiscal Years	131-132

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
PHIL CARTER
EVA CORLEY

CITY MANAGER
REBECCA VANCE

ASSISTANT CITY MANAGER
SHAUN M. GREENWOOD

December 1, 2016

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, 2016 (FY 2016). 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. Millhous, 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, 2016 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, 2016.

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 12,944 and is empowered to levy a property tax on both real and personal

property located within its corporate limits. It is also empowered by State Statute to extend its corporate limits by voluntary annexation, which occurs periodically when deemed appropriate by the City Council.

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

The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City and appointing the heads of the various departments.

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

The annual budget serves as the foundation for the City's financial planning and control. The South Carolina General Statutes require all governmental units to adopt a balanced budget by July 1st of each year for all funds for which an annual budget is required. Activities for the General Fund, and the Water and Sewer Utility Fund are budgeted annually. The annual budget is prepared by Fund and department. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriate amount) is established by department within an individual fund. The City Manager presents the proposed budget to Council for review, and approval. The City Manager may make transfers of appropriations within each fund. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated budget has been adopted. As demonstrated by the statements and schedules included in the financial section of this report as Required Supplementary Information, the City continues to meet its responsibility for sound financial management.

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

Legislative

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

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

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

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

At June 30, 2016, elected officials were as follows:

MAYOR

Elise Partin
elisepartin@gmail.com
Telephone: 361-8280

MEMBERS OF COUNCIL

District 1

Tara Almond
almondcayceccouncil@gmail.com
Telephone: 309-1564

District 2

James "Skip" Jenkins
skip_jenkins@hotmail.com
Telephone: 796-9049

District 3

Eva Corley
eacorley22@gmail.com
Telephone: 479-0097

District 4

Phil Carter
phillipacarter@yahoo.com
Telephone: 518-9384

Factors Affecting Financial Condition

Accounting standards require management to prepare a narrative overview and analysis to accompany the basic financial statements. This narrative, entitled Management's Discussion and Analysis (the "MD&A"), is a part of the Financial Section of this report, contains a discussion of the City's current financial condition and activities for the year ended June 30, 2016, and can be found immediately following the Report of Independent Auditor.

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

Local Economy

The City of Cayce is located near Columbia, South Carolina which is the state capital and is part of the greater Columbia Metropolitan area of South Carolina. This area has been experiencing stable economic conditions. The City and its neighbors, the cities of Columbia and West Columbia, have built a regional park system along the banks of the Congaree River. The portion located in the City is known as the Cayce Riverwalk Park and it is part of the Three Rivers Greenway project. It is located from the border of the City of West Columbia to the Timmerman Trail that connects to the Lexington County Recreation and Aging Commission Tennis Center next to I-77. This is a joint effort among several agencies. SCANA Corp. has also connected their corporate headquarters to the Cayce Riverwalk through the Timmerman Trail for the enjoyment of their employees and visitors. Due to the flooding throughout the Midlands in October 2015, a section of the park is undergoing repairs. This is being funded through The City of Cayce and FEMA matching funds.

The Congaree River has always played a dominant role of strategic importance in Cayce's development from the early days when barge and boat traffic from the low country were a part of everyday commerce on the river. Cayce became an outpost for this trade. The Cayce Riverwalk Park includes a public nature park along the river with amenities such as lighted boardwalks and concrete walkways, picnic shelters, park

benches, 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 (TIF) 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, this positions the City to participate in the continued economic growth that is occurring in the Columbia Metropolitan area.

Economic development on the 12th Street Extension corridor continues at a good pace.

Construction of the SCANA Corporate Headquarters on Saxe Gotha Drive has now been complete for five years. The SCANA project has increased tax and license revenues in the City budget over that same period. Already, spin-off construction for service business, retail, and restaurants is taking place. The city has reviewed and approved SCANA's Phase II master plan which includes high rise hotels, upscale restaurants, office parks, townhomes, apartment complexes, and a gated subdivision. The Lexington County Medical Park was finished last year adding to the areas master plan. The townhome project known as Otarre Point was completed this fiscal year, adding 299 upscale townhomes, and construction has started for a 100 unit Marriott Hotel. An approximately 60 acre tract of land, sometimes referred to as Otarre Center, is currently under contract to be sold. The proposed development includes approximately 300,000 square feet of retail space of an outlet shopping mall. A development of this type and size will serve as a catalyst for the rapid development of the surrounding area and supporting corridors.

Construction was substantially completed on Knox Abbott for a 224 unit upscale apartment complex called The Tremont. The Wal-Mart grocery store also completed construction and opened in June 2016. Permitting for a 22 unit upscale housing development off of Lafayette Avenue was issued this summer.

In conjunction with that, a residential subdivision named Concord Park that has been under construction on Taylor Rd. and 12th St. since 2013 is now complete and totals 206 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.

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

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

As most know, Amazon has a distribution center within the Industrial Park and, though not within the City of Cayce, is having a beneficial impact on Cayce and the surrounding area. Nephron, a pharmaceutical company built within the Industrial Park, has also increased water sales for the City of Cayce and benefits the economy for the area.

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

Long-Term Financial Planning

Revenue forecasts for the next several years suggests that new residential and commercial construction and continued economic growth throughout the City and region will keep pace with the operational needs of the various departments. To help provide the highest standards for our residents, the City Council did implement a Hospitality Tax that is being used for the upkeep and expansion of our Parks system.

The City finished the development of the Cayce Riverwalk Park on the Congaree River through the extension of the Parkway to I-77. The City partnered with the River Alliance, Department of Natural Resources, S C Parks Recreation and Tourism, Lexington County and SCANA Corp establishing the "12,000 Year History Park". This should continue to increase local economic development.

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, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. A CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Cayce has received a Certificate of Achievement every year since the June 30, 2003, CAFR. We believe our current report continues to conform with the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

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

Internal Control

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

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

Budgetary and Accounting Policies

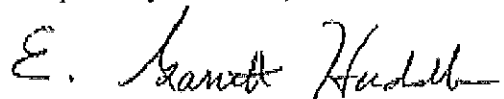
By June 30th of each year, the City enacts, through passage of an ordinance, a legal budget along with the establishment of property tax levy (millage) for the upcoming fiscal year. Annually, the City gathers information about assessed values of real and personal property located within the City limits. The total assessments are then applied to the applicable tax rates in order to determine estimated tax revenues. The City's 2015-2016 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 17. Disclosures related to actuarial valuations and accounting treatment of the benefit in effect at June 30, 2016 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

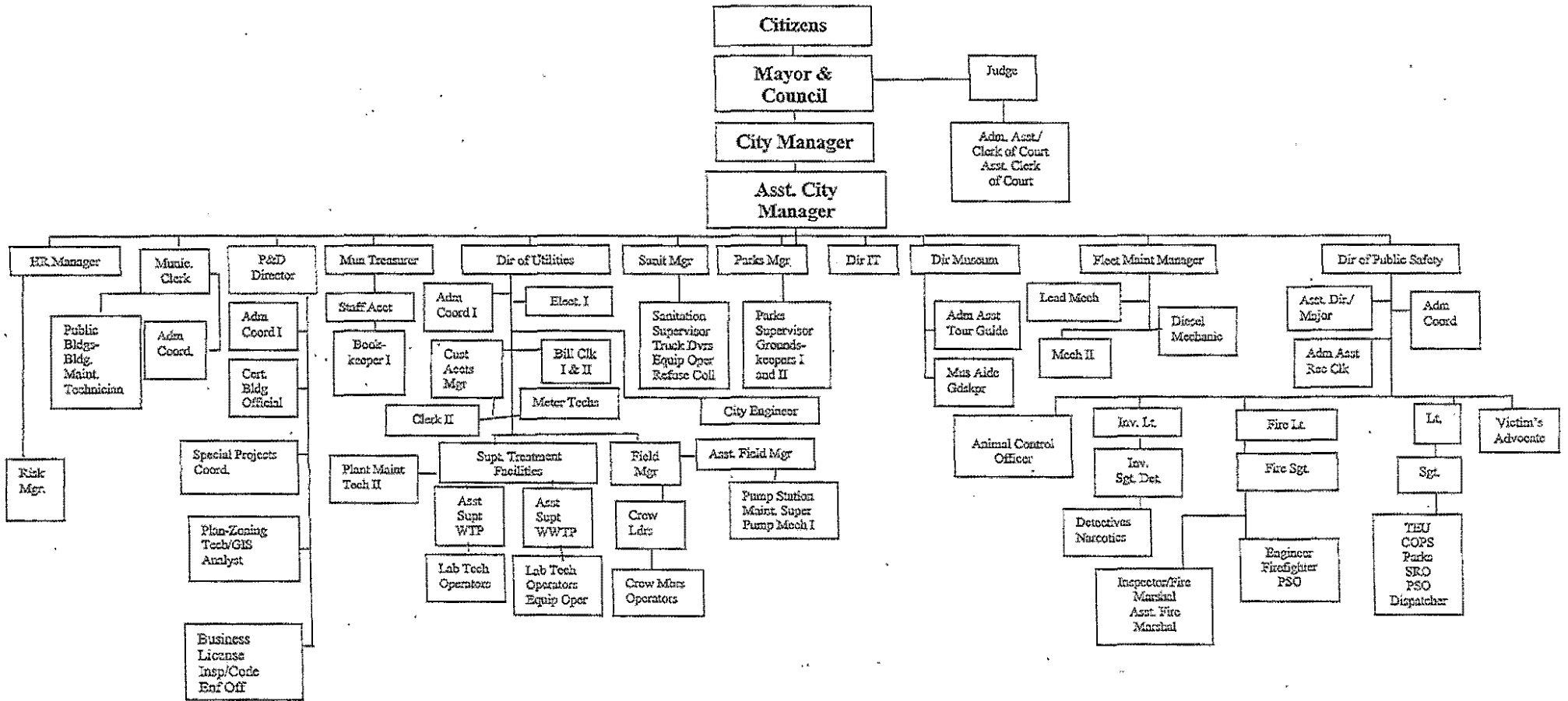
**City of Cayce
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

**CITY OF CAYCE
ORGANIZATIONAL CHART
JUNE 30, 2016**



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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

— CONTINUED —



Opinions

Unmodified opinion

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cayce, South Carolina, as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, of the combining and individual fund financial statements and other financial schedules as listed in the table of contents as Other Financial Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Cayce, South Carolina.

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

Summarized Comparative Information

The prior year summarized comparative information presented in the individual fund financial statements and schedules has been derived from the City's 2015 audited financial statements, and in my report dated December 11, 2015, I expressed an unmodified opinion on those individual fund financial statements and schedules.

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

A handwritten signature in black ink, reading "Robert E. McElhenny, CPA, P.A." The signature is written in a cursive style with a large, sweeping initial "R".

November 30, 2016
Columbia, South Carolina

CITY OF CAYCE, SOUTH CAROLINA

City of Cayce, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2016

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, 2016. Please read it in conjunction with City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Per the Government-wide *Statement of Net Position*, the City's total assets and deferred outflows at year end June 30, 2016 were \$166.0 million and exceeded total liabilities and deferred inflows by \$96.7 million. Of the total net position at June 30, 2016, there was an \$6.5 million deficit in unrestricted funds available to support short term operations of the City.

Per the Government-wide *Statement of Activities*, the City's total net position increased by \$3.9 million for the year ended June 30, 2016. The Governmental Activities resulted in a net increase of \$2.6 million, while the Business-type Activities contributed a positive net change in net position of \$1.3 million, which was substantially funded by capacity charges and other capital contributions recognized during the year.

The City continues to comply with the new accounting principle Governmental Accounting Standards Board Statement (GASB) No. 68, Accounting and Financial Reporting for Pensions, which required the reporting of a Government-wide liabilities of \$15.3 million at June 30, 2016. See *Note 16* in the Notes to Financial Statements.

Overview of the Financial Statements

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

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

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

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

Overview of the Financial Statements (continued)

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

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

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

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, total assets plus deferred outflows of resources less liabilities, less deferred inflows of resources results in net position of \$96.7 million at the close of June 30, 2016.

Below is a 'condensed' Statement of Net Position at June 30, 2016, which depicts the major components of the City's assets, deferred outflows, liabilities and net position (with comparative amounts for June 30, 2015).

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Assets and Deferred Outflows						
Cash and cash equivalents:						
Unrestricted	\$ 5,314,433	\$ 4,128,056	\$ 3,372,567	\$ 2,689,946	\$ 8,687,000	\$ 6,818,002
Restricted	3,243,096	2,884,688	8,227,197	12,198,579	11,470,293	15,083,267
Other current assets	679,430	1,236,562	3,089,315	3,920,193	3,768,745	5,156,755
Other assets, net of accumulated amortization	95,000	100,000	422,898	481,997	517,898	581,997
Capital assets, net of accumulated depreciation	13,642,253	11,939,735	124,520,000	121,818,748	138,162,253	133,758,483
Total assets	22,974,212	20,289,041	139,631,977	141,109,463	162,606,189	161,398,504
Deferred outflows of resources:						
Deferred outflows related to pensions	1,749,168	893,361	790,609	418,770	2,539,777	1,312,131
Losses on bond refundings	—	—	882,078	115,059	882,078	115,059
Total deferred outflows of resources	1,749,168	893,361	1,672,687	533,829	3,421,855	1,427,190
Total assets and deferred outflows	24,723,380	21,182,402	141,304,664	141,643,292	166,028,044	162,825,694
Liabilities, Deferred Inflows and Net Position						
Current liabilities	881,100	821,410	569,649	280,194	1,450,749	1,101,604
Current liabilities payable from restricted assets	476,793	458,144	3,430,394	3,316,185	3,907,187	3,774,329
Non-current liabilities	11,862,073	10,882,728	51,124,033	52,985,524	62,986,106	63,868,252
Total liabilities	13,219,966	12,162,282	55,124,076	56,581,903	68,344,042	68,744,185
Deferred inflows of resources:						
Deferred inflows related to pensions	781,611	901,218	233,173	393,193	1,014,784	1,294,411
Total deferred inflows of resources	781,611	901,218	233,173	393,193	1,014,784	1,294,411
Total liabilities, deferred inflows of resources	14,001,577	13,063,500	55,357,249	56,975,096	69,358,826	70,038,596
Net position:						
Net investment in capital assets	13,078,235	11,187,075	78,314,467	79,196,265	91,392,702	90,383,340
Restricted	4,089,583	2,900,003	7,720,047	8,302,471	11,809,630	11,202,474
Unrestricted (deficit)	(6,446,015)	(5,968,176)	(87,099)	(2,830,540)	(6,533,114)	(8,798,716)
Total net position	\$ 10,721,803	\$ 8,118,902	\$ 85,947,415	\$ 84,668,196	\$ 96,669,218	\$ 92,787,098

Total net position equaled \$96.7 million at June 30, 2016 (and \$92.8 million at June 30, 2015), of which \$10.7 million (and \$8.1 million deficit in 2015) represents net position of the City's Governmental Activities, and \$85.9 million (and \$84.7 million in 2015) represents net position of the City's Business-type Activities after restatements.

Government-Wide Financial Analysis (continued)

By far the largest portion of the City's net position (\$91.4 million, or 95%) reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Also a portion of the City's total net position, \$11.8 million, or 12.2% represents resources that are subject to external restrictions on how they may be used, which includes resources for the City's redevelopment district plan and related debt service, law enforcement, and pensions (*see Note 7* for further detail information). The remaining is a deficit in *unrestricted net position* (totaling \$6.5 million in 2016), which if positive, may be used to meet the government's ongoing obligations to citizens and creditors. This deficit is a result of recording the net pension liability balance of \$15.3 million (plus deferred inflows of \$1.0 million, less deferred outflows of \$3.4 million) in accordance with GASB #68.

Unrestricted net position in Governmental Activities resulted in a deficit totaling \$6.4 million in 2016 (as compared to a deficit of \$5.9 million in 2015) primarily resulting from net pension liabilities in accordance with GASB #68.

Business-type Activities resulted in an unrestricted net position deficit totaling \$87,099 in 2016 (as compared to a deficit of \$2.8 million in 2015). This deficit is primarily due to recording net pension liabilities in accordance with GASB #68.

Governmental Activities change in net position increased \$2.6 million in 2016 (as compared to \$11.3 million in 2015), primarily due to new hospitality taxes, collection of business licenses, and capital grants and contributions. Business-type Activities change in net position increased in 2016 by approximately \$1.3 million (and \$1.2 million in 2015) primarily due to system capacity charges and other capital contributions.

Government-Wide Financial Analysis (continued)

The City's components of changes in net position (condensed from the Statement of Activities) for FY 2016 and FY 2015, are illustrated in the following table:

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Revenue						
Program Revenue:						
Charges for services	\$ 1,270,485	\$ 1,460,765	\$ 16,865,450	\$ 14,971,094	\$ 18,135,935	\$ 16,431,859
Operating grants and contributions	402,575	242,087	—	—	402,575	242,087
Capital grants and contributions	618,648	6,649,664	948,615	1,604,279	1,567,263	8,253,943
General revenue:						
Property taxes	4,066,933	3,786,956	—	—	4,066,933	3,783,478
Accommodation and hospitality taxes	1,074,154	697,654	—	—	1,074,154	697,654
State shared and unallocated intergovernmental	425,994	501,191	—	—	425,994	501,191
Licenses and other	4,587,578	6,704,824	—	—	4,587,578	6,704,824
Other	673,436	392,699	14,687	34,450	688,123	427,149
Total revenue	13,119,803	20,435,840	17,828,752	16,609,823	30,948,555	37,045,663
Expenses						
General government	481,829	434,485	—	—	481,829	434,485
Information technology	84,776	85,962	—	—	84,776	85,962
Finance	117,820	56,868	—	—	117,820	56,868
Public safety	5,719,168	4,976,924	—	—	5,719,168	4,976,924
Public works	1,477,526	1,331,873	—	—	1,477,526	1,331,873
Planning and development	790,776	675,085	—	—	790,776	675,085
Parks and museum	804,149	636,000	—	—	804,149	636,000
Garage	295,422	243,925	—	—	295,422	243,925
Depreciation and amortization (unallocated)	708,459	651,325	—	—	708,459	651,325
Interest	36,977	55,817	—	—	36,977	55,817
Water and sewer utility	—	—	16,549,533	14,868,109	16,549,533	14,868,109
Total expenses	10,516,902	9,148,264	16,549,533	14,868,109	27,066,435	24,016,373
Changes in net position	2,602,901	11,287,576	1,279,219	1,741,714	3,882,120	13,029,290
Beginning net position	8,118,902	(3,168,674)	84,668,196	82,926,482	92,787,098	79,757,808
Ending net position	\$ 10,721,803	\$ 8,118,902	\$ 85,947,415	\$ 84,668,196	\$ 96,669,218	\$ 92,787,098

Government-Wide Financial Analysis (continued)

Net changes for net position in Governmental Activities had a total increase of \$2.6 million in 2016 compared to an increase of \$11.3 million in 2015. Net position in Business-type Activities resulted in an increase of \$1.3 million in 2016 compared to a \$1.7 million increase in 2015, primarily due to fewer capital contributions received from developers (deeded infrastructure plus impact/capacity fees).

Key Governmental Activities revenue highlights are as follows: Total Program Revenue equaled \$2.3 million in 2016 (as compared to \$8.3 million in 2015), primarily due to less capital grants received for Parks and Recreation. General Revenues totaled \$10.8 million in 2016 and \$12.1 million in 2015 due to less business licenses revenue. All functional expense categories saw increases in 2016, as compared to 2015, primarily due to increases in salary/wages and related benefits costs of insurance and pension allocated costs. General government expenses increased due to increases in legal-related costs, and Public Safety expenses increased due to a new division for patrolling/protecting parks and the riverfront. Planning and Development expenses continued to increase due to the NPDES phase II project expenses.

Changes in Governmental Activities expenses totaled \$10.5 million in 2016 and \$9.1 million in 2015.

Key Business-type Activity revenue highlights are as follows: Total Program Revenue for services totaled \$16.8 million in 2016 (compared to \$14.9 million in 2015) resulting in an increase of \$1.9 million (or 12.6%) while capital grants and contributions decreased primarily due to less capital facility charges. Expenses of operation and maintenance increased by \$3,056,347 (or 22.7%) due to the new wastewater treatment plant, septage and grease center costs to operate.

Expenses and Program Revenues – Governmental Activities – Governmental expenses (totaling \$10.5 million in 2016) are funded in part by program-specific revenues of fees for services, grants and contributions. As shown below, Governmental Activities were overall funded by 21.8% ‘program revenues’, leaving 78.2% 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	\$ (481,829)	\$ 30,000	\$ (451,829)	6.2%	93.8%
Information technology	(84,776)	—	(84,776)	—	100.0%
Finance	(117,820)	—	(117,820)	—	100.0%
Public safety	(5,719,168)	900,140	(4,819,028)	15.7%	84.3%
Public works	(1,477,526)	531,233	(946,293)	35.9%	64.1%
Planning and development	(790,776)	212,815	(577,961)	26.9%	73.1%
Parks and museum	(804,149)	617,520	(186,629)	76.8%	23.2%
Garage	(295,422)	—	(295,422)	—	100.0%
Depreciation and amortization	(708,459)	—	(708,459)	—	100.0%
Interest	(36,977)	—	(36,977)	—	100.0%
Totals	\$ (10,516,902)	\$ 2,291,708	\$ (8,225,194)	21.8%	78.2%

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 2016.

General Revenues by Source – Governmental Activities

As shown in a table on the preceding page, General Revenues funded the City’s Governmental Activities by 78.2% in the following categories.

	<u>2016</u>	<u>2015</u>
Property taxes	\$ 4,066,933	\$ 3,786,956
Accommodation and hospitality taxes	1,074,154	697,654
State shared revenue	425,994	501,191
Licenses and related fees	4,586,377	6,704,824
Miscellaneous	674,637	382,699
Total	<u>\$10,828,095</u>	<u>\$12,083,324</u>

Overall, the City experienced a 10.4% decrease in General Revenues (or \$1,255,229 less from 2015 to 2016) primarily due to prior-period business licenses and related fees collected/settled in 2015, but the City had substantial increases in the new hospitality tax imposed in 2015 by ordinance.

Expenses and Program Revenues – Business-type Activities – The City’s Water and Sewer Utility Enterprise Fund that comprises its Business-type Activities is used for all resources associated with supplying potable water and providing sewage treatment services to domestic, business and industrial customers within the City limits as well as some of the surrounding unincorporated areas of Lexington County. Operating revenues totaled \$16.8 million in 2016 (as compared to \$15.0 million in 2015) and includes water sales and connection fees of \$5.1 million and \$10.1 million from sewer services and connection fees. Operating expenses totaled \$14.9 million in 2016 (compared to \$13.5 million in 2015) resulting in an increase of 10.4% primarily due to increases in treatment costs. Operating income at year ended June 30, 2016, totaled \$1,961,830 (as compared to \$1,477,608 in 2015). Capacity charges, consisting primarily of system enhancement, capacity (impact) fees, and capital contributions from developers totaled \$1.8 million in 2016 (as compared to \$1.6 million in 2015), or a 11.7% increase. However, the City recorded an estimate of \$842,659 at June 30, 2016 for disputed capacity fees previously paid by a customer. Subsequently, in November 2016, the City actually settled the dispute for \$806,192. The difference between the estimate and actual settlement will be recognized in the 2016-2017 fiscal year. While the actual number of water and sewer customers grew nominally, the reported the number of sewer customers accounts decreased from 12,146 in 2015 to 11,625 in 2016. The number of water customers decreased from 8,436 in 2015 to 7,760 in 2016. These decreases were due mainly to the City’s new software and the decision to count only active accounts and not inactive but available accounts. Consumption and revenue will not be affected. As stated earlier, the change in net position of the Water and Sewer Utility Fund was primarily a result of increased charges for sewer, septage and grease pretreatment services, a decrease in interest costs, and an increase in capital charges and other contributions.

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 2015, actual General Fund revenues for 2016 decreased by \$2.5 million (or 18.7%), primarily due to the prior-year business licenses paid in 2015 and less grants and capital contributions in 2016. Actual General Fund expenditures, net of Utility Fund overhead allocations and capital outlay, totaled \$11,324,664 in 2016 compared to \$9,259,178 in 2015. The General Fund's 'final' budgeted revenues totaled \$8,813,192 and actual revenues achieved equaled \$10,801,705, or \$1.9 million more than budget. The City had actual General Fund expenditures before Other Financing Sources (Uses) of \$11,324,664, compared to a 'final' budget of \$11,553,345 for a favorable budget to actual variance of \$228,681 for the fiscal year ended June 30, 2016.

Increases that contributed to several line-item expenditures being over final budget amounts in the General Fund include the cost of salaries/wages; retirement, insurance and other benefits; and maintenance and repairs (which included City Hall interior and exteriors, plus Police/Fire Station electrical upgrades, etc.).

With continued pressures of state-mandated property tax millage 'caps', the City's final budget, before adjusting for fund balance appropriations, reflected a deficiency of estimated revenues over its appropriated expenditures before Other Financing Sources and Uses totaling \$2.7 million. The General Fund's other financing sources and uses budget included \$1.1 million in 2016 from the General Fund's portion of State Accommodations and Hospitality Tax plus an installment purchase contract.

The General Fund also allocates \$1.6 million in overhead and indirect costs to the Water and Sewer Utility Fund. As a final result, actual revenues were above budget, and in total, expenditures were below budget. The General Fund had a positive increase in fund balance of \$216,482 for the year ended June 30, 2016.

General Fund Financial Analysis and Budgetary Highlights (continued)

Details of the City's General Fund budget are shown in the section entitled "Required Supplementary Information" which follows the "Notes to Financial Statements" in this report. Below is a 'condensed' summary budget-to-actual table for fiscal year 2016 compared to 2015 actual amounts achieved.

General Fund	2016		Variances Favorable (Non- favorable)	2015
	Final Budget	Actual		Actual
Revenue				
Property taxes	\$ 2,934,309	\$ 3,059,485	\$ 125,176	\$ 2,935,332
Licenses and permits	3,842,500	4,799,886	957,386	6,969,845
Fines and forfeitures	295,500	260,880	(34,620)	329,068
State shared revenue	343,000	362,805	19,805	362,744
Current services	818,204	796,448	(21,756)	848,100
Grants and other	578,079	1,521,125	943,046	1,836,617
Interest income	1,600	1,076	(524)	1,666
Total revenue	8,813,192	10,801,705	1,988,513	13,283,372
Expenditures				
<i>Current (net of Utility Fund overhead allocations and capital outlay):</i>				
General government	439,874	510,972	(71,098)	418,861
Information technology	64,176	74,890	(10,714)	78,293
Finance	84,379	86,021	(1,642)	49,747
Public safety	5,706,967	5,604,141	102,826	4,972,902
Public works	1,534,339	1,424,195	110,144	1,309,947
Planning and community development/relations	576,655	654,659	(78,004)	488,942
Parks and museum	804,717	766,762	37,955	662,474
Garage	278,436	260,589	17,847	237,940
Non-departmental and support services	111,008	268	110,740	26,476
Debt service	158,978	148,351	10,627	242,855
Capital outlay	1,793,816	1,793,816	—	770,741
Total expenditures	11,553,345	11,324,664	228,681	9,259,178
Excess (deficiency) of revenue over (under) expenditures	(2,740,153)	(522,959)	2,217,194	4,024,194
Other financing sources and (uses)	1,141,873	739,441	(402,432)	433,272
Net change in fund balance	\$ (1,598,280)	\$ 216,482	\$ 1,814,762	\$ 4,457,466

General Fund Financial Analysis and Budgetary Highlights (continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – As of June 30, 2016, the City’s capital assets for its Governmental Activities totaled \$23.9 million, less accumulated depreciation of \$10.3 million for a net carrying value of \$13.6 million. For its Business-type Activities, total capital assets equaled \$163.7 million, less accumulated depreciation of \$39.1 million for a net carrying value of \$124.6 million. The City’s capital assets includes land, buildings, utility system improvements, machinery and equipment, park facilities, vehicles and furniture. The City’s significant capital asset acquisition for the Governmental Activities included new vehicles, software upgrades, and various building renovations and park improvements. In addition to capital infrastructure and plant improvements for the Business-type Activities (Water and Sewer Utility Fund), the City continues to maintain a strong maintenance and replacement program for infrastructure, machinery and equipment. Additional information on the City’s capital assets can be found in *Note 5* of this report.

Long-Term Debt – At the end of the current fiscal year, the City had total bonded indebtedness outstanding of its Governmental Activities of \$491,714, and Business-type Activities of \$45.6 million. Governmental Activities debt consists of a tax increment financing (TIF) bond. Business-type activities long-term debt consists of State Revolving Fund (SRF) loans totaling \$45,114,430, and an installment purchase contract payable totaling \$507,532 at June 30, 2016. Additional information on the City’s long-term debt can be found in *Note 6* of this report.

During the year 2015-2016 the City defeased (in substance) its Series 2007A Water and Sewer System Revenue bonds with the issuance of the Series 2016A&B revenue bonds. While an accounting loss of \$872,196 resulted from the refunding, an economic gain of \$967,075 was realized.

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF CAYCE, SOUTH CAROLINA

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows			
Current assets:			
Cash and cash equivalents	\$ 5,314,433	\$ 3,372,567	\$ 8,687,000
Receivables, net	521,393	3,022,384	3,543,777
Internal balances, net	93,058	(93,058)	—
Inventories	64,979	159,989	224,968
Total current assets	<u>5,993,863</u>	<u>6,461,882</u>	<u>12,455,745</u>
Non-current assets:			
Restricted cash and cash equivalents	3,243,096	8,227,197	11,470,293
Capital assets not subject to depreciation	9,301,488	5,436,242	14,737,730
Capital assets, net of depreciation	4,340,765	119,083,758	123,424,523
Other assets, net	95,000	422,898	517,898
Total non-current assets	<u>16,980,349</u>	<u>133,170,095</u>	<u>150,150,444</u>
Total assets	<u>22,974,212</u>	<u>139,631,977</u>	<u>162,606,189</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	1,749,168	790,609	2,539,777
Losses on bond refundings, net	—	882,078	882,078
Total deferred outflows of resources	<u>1,749,168</u>	<u>1,672,687</u>	<u>3,421,855</u>
Total assets and deferred outflows of resources	<u>24,723,380</u>	<u>141,304,664</u>	<u>166,028,044</u>
Liabilities, Deferred Inflows and Net Position			
Current liabilities:			
Accounts payable	123,789	65,491	189,280
Accrued expenses and other liabilities	465,821	225,899	691,720
Accrued compensated absences – current portion	134,715	92,572	227,287
Construction contracts & retainages payable	72,304	—	72,304
Unearned revenue, deposits and prepayments	84,471	40,785	125,256
Installment purchase contracts payable – current portion	—	144,902	144,902
Current liabilities payable from restricted assets	476,793	3,430,394	3,907,187
Total current liabilities	<u>1,357,893</u>	<u>4,000,043</u>	<u>5,357,936</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF NET POSITION

— CONTINUED —

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities, Deferred Inflows and Net Position (continued)			
Long-term (non-current) liabilities:			
Accrued compensated absences	259,855	30,257	290,112
Installment purchase contract payable	—	362,630	362,630
Unearned revenue — future capacity charges and credits	—	1,404,862	1,404,862
SRF loans and revenue bonds payable	14,921	43,257,939	43,272,860
Net pension liabilities	10,017,523	5,273,622	15,291,145
Other post-employment benefit (OPEB) obligation	1,569,774	794,723	2,364,497
Total long-term liabilities	<u>11,862,073</u>	<u>51,124,033</u>	<u>62,986,106</u>
Total liabilities	<u>13,219,966</u>	<u>55,124,076</u>	<u>68,344,042</u>
Deferred inflows of resources:			
Deferred inflows related to pensions	781,611	233,173	1,014,784
Total deferred inflows of resources	<u>781,611</u>	<u>233,173</u>	<u>1,014,784</u>
Total liabilities and deferred inflows of resources	<u>14,001,577</u>	<u>55,357,249</u>	<u>69,358,826</u>
Net position:			
Net investment in capital assets	13,078,235	78,314,467	91,392,702
Restricted for:			
Debt service	996,764	950,557	1,947,321
Capital projects	735,245	5,978,881	6,714,126
Community development and tourism	574,080	—	574,080
Law enforcement	34,326	—	34,326
Pensions	1,749,168	790,609	2,539,777
Unrestricted (deficit)	<u>(6,446,015)</u>	<u>(87,099)</u>	<u>(6,533,114)</u>
Total net position	<u>\$ 10,721,803</u>	<u>\$ 85,947,415</u>	<u>\$ 96,669,218</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

Functions and Programs	Program Revenue				Net (Expense) Revenue and Changes in Net position		
	Expenses	Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Primary Government:							
<u>Governmental activities:</u>							
General government	\$ (481,829)	\$ —	\$ 30,000	\$ —	\$ (451,829)	\$ —	\$ (451,829)
Information technology	(84,776)	—	—	—	(84,776)	—	(84,776)
Finance	(117,820)	—	—	—	(117,820)	—	(117,820)
Public safety	(5,719,168)	534,300	365,840	—	(4,819,028)	—	(4,819,028)
Public works	(1,477,526)	528,403	1,250	1,580	(946,293)	—	(946,293)
Planning and community development	(790,776)	207,330	5,485	—	(577,961)	—	(577,961)
Parks and museum	(804,149)	452	—	617,068	(186,629)	—	(186,629)
Garage	(295,422)	—	—	—	(295,422)	—	(295,422)
Depreciation and amortization (unallocated)	(708,459)	—	—	—	(708,459)	—	(708,459)
Interest	(36,977)	—	—	—	(36,977)	—	(36,977)
Total governmental activities	(10,516,902)	1,270,485	402,575	618,648	(8,225,194)	—	(8,225,194)
<u>Business-type activities:</u>							
Water and sewer utility	(16,549,533)	16,865,450	—	948,615	—	1,264,532	1,264,532
Total business-type activities	(16,549,533)	16,865,450	—	948,615	—	1,264,532	1,264,532
Total primary government	\$ (27,066,435)	\$ 18,135,935	\$ 402,575	\$ 1,567,263	(8,225,194)	1,264,532	(6,960,662)
General Revenue							
<u>General Revenue:</u>							
Property taxes					4,066,933	—	4,066,933
Accommodation and hospitality taxes					1,074,154	—	1,074,154
State shared and unallocated intergovernmental (unrestricted)					425,994	—	425,994
Business licenses, taxes, and penalties					4,586,377	—	4,586,377
Unrestricted investment earnings					1,201	10,264	11,465
Gain on sale of property					35,000	4,423	39,423
Other					638,436	—	638,436
Total general revenue					10,828,095	14,687	10,842,782
Changes in net position					2,602,901	1,279,219	3,882,120
Net position – beginning of year					8,118,902	84,668,196	92,787,098
Net position – end of year					\$ 10,721,803	\$ 85,947,415	\$ 96,669,218

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 5,230,632	\$ 83,801	\$ 5,314,433
Receivables, net	248,360	86,788	335,148
Due from other funds	102,373	—	102,373
Inventories	64,979	—	64,979
Restricted assets:			
Cash and cash equivalents	945,916	2,297,180	3,243,096
Total assets	\$ 6,592,260	\$ 2,467,769	\$ 9,060,029
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 134,610	\$ 7,417	\$ 142,027
Accrued liabilities	439,294	3,303	442,597
Construction contracts and retainages payable	—	54,066	54,066
Other liabilities	23,224	—	23,224
Deposits and prepayments	84,471	—	84,471
Due to other funds	9,315	—	9,315
Total liabilities	690,914	64,786	755,700
Fund balances:			
Nonspendable in:			
Inventories	64,979	—	64,979
Restricted for:			
Debt service	—	996,764	996,764
Tourism and community development	—	525,625	525,625
Redevelopment plan	—	735,245	735,245
ABC permit	—	48,455	48,455
Law enforcement	—	13,093	13,093
Victims Rights Assistance	21,233	—	21,233
	21,233	2,319,182	2,340,415
Committed for:			
UST program	25,000	—	25,000
Assigned for:			
Christmas in Cayce	8,875	—	8,875
Congaree Blue Grass Festival	3,259	—	3,259
Museum	—	83,801	83,801
History park	918,466	—	918,466
	930,600	83,801	1,014,401
Unassigned	4,859,534	—	4,859,534
Total fund balances	5,901,346	2,402,983	8,304,329
Total liabilities and fund balances	\$ 6,592,260	\$ 2,467,769	\$ 9,060,029

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

— CONTINUED —

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

Total fund balances – Governmental Funds	\$ 8,304,329
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in these funds.	13,642,253
Other assets not available to pay for current period expenditures and, therefore, are not reported in the funds.	281,244
Certain deferred outflows related to pensions are not available to pay for current expenditures and, therefore, are not reported in the funds.	1,749,168
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in these funds.	(12,473,580)
Certain deferred inflows related to pensions are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(781,611)</u>
Net position, end of year – Governmental Activities	<u>\$ 10,721,803</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, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue			
Property taxes	\$ 3,059,485	\$ 1,008,560	\$ 4,068,045
Accommodation and hospitality taxes	—	1,068,426	1,068,426
Licenses and permits	4,799,886	—	4,799,886
Fines and forfeitures	260,880	—	260,880
State shared revenue	362,805	63,189	425,994
Current services	796,448	—	796,448
Grants and other	1,521,125	137,664	1,658,789
Interest income	1,076	125	1,201
Total revenue	<u>10,801,705</u>	<u>2,277,964</u>	<u>13,079,669</u>
Expenditures			
Current:			
General government	510,972	—	510,972
Information technology	74,890	—	74,890
Finance	86,021	—	86,021
Public safety	5,604,141	—	5,604,141
Public works	1,424,195	—	1,424,195
Community relations	146,529	—	146,529
Planning and community development	508,130	186,147	694,277
Parks and museum	766,762	—	766,762
Garage	260,589	—	260,589
Non-departmental and support services	268	—	268
Debt service	148,351	491,853	640,204
Capital outlay	1,793,816	530,200	2,324,016
Total expenditures	<u>11,324,664</u>	<u>1,208,200</u>	<u>12,532,864</u>
Excess (deficiency) of revenue over expenditures	<u>(522,959)</u>	<u>1,069,764</u>	<u>546,805</u>
Other Financing Sources (Uses)			
Proceeds from sales of assets	35,000	—	35,000
Transfers in	704,441	700,000	1,404,441
Transfers (out)	—	(1,404,441)	(1,404,441)
Total other financing sources (uses)	<u>739,441</u>	<u>(704,441)</u>	<u>35,000</u>
Net change in fund balances	216,482	365,323	581,805
Fund balances, beginning of year	<u>5,684,864</u>	<u>2,037,660</u>	<u>7,722,524</u>
Fund balances, end of year	<u>\$ 5,901,346</u>	<u>\$ 2,402,983</u>	<u>\$ 8,304,329</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES-

GOVERNMENTAL FUNDS

— CONTINUED —

**Reconciliation to amounts reported for Governmental Activities in the
Statement of Activities (See Note 13):**

Net change in fund balances – Total Governmental Funds	\$ 581,805
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.	1,702,518
Revenues in the Statement of Activities do not provide current financial resources are reported as revenues in these funds.	9,086
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in these funds.	(372,900)
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>682,392</u>
Change in net position — Governmental Activities	<u>\$ 2,602,901</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

JUNE 30, 2016

	<u>Business-type Activities – Enterprise Fund Water and Sewer Utility</u>
Assets and Deferred Outflows	
Current assets:	
Cash and cash equivalents	\$ 3,372,567
Receivables, net:	
Water and sewer accounts, net	2,541,637
Other accounts	480,747
Inventories	159,989
Total current assets	<u>6,554,940</u>
Non-current assets:	
Restricted cash and cash equivalents	8,227,197
Capital assets not subject to depreciation	5,436,242
Capital assets, net of depreciation	119,083,758
Other assets, net	422,898
Total non-current assets	<u>133,170,095</u>
Total assets	<u>139,725,035</u>
Deferred outflows of resources:	
Deferred outflows related to pension	790,609
Losses on bond refundings, net	882,078
	<u>1,672,687</u>
Total assets and deferred outflows	<u><u>\$ 141,397,722</u></u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

— CONTINUED —

	<u>Business-type Activities – Enterprise Fund Water and Sewer Utility</u>
Liabilities, Deferred Inflows and Net Position	
Current liabilities:	
Accounts payable	\$ 65,491
Accrued payroll and related taxes	224,507
Accrued compensated absences – current portion	92,572
Installment purchase contract payable – current portion	144,902
Other liabilities	1,392
Due to other funds (internal balances)	93,058
Customer prepayments	40,785
Current liabilities payable from restricted assets	3,430,394
Total current liabilities	<u>4,093,101</u>
Long-term (non-current) liabilities:	
Accrued compensated absences	30,257
Unearned revenue – future capacity charges and credits	1,404,862
Installment purchase contract payable	362,630
SRF loans payable	30,409,091
Revenue bonds payable	12,848,848
Net pension liability	5,273,622
Other post-employment benefit (OPEB) obligation	794,723
Total long-term liabilities	<u>51,124,033</u>
Total liabilities	<u>55,217,134</u>
Deferred inflows of resources:	
Deferred inflows related to pension	233,173
	<u>233,173</u>
Net position:	
Net investment in capital assets	78,314,467
Restricted for:	
Debt service	950,557
Capital projects	5,978,881
Pension	790,609
Unrestricted (deficit)	(87,099)
Total net position	<u>85,947,415</u>
Total liabilities, deferred inflows and net position	<u>\$ 141,397,722</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2016

	Business-type Activities – Enterprise Fund Water and Sewer Utility
Operating Revenue (pledged as security for loans and revenue bonds)	
Water:	
Sales	\$ 5,129,429
Connection fees	121,848
Sewer:	
Service charges	10,140,422
Connection fees	3,066
Septage/grease services:	
Sales and permits	885,674
Pretreatment set-up fees	99,300
Re-connection fees	47,762
Penalties	191,671
Grant revenue	18,563
Miscellaneous income	227,715
Total operating revenue	<u>16,865,450</u>
Operating Expenses	
Administrative	567,592
Utility billing	698,083
Water treatment plant	1,414,384
Water distribution and maintenance	1,356,168
Wastewater treatment plant	3,026,918
Sewer collection and outfall lines	1,454,361
Septage and grease receiving station	371,645
Non-departmental and support services	1,600,000
Depreciation and amortization expense	4,414,469
Total operating expenses	<u>14,903,620</u>
Operating income	<u>1,961,830</u>
Non-Operating Revenue (Expenses)	
Interest income	10,264
Gains from sale, disposal of equipment	4,423
Bond issue costs	(345,684)
Interest expense	(1,195,051)
Amortization of bond refinancing losses	(105,178)
Total non-operating revenue (expenses)	<u>(1,631,226)</u>
Income before contributions	330,604
Capital Contributions	
Capacity charges and other capital contributions	1,791,274
Return of disputed contributed capital	(842,659)
	<u>948,615</u>
Change in net position	1,279,219
Net position, beginning of year	<u>84,668,196</u>
Net position, end of year	<u><u>\$ 85,947,415</u></u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2016

	<u>Business-type Activities— Enterprise Fund Water and Sewer Utility</u>
Cash Flows from Operating Activities	
Cash received from:	
Usage fees	15,987,691
Tap fees	124,914
Service and miscellaneous charges	585,011
Cash paid to (for):	
Employee salaries and related costs	(3,617,925)
Water treatment and distribution costs	(1,466,662)
Sewer treatment and collection costs	(2,957,089)
Septage and grease treatment and disposal costs	(306,593)
Other supplies and miscellaneous costs	(1,799,678)
Net cash provided by operating activities	<u>6,549,669</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of capital assets	23,569
Acquisition and construction of capital assets	(6,082,337)
Interest, and fiscal agent fees paid on capital related debt	(1,879,336)
Bond issue costs paid	(325,293)
Proceeds from SRF loans and installment purchase contract	14,225,077
Principal payments on bonds and notes	(2,672,530)
Return of 2004 bond escrowed funds	19,396
Capacity charges and other capital contributions	1,072,627
Deposit for revenue bond defeasement	(14,229,867)
Net cash (used in) capital and related financing activities	<u>(9,848,694)</u>
Cash Flows from Investing Activities	
Interest received	10,264
Net cash provided by investing activities	<u>10,264</u>
Net decrease in cash and cash equivalents	(3,288,761)
Cash and cash equivalents, beginning of year (of which \$12,198,579 is restricted)	<u>14,888,525</u>
Cash and cash equivalents, end of year (of which \$8,227,197 is restricted)	<u>\$ 11,599,764</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

— CONTINUED —

	Business-type Activities— Enterprise Fund Water and Sewer Utility
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 1,961,830
Adjustments to reconcile operating income to net cash provided by operations:	
Depreciation and amortization expense	4,414,469
Changes in certain assets and liabilities:	
Decrease in accounts receivable	(163,539)
Decrease in inventory	41,532
Decrease in accounts payable/accrued liabilities	195,038
Increase in amounts due to/from others	(56,474)
Decrease in customer deposits and prepayments	(4,295)
Increase in net pension liabilities	609,816
Increase in pension related deferred outflows	(371,839)
Increase in pension related deferred inflows	(160,020)
Increase in other post-employment benefit (OPEB) obligation	72,059
Decrease in accrued compensated absences	11,092
Net cash provided by operating activities	<u>\$ 6,549,669</u>
Supplemental disclosure of non-cash capital and related financing activities	
Contributed property by developers	\$ 483,147
Amortization of revenue bond refinancing losses	\$ 105,178
Amortization of revenue bond premium/discount	\$ 42,229

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 187,980
Total assets	<u>\$ 187,980</u>
Liabilities	
Amounts due to others	\$ 187,980
Total liabilities	<u>\$ 187,980</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

CITY OF CAYCE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

The City maintains the Cayce Beautification Foundation and the Cayce Public Safety Foundation, both organized to enhance the City of Cayce in partnership with local residents, businesses and law enforcement. These entities are not material to the City, and therefore, no discretely presented component units are presented for the year ended June 30, 2016.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation

Government-Wide and Fund Financial Statements

Government-wide Financial Statements – The Government-wide financial statements consist of a Statement of Net Position and a Statement of Activities and reports information on all of the non-fiduciary activities of the government as a whole. Separate columns are used to distinguish between the City’s governmental and business-type activities. Governmental activities are generally those activities financed by taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in Governmental Funds.

Business-type activities are those activities which are financed in whole or in part by user fees charged to external parties for goods and services. These activities are usually reported in Enterprise Funds. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Net Position reports all financial and capital resources of the City and reports the difference between assets and deferred outflows less liabilities and deferred inflows as “net position” not fund balance or equity. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues and reflects the “net (expenses) revenue” of the City’s individual functions before applying ‘general’ revenues.

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Governmental Funds

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

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

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

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

Proprietary Funds

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

Fiduciary Funds

All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and (if applicable) a Statement of Changes in Fiduciary Net Position.

Agency Funds – The Agency Fund is used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. At June 30, 2016, these included Police Fund and Firemen's Fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These activities have been excluded from the City's Government-wide financial statements because the City cannot use those assets to finance its operations.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

CITY OF CAYCE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

D. Budgets and Budgetary Accounting

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

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

The General Fund operated under a final expenditure budget totaling \$9,953,345, plus \$1,600,000 Utility Fund indirect costs and overhead allocated to the General Fund departments, and other financing sources (uses) of \$1,141,873. As further described in the “Required Supplementary Information”, a budgetary comparison schedule for the General Fund is provided. The Water and Sewer Utility Fund operated under a budget totaling \$11,761,406 (including operation and maintenance, capital improvements, debt service principal amounts and coverages). Actual operating expenses totaled \$14,861,391 (including a charge of \$4,372,240 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, 2016.

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

Cash and Cash Equivalents and Investments

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

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions result in loans or advances between individual funds. Interfund loans outstanding at year-end are recorded as Interfund Receivables/Payables and are expected to be paid within one year. The lending fund reports amounts ‘due from other funds’, while the borrowing fund reports amounts ‘due to other funds’. These interfund receivables and payables are classified as “internal balances” on the Government-wide Statement of Net Position and have been eliminated. The City considers all interfund receivables, net of any payables to be short-term. Advances to/from other funds (if any) represent long-term interfund loans receivable and payable.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

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

Accounts Receivable and Allowance for Doubtful Accounts

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

Inventory and Prepaid Items

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

Restricted Assets

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

Other Assets

Other assets consists of purchases of intangible assets, or 'contractual rights' to use capital asset resources. The Business-type Activities contract rights result from the purchase of expanded wastewater collection lines owned by a third-party (Red Bank Line) where the City uses the additional line capacity. The purchase price (cost) totaling \$563,864 is being amortized over the life of the contract (40 years). Amortization expense for the year ended June 30, 2016 totaled \$14,097. Additionally, the Taylor Road wastewater line expansion totaling \$240,019 with amortization expense equaling \$45,002 for the year ended June 30, 2016. The Governmental Activities rights result from the purchase and cost contribution to Lexington County to construct a new animal services/shelter services and to provide the City future services. The purchase price (cost) totaling \$100,000 and is to be amortized over the life of the contract (20 years). Amortization expense incurred for fiscal year totaling \$5,000.

Capital Assets and Depreciation

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

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

CITY OF CAYCE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

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

Capital Assets and Depreciation (Continued)

Public domains (rights-of-way and easements) have been capitalized using actual and estimated historical costs of such assets that were acquired by the City. The City owns .98 mile of paved subdivision streets at June 30, 2016. However, the City is not responsible for maintenance or reconstruction costs associated with the roads.

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

Capitalization of Interest

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

Long-term Obligations

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

Compensated Absences (Accrued Vacation and Sick Leave)

City employees are entitled to accrue and carry forward at fiscal year-end accumulated unused days of annual vacation leave and sick leave. Typically, employees consume newly-earned increments of leave in future periods. Effective July 1, 1994, accumulated annual and sick leave is capped at 400 hours and 720 hours, respectively, per employee. Upon termination of employment, employees are entitled to be paid at current salary levels for accumulated unused annual vacation leave. Prior to July 1, 1994, the City's policy for employees receiving compensation for unused sick leave upon termination was as follows: 15 years of service = 25%; 20 years of service = 50%; 25 years of service = 75%; 30 years of service = 100%.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

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

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

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

Unearned Revenue

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

Contract Obligation

Under an intergovernmental agreement, the City is obligated to provide financial credit to a wastewater treatment purchaser of \$1,950,000, which resulted from a prior-year receipt of wastewater capacity payments. The City applies the credit against future contract charges and services. At June 30, 2016, the current credit balance outstanding equals \$1,401,672.

Pensions

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

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.

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)

Net Position and Fund Balances (continued)

“Restricted” fund include those amounts that are legally restricted by outside parties, laws, governments, or enabling legislation for use for a specific purpose. “Committed” fund balances are amounts that can only be used for specific purposes due to constraints imposed by formal action of the City Council which is the City’s highest level of decision making authority. A formal action by Council, typically an ordinance, would be required to rescind a commitment. “Assignments” of fund balance present management’s intent, but are neither restricted nor committed. Due to its form of government (Council-Manager), the City Manager and/or through the annual budget, is authorized to assign amounts to a specific purpose. “Unassigned” fund balance is the residual classification for the General Fund, or in other governmental funds if expenditures incurred for specific purposes exceed the amounts restricted, committed, and/or assigned to those purposes. When other governmental funds have deficit fund balances, such deficits, after reducing any assigned, committed or restricted balances, are reported as negative unassigned fund balances. In governmental funds, other than the General Fund it is not appropriate to report a positive unassigned fund balance.

Property Taxes

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

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.

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)

Program and General Revenue

The City charges public fees for building permits and inspections, and admission fees for certain recreational activities. These fees as well as fines for traffic violations and grant revenues are recorded as “program revenue” in the Statement of Activities. “General revenues” reported by the City include property taxes, state-shared taxes, business licenses (which are appropriately not classified as program revenue ‘fees for services’ due to their non-matching characteristics) and other government imposed non-exchange fees (e.g. franchise fees, which are general revenue fees-in-lieu of business licenses).

Interfund Activities

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

Deferred Inflows/Outflows of Resources

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

At June 30, 2016, the City also reported ‘deferred outflow of resources’ consisting of pension and debt refunding losses (resulting from the difference between the new refunding debt (reacquisition price) and the net carrying amount of the old refunded debt). This amount is being amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

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)

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, 2016, the City had the following cash and investment balances:

Cash on hand	\$ 1,830
Carrying amount of deposits	18,468,869
Carrying amount of investments	1,159,595
Funds held in trust by State	714,979
Total	\$ 20,345,273

Statement of Net Position balances:

Cash and cash equivalents	\$ 8,687,000
Cash and cash equivalents – restricted	11,470,293
Cash and cash equivalents – fiduciary	187,980
Total	\$ 20,345,273

Investments are categorized as follows:

State Treasurer’s Investment pool	\$ 14,979
Money Market Funds	1,159,595
Total	\$ 1,174,574

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, 2016, the carrying amount of the City’s cash deposits with financial institutions was \$18,468,869 and the financial institution’s balances totaled \$18,091,876. Of this balance, \$758,960 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, 2016, amounted to \$1,750. 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, 2016, the City had the following investments subject to interest rate risk:

	<u>Fair Value</u>	<u>Maturity</u>
State Treasurer’s Investment Pool	\$ 714,979	60 days weighted average of portfolios
Money Market Funds	\$ 1,159,595	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 AAA 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, 2016, the City was not exposed to custodial credit risk.

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

3. Receivables

Receivables at June 30, 2016, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities
Property taxes	\$ 1,792,914	\$ —
Hospitality taxes	85,038	—
Water and sewer accounts	—	2,576,637
Wastewater Treatment Plant contributions due	—	480,747
Other	212,675	—
Due from other governments:		
General Fund:		
State shared revenue	94,899	—
Special Revenue Fund:		
Accommodations tax	32,891	—
ABC Permit Fund:		
Due from state government	1,750	—
Gross receivables	2,220,167	3,057,384
Less, allowance for uncollectible	(1,698,774)	(35,000)
Net total receivables	\$ 521,393	\$ 3,022,384

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, 2016, were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 102,373	\$ 9,315
Water and Sewer Fund	—	93,058
	\$ 102,373	\$ 102,373

Net internal balances shown on the Statement of Net Position between Governmental and Business-type Activities totaled \$93,058 at June 30, 2016.

5. Capital Assets

A summary of the changes in the City's capital assets during the year ended June 30, 2016, are as follows:

Governmental Activities:

	Balance June 30, 2015	Additions	Retirements	Transfers	Balance June 30, 2016
Capital assets not being depreciated:					
Land and rights-of-way	\$ 7,589,662	\$ —	\$ —	\$ —	\$ 7,589,662
Construction in progress	275,860	1,435,966	—	—	1,711,826
Total capital assets not being depreciated	7,865,522	1,435,966	—	—	9,301,488
Capital assets being depreciated:					
Land improvements	5,060,238	—	—	—	5,060,238
Buildings and improvements	1,515,867	182,073	—	—	1,697,940
Furniture, vehicles, equipment	7,709,544	792,939	(556,417)	—	7,946,066
Totals capital assets being depreciated	14,285,649	975,012	(556,417)	—	14,704,244
Less, accumulated depreciation for:					
Land improvements	(2,686,892)	(251,892)	—	—	(2,938,784)
Buildings and improvements	(1,175,329)	(33,447)	—	—	(1,208,776)
Furniture, vehicles, equipment	(6,349,215)	(423,120)	556,417	—	(6,215,919)
Total accumulated depreciation	(10,211,436)	(708,459)	556,417	—	(10,363,479)
Total capital assets being depreciated, net	4,074,213	266,553	—	—	4,340,765
Net capital assets – Governmental Activities	\$ 11,939,735	\$ 1,702,519	\$ —	\$ —	\$ 13,642,253

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

5. Capital Assets (Continued)

Business-Type Activities:

	Balance June 30, 2015	Additions	Retirements	Transfers	Balance June 30, 2016
Capital assets not being depreciated:					
Land and rights-of-way	\$ 330,568	\$ —	\$ —	\$ —	\$ 330,568
Construction in progress	1,450,182	5,341,860	—	(1,686,368)	5,105,674
Total capital assets not being depreciated	<u>1,780,750</u>	<u>5,341,860</u>	<u>—</u>	<u>(1,686,368)</u>	<u>5,436,242</u>
Capital assets being depreciated:					
Water plant and distribution system	38,090,461	127,036	—	24,982	38,242,479
Wastewater plant and collection system	109,692,668	356,112	—	1,661,386	111,710,166
Septage & grease facility	1,532,900	—	—	—	1,532,900
Furniture, vehicles, equipment	5,799,564	1,250,760	(309,257)	—	6,741,067
Total capital assets being depreciated	<u>155,115,593</u>	<u>1,733,908</u>	<u>(309,257)</u>	<u>1,686,368</u>	<u>158,226,612</u>
Less, accumulated depreciation for:					
Water plant and distribution system	(15,471,386)	(1,045,956)	—	—	(16,517,342)
Wastewater plant and collection system	(15,879,051)	(2,782,963)	—	—	(18,662,014)
Septage & grease facility	(59,423)	(51,050)	—	—	(110,473)
Furniture, vehicles, equipment	(3,667,735)	(475,401)	290,111	—	(3,853,025)
Total accumulated depreciation	<u>(35,077,595)</u>	<u>(4,355,370)</u>	<u>290,111</u>	<u>—</u>	<u>(39,142,854)</u>
Total capital assets being depreciated, net	<u>120,037,998</u>	<u>(2,621,462)</u>	<u>(19,146)</u>	<u>1,686,368</u>	<u>119,083,758</u>
Net capital assets – Business-type Activities	<u>\$121,818,748</u>	<u>\$ 2,720,398</u>	<u>\$ (19,146)</u>	<u>\$ —</u>	<u>\$124,520,000</u>

For the year ended June 30, 2016, 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 \$43,051 was capitalized as part of the construction for Business-type Activities at during the fiscal year 2016.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt

Long-term debt of the City at June 30, 2016, consisted of the following:

A. Governmental Activities

Tax Increment Financing (TIF) Revenue Bond, Series 2002, \$5,000,000, dated 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 semi-annual interest at 4.03% per annum.	\$ 491,714
Less, current portions (due within one year):	
TIF Revenue Bond, Series 2002 payable	(476,793)
Total long-term debt – Governmental Activities	\$ 14,921

B. Business-Type Activities

Clean Water State Revolving Funds (SRF) Loan, Series 2002, \$1,650,000, dated December 1, 2002, principal and interest (3.75% per annum) payable quarterly, final payment due September 1, 2023.	\$ 701,885
Clean Water State Revolving Funds (SRF) Loan, Series 2009, \$33,733,234, dated September 15, 2009, interest (2.25% per annum) payable quarterly, final payment due March 1, 2032.	27,823,273
Clean Water State Revolving Funds (SRF) Loan, Series 2015, \$3,734,073, dated January 29, 2015, interest (2.00% per annum) payable quarterly, final payment due August 1, 2035.	3,619,271
Water and Sewer System Refunding Revenue Bonds, Series 2016A (taxable), \$8,470,000, dated March 29, 2016, principal and interest (.95% – 3.22% per annum) payable semi-annually, final payment due July 1, 2027.	8,470,000
Water and Sewer System Refunding Revenue Bonds, Series 2016B (non-taxable), \$4,500,000, dated March 29, 2016, principal and interest (3.00% – 4.00% per annum) payable semi-annually, final payment due July 1, 2027.	4,500,000
Installment purchase contract – (Utility Department Vehicles), \$639,000, dated September 4, 2015, interest at 1.47% per annum, due on or before September 4, 2019.	507,532
	45,621,962
Add/Subtract:	
Series 2016A Bond discount (\$44,769 net \$4,974 accumulated amortization)	(39,795)
Series 2016B Bond premium (\$660,846 net \$47,203 accumulated amortization)	613,643
Less, current portions (due within one year):	
State Revolving Fund Loans (Series' 2002, 2009, and 2015)	(1,735,339)
Revenue bonds (Series 2016)	(695,000)
Installment purchase contracts payable	(144,902)
Total long-term debt – Business-type Activities	\$ 43,620,569

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

B. Business-Type Activities (continued)

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

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

At June 30, 2016, total funds available in the trust account equaled \$14,599,760, and the outstanding principal and interest due on the Series 2007A bonds equaled \$15,646,475. The Series 2016A bonds shall not be subject to optional redemption prior to their stated maturities. The Series 2016B bonds maturing on and after July 1, 2027 are subject to redemption at any time on and after July 1, 2026 at a redemption price of par plus accrued interest to the date of redemption.

Bond Refunding Gains or Losses

The defeasance transaction of the Series 2007A bonds resulted in an accounting loss of \$872,196, which is being amortized over the shorter life of the new refunding debt or the refunded (old) debt, with such amount being reported as deferred outflows of resources on the Statement of Net Position. For the year ended June 30, 2016, amortization expense of the bond refunding loss equaled \$105,178.

At closing, the total cash flows of the Series 2016A&B bonds debt service requirements equaled \$15,725,667 and the total cash flows of the remaining 2007A bonds equaled \$15,812,669, resulting in a savings of \$87,002. The net present value of cash flows equaled \$967,075, resulting in an economic gain.

Amendment of Series 2009 Clean Water State Revolving Funds (SRF) Loan

On October 27, 2014, the South Carolina State Budget and Control Board amended the Series 2009 Clean Water State Revolving Funds Loan (Series 2009 SRF Loan) after processing the final draw request. The undisbursed loan funds of \$1,081,166 were used to reduce the total loan amount to \$33,793,369. Pursuant to Section 1.4.2 of the Series 2009 SRF Loan Agreement, the quarterly payments were recalculated based upon the final loan amount retroactive to the payment initiation date. A new amortization schedule with quarterly payment amounts equaling \$525,732, took effect on January 1, 2015. The overpayment of \$168,200 was applied as a simple credit to the December 1, 2014 payment. The Series 2009 SRF Loan balance was \$29,995,664 after the December 1, 2014 payment was applied. At June 30, 2016, remaining proceed funds held in trust by the State equaled \$714,979.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

B. Business-Type Activities (continued)

Wastewater System Contracts – State Revolving Fund Loans

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

Springdale Agreement

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

Lexington and Commission Agreement

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

Installment Purchase Contracts

During FY 2015-2016, the City entered into an installment purchase contract totaling \$639,000, and is collateralized by certain equipment used in the Water and Sewer Utility Fund. At June 30, 2016, total outstanding balance totaled \$507,532.

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, 2016, were as follows:

	Date of Issue	Outstanding 6/30/15	Additions	Retirements	Outstanding 6/30/16
Governmental Activities:					
TIF Revenue Bonds – Series 2002	10/24/02	\$ 949,858	\$ —	\$ (458,144)	\$ 491,714
Installment purchase contracts	Various	\$ 224,242	\$ —	\$ (224,242)	\$ —
Accrued compensated absences	—	\$ 358,395	\$ 53,814	\$ (17,639)	\$ 394,570
Business-type Activities:					
Clean Water State Revolving Funds Loan – Series 2002	12/01/02	\$ 811,774	\$ —	\$ (109,889)	\$ 701,885
Water and Sewer System Refunding and Improvement Revenue Bonds – Series 2007A	9/11/07	\$ 13,945,000	\$ —	\$ (13,945,000)	\$ —
Clean Water State Revolving Funds Loan – Series 2009	9/15/09	\$ 29,279,642	\$ —	\$ (1,456,369)	\$ 27,823,273
Clean Water State Revolving Funds Loan – Series 2015	1/29/15	\$ 3,734,073	\$ —	\$ (114,802)	\$ 3,619,271
Water and Sewer System Refunding Revenue Bonds – Series 2016A (Taxable)	3/29/16	\$ —	\$ 8,470,000	\$ —	\$ 8,470,000
Water and Sewer System Refunding Revenue Bonds – Series 2016B (Non-taxable)	3/29/16	\$ —	\$ 4,500,000	\$ —	\$ 4,500,000
Installment purchase contract	9/04/15	\$ —	\$ 639,000	\$ (131,468)	\$ 507,532
Accrued compensated absences	—	\$ 111,737	\$ 44,769	\$ (33,677)	\$ 122,829

Accrued compensated absences due within one year for the Governmental Activities total \$134,715 and for Business-type Activities total \$92,572 at June 30, 2016.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

D. Annual Requirements for Long-Term Debt

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

	<u>Interest</u>	<u>Principal</u>	<u>Total Requirements</u>
Governmental Activities:			
Tax Increment Revenue Bonds, Series 2002:			
2017 (due within one year)	\$ 15,060	\$ 476,793	\$ 491,853
2018	302	14,921	15,223
	<u>\$ 15,362</u>	<u>\$ 491,714</u>	<u>\$ 507,076</u>
	<u>Interest</u>	<u>Principal</u>	<u>Total Requirements</u>
Business-type Activities:			
SRF Loan, Series 2002			
2017 (due within one year)	\$ 15,035	\$ 90,159	\$ 105,194
2018	12,990	92,204	105,194
2019	10,898	94,296	105,194
2020	8,758	96,436	105,194
2021	6,570	98,624	105,194
2022-2024	6,522	230,166	236,688
	<u>\$ 60,773</u>	<u>\$ 701,885</u>	<u>\$ 762,658</u>
SRF Loan, Series 2009			
2017 (due within one year)	\$ 613,516	\$ 1,489,414	\$ 2,102,930
2018	579,720	1,523,210	2,102,930
2019	545,157	1,557,773	2,102,930
2020	509,811	1,593,119	2,102,930
2021	473,662	1,629,268	2,102,930
2022-2026	1,796,709	8,717,941	10,514,650
2027-2031	761,720	9,752,929	10,514,649
2032	17,579	1,559,619	1,577,198
	<u>\$ 5,297,874</u>	<u>\$ 27,823,273</u>	<u>\$ 33,121,147</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

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

	Interest	Principal	Total Requirements
Business-type Activities (continued):			
SRF Loan, Series 2015			
2017 (due within one year)	\$ 71,222	\$ 155,765	\$ 226,987
2018	68,083	158,904	226,987
2019	64,881	162,106	226,987
2020	61,614	165,373	226,987
2021	58,282	168,705	226,987
2022-2026	239,029	895,906	1,134,935
2027-2031	145,051	989,884	1,134,935
2032-2036	42,073	922,628	964,701
	<u>\$ 750,235</u>	<u>\$ 3,619,271</u>	<u>\$ 4,369,506</u>
Revenue Bonds, Series 2016A			
2017 (due within one year)	\$ 130,996	\$ 695,000	\$ 825,996
2018	159,922	1,675,000	1,834,922
2019	138,241	1,245,000	1,383,241
2020	120,133	765,000	885,133
2021	103,708	780,000	883,708
2022-2026	199,415	3,310,000	3,509,415
	<u>\$ 852,415</u>	<u>\$ 8,470,000</u>	<u>\$ 9,322,415</u>
Revenue Bonds, Series 2016B			
2017 (due within one year)	\$ 134,376	\$ —	\$ 134,376
2018	177,850	—	177,850
2019	177,850	—	177,850
2020	177,850	—	177,850
2021	177,850	—	177,850
2022-2026	859,275	1,230,000	2,089,275
2026-2031	198,200	3,270,000	3,468,200
	<u>\$ 1,903,251</u>	<u>\$ 4,500,000</u>	<u>\$ 6,403,251</u>
Installment Purchase Contract			
2017 (due within one year)	\$ 5,973	\$ 144,902	\$ 150,875
2018	4,274	160,316	164,590
2019	1,902	162,689	164,591
2020	100	39,625	39,725
	<u>\$ 12,249</u>	<u>\$ 507,532</u>	<u>\$ 519,781</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

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

Revenue Bond Covenants

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

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

The pledge and liens securing the SRF Loans (Series’ 2002, 2009 and 2015) are on parity in all respects with the pledges and liens securing the revenue bonds (Series 2016A&B). The City was in compliance with its covenant requirements at June 30, 2016.

7. Net Position

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

	Governmental Activities	Business-type Activities
<u>Net Investment in Capital Assets:</u>		
Net capital assets	\$ 13,642,253	\$ 124,520,000
Less, revenue bonds and loans payable	(491,714)	(45,621,962)
Add, back portion of debt proceeds reported as restricted	—	714,979
Less, construction and retainages payable	(72,304)	(791,018)
Less, installment purchase contracts	—	(507,532)
Total net investment in capital assets	\$ 13,078,235	\$ 78,314,467

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Net Position (continued)

	Governmental Activities	Business-type Activities
<u>Restricted:</u>		
Restricted assets:		
Debt service	\$ 1,000,067	\$ 1,159,595
Project and construction funds	789,311	5,978,881
Tourism related	518,849	—
Community development and housing	14,193	—
Pensions and employee benefits	1,749,168	790,609
Law enforcement	13,093	—
ABC permit activities	48,455	—
Victim’s Rights Assistance	21,233	—
Less, liabilities payable from restricted assets:		
Debt service related	(3,303)	—
Hospitality related	(7,417)	—
Capital projects related	(54,066)	(209,038)
Total restricted net position	\$ 4,089,583	\$ 7,720,047

8. Employee Retirement

The City’s retirement program for its employees follows:

Plan Description

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

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

Benefits

The SCRS and PORS offers retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits, and are established by State statutes.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

Benefits (continued)

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

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

Funding Policy

The City's total pensionable wages ("covered payroll") for the years ended June 30, 2016, 2015, and 2014, were approximately \$8,359,967, \$7,923,045, and \$7,612,085 respectively, while total wages ("covered-employee") were \$8,565,569, \$7,985,444, and \$7,668,105, for the years ended 2016, 2015, and 2014, respectively. State statutes also determine the levels of contributions required by both employers and employees.

For the year ended June 30, 2016, SCRS contribution rates were 8.16% and 11.06% for non-public safety employees and the employer, respectively. PORS contribution rates were 8.74% and 13.74% for public safety employees and the employer, respectively. Effective July 1, 2016, for non-public safety employees, the employee contribution rate will be 8.66% and the employer required contribution will be 11.06%, which includes .15% of group life coverage. Effective July 1, 2016, for public safety employees, the employee contribution rate will be 9.24% and the employer contribution rate will be 13.84%, which includes .2% of group life and .2% of accidental death coverage. The City contributed 100% of the required contribution for each of the plans for the years ending June 30, 2016, 2015, and 2014, as shown in the following table.

	SCRS			PORS		
	2016	2015	2014	2016	2015	2014
Wages:						
Covered payroll	\$ 5,443,028	\$ 5,133,635	\$ 4,849,702	\$ 2,916,939	\$ 2,789,410	\$ 2,762,383
Contribution rates:						
Employees	8.16%	8.0%	7.5%	8.74%	8.41%	7.84%
Employer	11.06%	10.9%	10.6%	13.74%	13.41%	12.84%
Contributions:						
Employees	\$ 444,152	\$ 427,593	\$ 363,728	\$ 254,942	\$ 217,686	\$ 216,571
Employer	\$ 635,004	\$ 557,599	\$ 514,069	\$ 406,098	\$ 374,067	\$ 354,690

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

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

At June 30, 2016, the City reported a liability of \$15,291,145 for the measurement period June 30, 2015 for its proportionate share of the net pension liabilities, of which \$10,383,791 was for SCRS and \$4,907,354 was for PORS. The net pension liabilities were measured by PEBA as of June 30, 2015 and the total pension liabilities used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 and rolled forward to June 30, 2015. The City's proportion share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, PEBA reported the City's proportion of the collective net pension liability was 0.0547510% for SCRS and 0.225160% for PORS.

For the year ended June 30, 2016, the City recognized pension expense of \$1,228,556, of which \$808,399 was for SCRS (\$404,073 in Governmental Activities and \$404,326 in the Business-type Activities) and \$420,157 for PORS (all Governmental Activities), respectively.

Components of Change in Net Pension Liability (NPL)

Changes in the net pension liability for the measurement period, June 30, 2015, follows:

	SCRS	PORS	Total
Pension expense:			
Service cost	\$ 407,456	\$ 346,976	\$ 754,432
Interest on total pension liability	1,723,611	980,185	2,703,796
Changes in plan benefits	—	—	—
Plan administrative costs	6,873	4,369	11,242
Plan member contributions	(392,076)	(240,592)	(632,668)
Expected return on plan assets	(1,036,769)	(666,886)	(1,703,655)
Recognition of deferred outflows – current year amortization	76,748	33,010	109,758
Recognition of deferred inflows – current year amortization	21,829	(34,518)	(12,689)
Other	727	(2,387)	(1,660)
Total pension expense	808,399	420,157	1,228,556
PEBA employer contribution	(559,562)	(374,130)	(933,692)
Changes in deferred items (net of amortization):			
Outflow – Plan performance	(76,563)	(19,719)	(96,282)
Outflow – Assumption changes	—	—	—
Inflow – Investment experience	576,368	427,770	1,093,304
Inflow – Allocated proportion	171,241	—	171,241
Inflow – Plan performance	(18,570)	—	(18,570)
Inflow – Assumption changes	—	—	—
Inflow – Investment experience	180,663	133,160	313,823
Inflow – Allocated proportion change	—	(63,654)	(63,654)
Total change in net pension liability	\$ 1,171,142	\$ 523,584	\$ 1,694,726

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

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

At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources Related to Pensions		
	SCRS	PORS	Total
Differences between expected and actual plan performance	\$ 184,485	\$ 97,266	\$ 281,751
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on pension plan investments	576,368	427,770	1,004,138
Changes in proportion and differences between City contributions and proportionate share of contributions	171,241	—	171,241
City contributions subsequent to the measurement date	635,004	406,098	1,041,102
Employer differences	41,545	—	41,545
Total	\$ 1,608,643	\$ 931,134	\$ 2,539,777

	Deferred Inflows of Resources Related to Pensions		
	SCRS	PORS	Total
Differences between expected and actual plan performance	\$ 18,570	\$ —	\$ 18,570
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on pension plan investments	506,864	374,074	880,938
Changes in proportion and differences between City contributions and proportionate share of contributions	—	63,654	63,654
Employer differences	4,448	47,174	51,622
Total	\$ 529,882	\$ 484,902	\$ 1,014,784

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

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

The \$1,041,102 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal year ended June 30:</u>	Deferred Outflows of Resources Related to Pensions		
	SCRS	PORS	Total
2017	\$ 287,990	\$ 140,080	\$ 428,070
2018	224,841	140,080	364,921
2019	224,841	140,080	364,921
2020	235,967	104,796	340,763
	\$ 973,639	\$ 525,036	\$ 1,498,675

<u>Fiscal year ended June 30:</u>	Deferred Inflows of Resources Related to Pensions		
	SCRS	PORS	Total
2017	\$ 176,645	\$ 155,090	\$ 331,735
2018	176,645	155,090	331,735
2019	176,592	154,696	331,288
2020	—	20,026	20,026
	\$ 529,882	\$ 484,902	\$ 1,014,784

Actuarial Assumptions

The total pension liabilities in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	SCRS	PORS
Cost Method	Entry Age Normal	Entry Age Normal
Inflation	2.75%	2.75%
Projected salary increases	3.5% to 12.5% (varies by service)	4.0% to 10.0% (varies by service)
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually
Investment rate of return	7.5%, net of pension plan investment expense, including inflation	7.5%, net of pension plan investment expense, including inflation

CITY OF CAYCE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

Actuarial Assumptions (continued)

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, by job class, as appropriate, with adjustments for mortality improvements based on Scale AA, projected from the year 2000.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study on data through June 30, 2010. The next actuarial experience study is scheduled to be conducted after the June 30, 2016 annual valuation is completed.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the June 30, 2015, actuarial valuations, was based upon the 30 year capital market outlook at the end of the fourth quarter 2013, as developed by the Retirement Systems Investment Commission (RSIC) in collaboration with its investment consultant, Aon Hewitt. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economics forecasts. Long-term assumptions for other asset classes are based on historical results, current market characteristics, and professional judgment.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation as adopted by the RSIC for fiscal year 2015. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.50% assumed annual investment rate of return set in statute and used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.75% inflation component.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

Long-term Expected Rate of Return (continued)

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the SCRS and PORS plans, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table on the following page. For actuarial purposes, the 7.50% assumed annual investment rate of return, used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.75% inflation component as adopted by the RSIC for 2015.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Short Term:			
Cash	2.0%	1.90%	0.04%
Short Duration	3.0%	2.00%	0.06%
Domestic Fixed Income:			
Core Fixed Income	7.0%	2.70%	0.19%
Mixed Credit	6.0%	3.80%	0.23%
Global Fixed Income:			
Global Fixed Income	3.0%	2.80%	0.08%
Emerging Markets Debt	6.0%	5.10%	0.31%
Global Public Equity	31.0%	7.10%	2.20%
Global Tactical Asset Allocation	10.0%	4.90%	0.49%
Alternatives:			
Hedge Funds (Low Beta)	8.0%	4.30%	0.34%
Private Debt	7.0%	9.90%	0.69%
Private Equity	9.0%	9.90%	0.89%
Real Estate (Broad Market)	5.0%	6.00%	0.30%
Commodities	3.0%	5.90%	0.18%
Total expected real return	<u>100.0%</u>		<u>6.00%</u>
Inflation for actuarial purposes			<u>2.75%</u>
Total expected nominal return			<u>8.75%</u>

CITY OF CAYCE, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities at June 30, 2015, was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	City's proportionate share of the net pension liabilities to changes in the discount rate		
	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
SCRS	\$ 13,090,994	\$ 10,383,791	\$ 8,114,811
PORS	\$ 6,685,051	\$ 4,907,354	\$ 3,318,313

Pension Plans Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PEBA financial report. A comprehensive annual financial report containing financial statements and required supplementary information for the SCRS and PORS, which is issued and publicly available on the website www.retirement.sc.gov, or a copy may be obtained by submitting in writing a request to the South Carolina Retirement System, P. O. Box 11960, Columbia, SC 29211-1960.

CITY OF CAYCE, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Post-Employment Benefits Other Than Pension

Plan Description

In addition to the pension benefits described in *Note 8*, the City maintains a policy whereby an employee who was hired prior to July 1, 2009 and who qualifies under the South Carolina Retirement System’s regular service retirement and who has 15 years of service with the City will have the opportunity to participate in the City’s single employer defined benefit other post-employment benefit (OPEB) plan, hereafter referred to as “OPEB” or the “Program”. The plan offers retired employees’ premium payments for the employee group health insurance plan (including dental) at no cost. The City’s policy premium rates were \$680.94 for the retiree and \$677.34 for the spouse for the year ended June 30, 2016. The retiree pays nothing for retiree only coverage and pays the full premium rate of \$677.34 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, 2016, the City had 5 retired employees with an average age of 57 years covered by the program with monthly premium costs averaging \$680.94 per participant. Total expenses funded by the City for the year ended June 30, 2016 were \$43,573 (or 16.7%) of the annual required contribution; all which have been funded by the General Fund and none have been funded by the Proprietary Fund. For prior fiscal years 2015 and 2014, total funding expenses were \$36,153 and \$30,728 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	\$ 106,014
Amortization of UAL	151,490
Annual required contribution (ARC)	<u>257,504</u>
Interest on net other post-employment benefit (OPEB) obligation	93,160
Adjustment to required annual contribution	<u>(12,803)</u>
Annual other post-employment benefit (OPEB) cost	337,861
Contributions made	<u>(43,573)</u>
Increase in net other post-employment benefit (OPEB) obligation	294,288
Net other post-employment benefit (OPEB) obligation – beginning of year	<u>2,070,209</u>
Net other post-employment benefit (OPEB) obligation – end of year	<u><u>\$ 2,364,497</u></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 \$337,861, \$218,751, and \$429,977, for the fiscal years 2016, 2015 and 2014, respectively. The City's net other post-employment benefit (OPEB) obligation was \$2,314,497, \$2,070,208, and \$1,887,611, for the fiscal years 2016, 2015 and 2014, respectively. The City contributed 12.9%, 16.5%, and 7.1%, of the annual other post-employment benefit cost for the years ended June 30, 2016, 2015, and 2014, respectively.

Funded Status and Funding Progress

The actuarial accrued liability for benefits was \$2,259,061 as of the last actuarial valuation as of July 1, 2015, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan at February 2015) was \$3,249,099, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 70% . The covered payroll in the plan as of June 30, 2015 was \$7,985,444, and \$8,565,569 at June 30, 2016.

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, 2015, 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 percentage of payroll required to fully amortize the UAAL over a 30 year period. The remaining amortization period is 29 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 9.5% to 5% at a constant rate over ten years for fiscal years 2015 and later. The health care trend rate used in the actuarial study was medical = 9.5%, dental = 2.00%, and life = 0.00%. The three year average medical trend was 9.0% as of June 30, 2015.

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 official's liability; and various Fidelity bond coverages for its employees. There have been no significant reductions in insurance coverage in the current year, and settled claims have not exceeded coverage in any of the last three fiscal years.

During the fiscal year, the City's business risk insurance provides building and content coverage up to \$114,062 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, 2016, 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, 2016, were as follows:

Contributed property by developers	\$ 483,147
Capacity charges	1,308,127
Return of disputed capital contributions	<u>(842,659)</u>
Total capacity charges to customers under agreement and other capital contributions recognized	<u>\$ 948,615</u>

12. Commitments and Contingencies

Litigation

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

Federal and State Assisted Programs

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

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

CITY OF CAYCE, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

13. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanations of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The Governmental Fund Balance Sheet includes a reconciliation between fund balance amounts and Net Position – Governmental Activities. The details of the reconciled amounts are as follows:

<i>Capital assets in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements:</i>	
Capital assets	\$ 24,005,732
Less, accumulated depreciation	<u>(10,363,479)</u>
Net amount reported	<u>\$ 13,642,253</u>
 <i>Other assets not available to pay for current period expenditures and, therefore, are not reported in the funds:</i>	
State shared (local government fund) and accommodation tax revenue	\$ 127,789
Contractual rights for animal services	95,000
Property taxes revenue	<u>58,455</u>
Net amount reported	<u>\$ 281,244</u>
 <i>Deferred outflows related to pensions are not included in the pension liability as of the measurement date, and, therefore are reported in the fund financial statements but deferred at the government-wide level.</i>	
	<u>\$ 1,749,168</u>
 <i>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:</i>	
Revenue bond and installment purchase contracts	\$ (491,713)
Accrued compensated absences	(394,570)
Net pension liabilities	(10,017,523)
Other post-employment benefits (OPEB)	<u>(1,569,774)</u>
Net amount reported	<u>\$ (12,473,580)</u>
 <i>Deferred inflows related to pensions are not due and payable in the current period and, therefore, are not reported in the fund financial statements.</i>	
	<u>\$ (781,611)</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

The Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances includes a reconciliation between net changes in fund balance and Changes in Net Position – Governmental Activities. The details of the reconciled amounts are as follows:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period:

Capital outlay expenditures	\$ 2,409,397
Donated equipment	1,580
Depreciation expense	<u>(708,459)</u>
Net amount reported	<u>\$ 1,702,518</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	\$ 9,086
	<u>\$ 9,086</u>

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

Change in accrued compensated absence	\$ (36,175)
Animal control service agreement expense	(5,000)
Pension expenses	(109,496)
Other post-employment benefits (OPEB)	<u>(222,229)</u>
Net amount reported	<u>\$ (372,900)</u>

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

Principal repayments – Installment purchase contracts	\$ 224,248
Principal repayments – TIF Bonds	458,144
Net amount reported	<u>\$ 682,392</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

14. Subsequent Events

The City has a commitment from the state of South Carolina for the issuance of a Clean Water State Revolving Funds Loan in an estimated principal amount not to exceed \$26,000,000.

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

CITY OF CAYCE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CAYCE, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

YEAR ENDED JUNE 30, 2016
 (With comparative actual amounts for year ended June 30, 2015)

	2016			Variance Positive (Negative)	2015
	Budget		Actual		Actual
	Original	Final			
Revenue					
Property taxes	\$ 2,934,309	\$ 2,934,309	\$ 3,059,485	\$ 125,176	\$ 2,935,332
Licenses and permits	3,842,500	3,842,500	4,799,886	957,386	6,969,845
Fines and forfeitures	295,500	295,500	260,880	(34,620)	329,068
State shared revenue	343,000	343,000	362,805	19,805	362,744
Current services	818,204	818,204	796,448	(21,756)	848,100
Grants and other	1,853,400	578,079	1,521,125	943,046	1,836,617
Interest income	1,600	1,600	1,076	(524)	1,666
Total revenue	10,088,513	8,813,192	10,801,705	1,988,513	13,283,372
Expenditures					
General Government					
Legislative	126,089	126,089	122,910	3,179	97,212
Administrative	646,906	647,332	704,994	(57,662)	591,618
Recorder's Court	179,469	179,469	167,983	11,486	157,968
Legal	73,575	73,575	101,676	(28,101)	148,333
Total	1,026,039	1,026,465	1,097,563	(71,098)	995,131
Less, Utility Fund overhead	—	(586,591)	(586,591)	—	(576,270)
Net general government	1,026,039	439,874	510,972	(71,098)	418,861
Information Technology					
Administrative	210,704	210,704	221,418	(10,714)	222,904
Less, Utility Fund overhead	—	(109,625)	(109,625)	—	(105,252)
Less capital outlay	—	(36,903)	(36,903)	—	(39,359)
Net information technology	210,704	64,176	74,890	(10,714)	78,293
Finance					
Finance and accounting	287,774	287,774	289,326	(1,552)	257,891
Tax collection	21,110	21,110	21,200	(90)	20,857
Total	308,884	308,884	310,526	(1,642)	278,748
Less, Utility Fund overhead	—	(224,505)	(224,505)	—	(229,001)
Net finance	308,884	84,379	86,021	(1,642)	49,747
Public Safety					
Administrative	494,538	494,538	500,811	(6,273)	464,540
Police – Detectives	683,763	683,763	683,974	(211)	602,601
Police – Traffic	3,270,381	3,270,668	3,140,642	130,026	3,204,498
Fire	1,169,762	1,717,221	1,760,522	(43,301)	915,290
Animal services	147,248	147,248	133,326	13,922	126,837
Parks	296,470	296,470	287,807	8,663	—
Total	6,062,162	6,609,908	6,507,082	102,826	5,313,766
Less, Utility Fund overhead	—	(89,826)	(89,826)	—	(91,796)
Less, capital outlay	(576,584)	(813,115)	(813,115)	—	(249,068)
Net public safety	5,485,578	5,706,967	5,604,141	102,826	4,972,902

CITY OF CAYCE, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND
— CONTINUED —

	2016			Variance Positive (Negative)	2015
	Budget		Actual		Actual
	Original	Final			
Expenditures (Continued)					
Public Works					
Street lighting	232,000	236,410	291,850	(55,440)	331,136
Sanitation	1,072,451	1,109,782	1,067,010	42,772	1,177,801
Public buildings	98,964	545,760	422,948	122,812	111,415
Total	1,403,415	1,891,952	1,781,808	110,144	1,620,352
Less, Utility Fund overhead	—	(43,392)	(43,392)	—	(49,957)
Less, capital outlay	—	(314,221)	(314,221)	—	(260,448)
Net public works	1,403,415	1,534,339	1,424,195	110,144	1,309,947
Community Relations					
Promotions and events	95,578	119,178	146,529	(27,351)	143,347
Total community relations	95,578	119,178	146,529	(27,351)	143,347
Planning and Development					
Planning and zoning	457,477	816,277	866,930	(50,653)	352,961
Less, capital outlay	—	(358,800)	(358,800)	—	(7,366)
Total planning and development	457,477	457,477	508,130	(50,653)	345,595
Parks and Museum					
Parks	649,241	851,816	815,480	36,336	714,032
Museum	223,678	223,678	222,059	1,619	145,247
Total	872,919	1,075,494	1,037,539	37,955	859,279
Less, capital outlay	—	(270,777)	(270,777)	—	(196,805)
Net parks and museum	872,919	804,717	766,762	37,955	662,474
Garage					
Garage	379,232	379,428	361,581	17,847	341,575
Less, Utility Fund overhead	—	(100,992)	(100,992)	—	(103,635)
Net garage	379,232	278,436	260,589	17,847	237,940
Non-departmental and Support Services					
Non-departmental and support services	154,313	154,313	43,573	110,740	49,253
Less, Utility Fund overhead	—	(43,305)	(43,305)	—	(5,082)
Less, capital outlay	—	—	—	—	(17,695)
Net support services	154,313	111,008	268	110,740	26,476

CITY OF CAYCE, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2016			Variance Positive (Negative)	2015
	Budget		Actual		Actual
	Original	Final			
Expenditures (Continued)					
Debt Service					
Principal retirement	227,877	227,877	224,248	3,629	376,613
Interest and fiscal charges	10,286	10,286	3,288	6,998	10,222
Total debt service	238,163	238,163	227,536	10,627	386,835
Less, overhead allocated – Utility Fund	—	(79,185)	(79,185)	—	(143,980)
Net debt service	238,163	158,978	148,351	10,627	242,855
Capital Outlay	576,584	1,793,816	1,793,816	—	770,741
Total expenditures	11,208,886	11,553,345	11,324,664	228,681	9,259,178
Excess (deficiency) of revenue over expenditures	(1,120,373)	(2,740,153)	(522,959)	2,217,194	4,024,194
Other Financing Sources (Uses)					
Installment purchase contract	466,104	466,104	—	(466,104)	—
Proceeds from sale of assets	(10,000)	(10,000)	35,000	25,000	16,972
Transfers in:					
Accommodations Tax Fund	39,000	60,500	99,172	38,672	67,484
Hospitality tax	605,269	605,269	605,269	—	348,816
Total other financing sources (uses)	1,120,373	1,141,873	739,441	(402,432)	433,272
Net change in fund balance	—	(1,598,280)	216,482	1,814,762	4,457,466
Fund balance, beginning of year	5,684,864	5,684,864	5,684,864	—	1,227,398
Fund balance, end of year	<u>\$ 5,684,864</u>	<u>\$ 4,086,584</u>	<u>\$ 5,901,346</u>	<u>\$ 1,814,762</u>	<u>\$ 5,684,864</u>

See Notes to Budgetary Comparison Schedule

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

A. Budgets and Budgetary Accounting

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

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

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

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

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

The General Fund operated under a final expenditure budget totaling \$9,953,345, plus \$1,600,000 Utility Fund overhead allocations, which have been netted against departmental expenditures in the comparison schedule, and other financing sources (uses) of \$1,141,873.

Budget to Actual Deficits

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

B. Pensions

Changes of benefit terms: None
Changes to assumptions: None

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

JUNE 30, 2016

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%
7/01/15	—	\$2,259,061	\$2,259,061	0%	\$3,249,099	70%

Note: The City obtains triennial valuations. The next scheduled valuation date is July 1, 2018.

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
City' s proportion of the net pension liability	N/A	0.54751%	0.53510%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City' s proportion share of the net pension liability	N/A	\$ 10,383,791	\$ 9,212,648	\$ 9,597,785	N/A	N/A	N/A	N/A	N/A	N/A
City' s covered payroll (pensionable)	\$ 5,443,028	\$ 5,133,635	\$ 4,849,702	\$ 4,933,520	N/A	N/A	N/A	N/A	N/A	N/A
City' s proportion share of the net pension liability as a percentage of its covered payroll	N/A	202.3%	190.0%	194.5%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	57.0%	59.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

N/A – Not available

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 635,004	\$ 591,529	\$ 514,069	\$ 486,663	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	\$ 635,004	\$ 591,529	\$ 514,069	\$ 486,663	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	N/A	N/A	N/A	N/A	N/A	N/A
City's covered payroll (pensionable)	\$ 5,443,028	\$ 5,133,635	\$ 4,849,702	\$ 4,933,520	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	11.7%	11.5%	10.6%	9.9%	N/A	N/A	N/A	N/A	N/A	N/A

(1) Because prior year data is unavailable, the City has elected to present information prospectively.
 N/A – Not available

CITY OF CAYCE, SOUTH CAROLINA

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

POLICE OFFICERS RETIREMENT SYSTEM (PORS)

LAST TEN FISCAL YEARS*(1)
(Dollar amount in thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
City's proportion of the net pension liability (asset)	N/A	0.225160%	0.22899%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City's proportion share of the net pension liability (asset)	N/A	\$ 4,907,354	\$ 4,383,771	\$ 4,746,817	N/A	N/A	N/A	N/A	N/A	N/A
City's covered payroll (pensionable)	\$ 2,916,939	\$ 2,789,410	\$ 2,762,383	\$ 2,267,964	N/A	N/A	N/A	N/A	N/A	N/A
City's proportion share of the net pension liability (asset) as a percentage of its covered payroll	N/A	175.9%	158.7%	209.0%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	64.6%	67.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

N/A – Not available

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 406,098	\$ 374,067	\$ 354,690	\$ 321,072	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	\$ 406,098	\$ 374,067	\$ 354,690	\$ 321,072	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	N/A	N/A	N/A	N/A	N/A	N/A
City's covered payroll (pensionable)	\$ 2,916,939	\$ 2,789,410	\$ 2,762,383	\$ 2,267,964	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	13.9%	13.4%	12.8%	14.2%	N/A	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ Because prior year data is unavailable, the City has elected to present information prospectively.
 N/A – Not available

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, 2016

	<u>Total Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Assets				
Cash and cash equivalents:				
Unrestricted	\$ 83,801	\$ —	\$ —	\$ 83,801
Restricted	507,802	1,000,067	789,311	2,297,180
Hospitality taxes receivable	85,038	—	—	85,038
Other receivables	1,750	—	—	1,750
Total assets	<u>\$ 678,391</u>	<u>\$ 1,000,067</u>	<u>\$ 789,311</u>	<u>\$ 2,467,769</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 7,417	\$ —	\$ —	\$ 7,417
Accrued interest	—	3,303	—	3,303
Construction and retainages payable	—	—	54,066	54,066
Total liabilities	<u>7,417</u>	<u>3,303</u>	<u>54,066</u>	<u>64,786</u>
Fund balance:				
Restricted for:				
Debt service	—	996,764	—	996,764
Tourism and community development	525,625	—	—	525,625
ABC permit activities	48,455	—	—	48,455
Redevelopment plan	—	—	735,245	735,245
Law enforcement	13,093	—	—	13,093
Total restricted	<u>587,173</u>	<u>996,764</u>	<u>735,245</u>	<u>2,319,182</u>
Assigned for:				
Museum	83,801	—	—	83,801
Total fund balances	<u>670,974</u>	<u>996,764</u>	<u>735,245</u>	<u>2,402,983</u>
Total liabilities and fund balances	<u>\$ 678,391</u>	<u>\$ 1,000,067</u>	<u>\$ 789,311</u>	<u>\$ 2,467,769</u>

CITY OF CAYCE, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2016

	Total Special Revenue Funds	Debt Service Fund	Capital Projects	Total Non-Major Governmental Funds
Revenue				
Property taxes	\$ —	\$ 1,008,560	\$ —	\$ 1,008,560
Accommodation and hospitality taxes	1,068,426	—	—	1,068,426
State shared revenue	17,250	45,939	—	63,189
Federal, state and other grants	621	—	137,043	137,664
Interest income	—	125	—	125
Total revenue	<u>1,086,297</u>	<u>1,054,624</u>	<u>137,043</u>	<u>2,277,964</u>
Expenditures				
Planning and community development:				
Tourism related	100,719	—	—	100,719
Housing	9	—	—	9
Miscellaneous	—	—	38	38
Debt service:				
Principal	—	458,144	—	458,144
Interest and fiscal charges	—	33,709	—	33,709
Capital outlay	85,381	—	530,200	615,581
Total expenditures	<u>186,109</u>	<u>491,853</u>	<u>530,238</u>	<u>1,208,200</u>
Excess (deficiency) of revenue over expenditures	900,188	562,771	(393,195)	1,069,764
Other Financing Sources (Uses)				
Transfers in (out)	(704,441)	(700,000)	700,000	(704,441)
Net change in fund balances	195,747	(137,229)	306,805	365,323
Fund balances, beginning of year	475,227	1,133,993	428,440	2,037,660
Fund balances, end of year	<u>\$ 670,974</u>	<u>\$ 996,764</u>	<u>\$ 735,245</u>	<u>\$ 2,402,983</u>

CITY OF CAYCE, SOUTH CAROLINA

INDIVIDUAL FUND
FINANCIAL STATEMENTS

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
BALANCE SHEET

JUNE 30, 2016
(With comparative figures June 30, 2015)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Cash and cash equivalents:		
Unrestricted	\$ 5,230,632	\$ 4,044,255
Restricted	945,916	920,777
Property taxes receivable	1,482,714	1,410,246
Other receivables	212,675	206,940
Less, allowance for uncollectible accounts	(1,447,029)	(1,357,431)
Due from other funds	102,373	260,716
Prepaid items	—	505,935
Inventory – supplies (at cost)	64,979	53,208
Total assets	<u>\$ 6,592,260</u>	<u>\$ 6,044,646</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 134,610	\$ 213,331
Accrued salaries and wages	439,294	50,324
Other liabilities	23,224	23,224
Deposits and prepayments	84,471	59,447
Due to other funds	9,315	13,456
Total liabilities	<u>690,914</u>	<u>359,782</u>
 Fund balance:		
Nonspendable in:		
Inventories	64,979	53,208
Prepaid items	—	505,935
	<u>64,979</u>	<u>559,143</u>
Restricted for:		
Victims Rights Assistance	21,233	52,783
	<u>21,233</u>	<u>52,783</u>
Committed for:		
UST program	25,000	25,000
	<u>25,000</u>	<u>25,000</u>
Assigned for:		
Christmas in Cayce	8,875	5,144
Congaree Bluegrass Festival	3,259	—
History Park	918,466	918,466
	<u>930,600</u>	<u>923,610</u>
Unassigned	4,859,534	4,124,328
Total fund balance	<u>5,901,346</u>	<u>5,684,864</u>
Total liabilities and fund balance	<u>\$ 6,592,260</u>	<u>\$ 6,044,646</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016
(With comparative actual amounts year ended June 30, 2015)

	Current Year			Prior Year
	Final Budget	Actual	Variance Pos. (Neg.)	Actual
Revenue				
Property taxes	\$ 2,934,309	\$ 3,059,485	\$ 125,176	\$ 2,935,332
Licenses and permits	3,842,500	4,799,886	957,386	6,969,845
Fines and forfeitures	295,500	260,880	(34,620)	329,068
State shared revenue	343,000	362,805	19,805	362,744
Current services	818,204	796,448	(21,756)	848,100
Grants and other	578,079	1,521,125	943,046	1,836,617
Interest income	1,600	1,076	(524)	1,666
Total revenue	8,813,192	10,801,705	1,988,513	13,283,372
Expenditures				
Current (net of Utility Fund overhead allocations and capital outlay):				
Legislative	73,637	70,458	3,179	69,602
Administrative	142,548	200,210	(57,662)	78,309
Recorder's court	179,469	167,983	11,486	157,968
Legal	44,220	72,321	(28,101)	112,982
Information technology	64,176	74,890	(10,714)	78,293
Finance and accounting	63,269	64,821	(1,552)	28,890
Tax collector	21,110	21,200	(90)	20,857
Public safety:				
Administrative	443,118	449,391	(6,273)	411,712
Detectives	657,476	657,687	(211)	602,601
Police	3,098,962	2,968,936	130,026	2,922,697
Fire	1,134,108	1,177,409	(43,301)	909,055
Animal services	137,965	124,043	13,922	126,837
Parks	235,338	226,675	8,663	—
Street lighting	232,000	287,440	(55,440)	249,684
Sanitation	1,084,834	1,042,062	42,772	1,001,242
Public buildings	217,505	94,693	122,812	59,021
Community relations	119,178	146,529	(27,351)	143,347
Planning and development	457,477	508,130	(50,653)	345,595
Museum	160,890	159,271	1,619	145,247
Parks	643,827	607,491	36,336	517,227
Garage	278,436	260,589	17,847	237,940
Non-departmental and support services	111,008	268	110,740	26,476
Debt service	158,978	148,351	10,627	242,855
Capital outlay	1,793,816	1,793,816	—	770,741
Total expenditures	11,553,345	11,324,664	228,681	9,259,178
Excess (deficiency) of revenue over expenditures	(2,740,153)	(522,959)	2,217,194	4,024,194
Other Financing Sources (uses)				
Installment purchase	466,104	—	(466,104)	—
Proceeds from sale of assets	10,000	35,000	25,000	16,972
Transfers in:				
Accommodation tax	60,500	99,172	38,672	67,484
Hospitality tax	605,269	605,269	—	348,816
Total other financing sources (uses)	1,141,873	739,441	(402,432)	433,272
Net change in fund balance	(1,598,280)	216,482	1,814,762	4,457,466
Fund balance, beginning of year	5,684,864	5,684,864	—	1,227,398
Fund balance, end of year	\$ 4,086,584	\$ 5,901,346	\$ 1,814,762	\$ 5,684,864

CITY OF CAYCE, SOUTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUE — BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2016

Revenue	<u>Final Budget</u>	<u>Actual</u>
Property taxes:		
Property tax – current (Lexington County)	\$ 1,938,309	\$ 2,038,492
Property tax – current (Richland County)	100,000	86,983
Penalties – current	3,000	3,760
Property tax – delinquent	50,000	18,159
Penalties – delinquent	8,000	10,213
Other property tax collections	105,000	127,640
Fees in lieu of taxes	730,000	774,238
	<u>2,934,309</u>	<u>3,059,485</u>
Licenses and permits:		
Business licenses – current	3,700,000	4,577,334
Business licenses – prior year	15,000	2,378
Penalties – business licenses	5,000	7,729
Building permits	100,000	171,006
Electrical permits	8,000	20,053
Plumbing permits	8,000	14,221
Rental registration fees	—	1,600
Gas permits	1,500	450
Garage sale permits	1,000	745
Miscellaneous permits	4,000	4,370
	<u>3,842,500</u>	<u>4,799,886</u>
Fines and forfeitures:		
Criminal fines	60,000	70,070
Traffic fines	200,000	147,872
Parking fines	500	15
Victims assistance	35,000	42,923
	<u>295,500</u>	<u>260,880</u>
State shared and other revenue:		
Local government fund	270,000	270,262
Merchants inventory tax	55,000	71,566
Local option sales tax	13,000	16,067
County municipal revenue fund	5,000	4,910
	<u>343,000</u>	<u>362,805</u>

— CONTINUED —

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Revenue (Continued)		
Current services:		
Fire hydrant service fees	190,000	191,531
Special fire protection fees	—	350
Animal control fees	500	210
Special services – SRO officers	70,000	76,492
Duplication services	2,800	4,838
Residential sanitation	554,904	523,027
	<u>818,204</u>	<u>796,448</u>
Grants and Other:		
Miscellaneous	50,000	160,560
Legal settlement	—	150,000
Sale of plastic bags	4,000	5,295
Donated revenue – Christmas in Cayce	2,100	1,850
Donated revenue – Congaree Bluegrass Festival	—	3,635
Admission and rents	400	452
Recycling revenue	40,000	31,218
LRADAC/AET agreements	4,000	261
Grant revenue:		
FEMA grant	—	465,025
SC PRT	150,000	30,000
SCMIT grant	—	4,000
State C-funds	5,000	330,000
Other federal grants	—	1,250
Other grants	—	15,000
Utility Fund fees	322,579	322,579
	<u>578,079</u>	<u>1,521,125</u>
Interest income	1,600	1,076
Total revenue	<u>8,813,192</u>	<u>10,801,705</u>
Other Financing Sources		
Installment purchase contract	466,104	—
Proceeds from sale of assets	10,000	35,000
Transfers in:		
Accommodations tax – General Fund portion	60,500	99,172
Hospitality tax – General Fund portion	605,269	605,269
Total other financing sources	<u>1,141,873</u>	<u>739,441</u>
Total revenue and other financing sources	<u>\$ 9,955,065</u>	<u>\$ 11,541,146</u>

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2016

	<u>Final Budget</u>	<u>Actual</u>
Departments		
Legislative:		
Salaries and wages	79,500	79,500
Retirement, insurance and other benefits	15,877	15,687
Printing and office supplies	1,000	730
Postage	300	300
Memberships and dues	2,882	1,685
Travel	10,650	7,800
Telephone	2,000	2,062
Advertising	250	512
Employee training	5,930	5,609
Awards	5,200	5,361
City election expense	—	2,565
City events/special meetings	1,500	427
Other	1,000	672
Total legislative	<u>126,089</u>	<u>122,910</u>
Less, overhead allocation – Utility Fund	<u>(52,452)</u>	<u>(52,452)</u>
Net legislative	<u>73,637</u>	<u>70,458</u>
Administrative:		
Salaries and wages	440,755	489,243
Retirement, insurance and other benefits	142,292	149,001
Printing and office supplies	5,500	15,189
Postage	1,000	1,000
Publications	100	367
Memberships and dues	3,812	5,989
Travel	11,243	11,744
Automotive operating	13,026	2,951
Telephone	8,500	8,244
Safety supplies	2,200	597
Advertising expense	—	2,951
Insurance – vehicles	2,000	2,202
Insurance – general	4,500	4,498
Employee training	6,154	5,166
Professional services – human resources	3,300	2,970
Service contracts	1,200	3,781
Other	1,750	1,526
Total administrative	<u>647,332</u>	<u>704,994</u>
Less, overhead allocation – Utility Fund	<u>(504,784)</u>	<u>(504,784)</u>
Net administrative	<u>142,548</u>	<u>200,210</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

Departments (Continued)	<u>Final Budget</u>	<u>Actual</u>
Recorder's Court:		
Salaries and wages	106,550	107,305
Overtime	1,250	640
Retirement, insurance and other benefits	38,643	33,265
Juror fees	2,000	135
Printing and office supplies	3,500	3,116
Postage	6,500	6,500
Memberships and dues	226	75
Travel	3,500	1,685
Employee training	1,550	720
Telephone	2,500	2,029
Insurance – general	1,750	1,898
Special contracts	10,000	9,798
Special department supplies	1,500	817
Total recorder's court	<u>179,469</u>	<u>167,983</u>
Legal:		
Printing and office supplies	75	—
Postage	500	500
Professional services	55,000	81,194
Professional services – Prosecutor fees	16,500	16,896
Codification of City code	1,500	3,086
Total legal	<u>73,575</u>	<u>101,676</u>
Less, overhead allocation – Utility Fund	<u>(29,355)</u>	<u>(29,355)</u>
Net legal	<u>44,220</u>	<u>72,321</u>
Information Technology (IT):		
Salaries and wages	87,080	90,805
Retirement, insurance and other benefits	26,800	27,422
Printing and office supplies	1,000	1,064
Postage	140	140
Publications	50	20
Memberships and dues	300	246
Travel	1,100	1,334
Telephone	2,122	1,601
Service contracts	4,000	3,341
Equipment repairs	1,000	1,559
Software and licenses	24,750	23,969
Employee training	4,900	4,750
Insurance – general	2,000	637
Website maintenance	3,500	3,428
Professional services	3,750	986
Computer network equipment, non-capital	10,809	22,567
Machinery and equipment – capital outlay	36,903	36,903
Other	500	646
Total IT	<u>210,704</u>	<u>221,418</u>
Less, overhead allocation – Utility Fund	<u>(109,625)</u>	<u>(109,625)</u>
Less, capital outlay	<u>(36,903)</u>	<u>(36,903)</u>
Net IT	<u>64,176</u>	<u>74,890</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
 SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Finance and Accounting:	176,500	181,158
Salaries and wages	61,504	64,636
Retirement, insurance and other benefits	5,000	4,161
Printing and office supplies	760	760
Postage	530	725
Memberships and dues	—	24
Telephone	2,600	2,029
Service contracts	11,980	5,947
Insurance – vehicles	500	—
Insurance – general	2,000	2,233
Employee training	900	—
Professional services	25,500	27,653
Total finance and accounting	<u>287,774</u>	<u>289,326</u>
Less, overhead allocation – Utility Fund	<u>(224,505)</u>	<u>(224,505)</u>
Net finance and accounting	<u>63,269</u>	<u>64,821</u>
Tax Collector:		
Printing and office supplies	50	—
Postage	60	60
Professional services	21,000	21,140
Total tax collector	<u>21,110</u>	<u>21,200</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

Departments (Continued)	<u>Final Budget</u>	<u>Actual</u>
Public Safety – administrative:		
Salaries and wages	238,775	237,505
Retirement, insurance and other benefits	96,094	96,159
Printing and office supplies	7,500	7,803
Postage	3,000	3,000
Memberships and dues	585	570
Travel	2,000	1,016
Automotive operating	5,750	2,346
Electric and gas	45,000	39,624
Telephone	51,400	63,737
Maintenance and service contracts	10,000	15,536
Building repairs	10,000	5,914
Uniforms	1,200	600
Janitorial supplies	600	323
Medical supplies and physician expense	9,775	8,037
Advertising	500	414
Insurance – vehicles	1,000	1,591
Insurance – general	4,384	5,245
Employee training	600	25
Community relations	750	381
Special contracts	5,125	10,985
Explorer Scouts	500	—
Total public safety – administrative	<u>494,538</u>	<u>500,811</u>
Less, overhead allocation – Utility Fund	<u>(51,420)</u>	<u>(51,420)</u>
Net public safety – administrative	<u>443,118</u>	<u>449,391</u>
Public Safety – police/detectives:		
Salaries and wages	381,390	389,970
Overtime	14,000	14,044
Retirement, insurance and other benefits	176,116	182,367
Memberships and dues	650	290
Travel	1,000	356
Automotive operating	32,000	24,726
Maintenance and service contracts	7,348	4,114
Machinery and equipment repairs	300	301
Radio supplies	350	322
Uniforms and clothing	4,800	4,142
Insurance – vehicles	7,500	7,587
Insurance – general	8,607	10,329
Employee training	1,500	955
Specialized department supplies	3,000	2,588
Machinery and equipment – capital outlay	45,202	41,883
	<u>683,763</u>	<u>683,974</u>
Less, capital outlay	<u>(26,287)</u>	<u>(26,287)</u>
Total public safety – police/detectives	<u>657,476</u>	<u>657,687</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Public Safety — police/traffic:		
Salaries and wages	1,711,090	1,647,309
Overtime	160,000	112,999
Retirement, insurance and other benefits	854,799	812,425
Memberships and dues	1,150	800
Travel	1,200	759
SCMIT/DOJ vest grant expense	10,000	12,705
Automotive operating	130,687	127,922
Maintenance and service contracts	20,000	22,567
Machinery and equipment repairs	9,500	7,706
SLED equipment	2,185	834
Small hand tools	500	—
Radio supplies	500	477
Safety supplies	2,600	2,535
Uniforms and clothing	40,000	32,315
Jail detention	600	25
Laundry and linen service	100	—
Insurance — vehicles	22,000	26,184
Insurance — general	41,000	57,862
Employee training	14,150	14,282
Victim's assistance	53,556	74,473
Victim's assistance grant	—	4,205
Department of Juvenile Justice fees	7,100	1,250
Specialized department supplies	28,000	16,591
Machinery and equipment — capital outlay	159,951	164,417
Total public safety — police/traffic	<u>3,270,668</u>	<u>3,140,642</u>
Less, overhead allocation — Utility Fund	(31,877)	(31,877)
Less, capital outlay	(139,829)	(139,829)
Net public safety — police/traffic	<u>3,098,962</u>	<u>2,968,936</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Public Safety – fire:		
Salaries and wages	640,925	675,804
Overtime	30,000	37,498
Fire department overtime – responses	30,000	42,625
Retirement, insurance and other benefits	318,500	309,944
Memberships and dues	885	365
Travel	1,000	—
Automotive operating	50,095	36,339
Maintenance and service contracts	8,110	9,871
Machinery and equipment repairs	3,500	3,252
Building repairs	—	3,910
Small hand tools	2,000	1,279
Radio supplies	500	158
Safety supplies	3,776	3,633
Uniforms and clothing	16,250	11,531
Janitorial supplies	600	148
Air pack and fire extinguisher	6,460	3,270
Insurance – vehicles	5,000	7,584
Insurance – general	12,036	18,016
Employee training	7,500	6,822
Specialized department supplies	3,500	3,800
Machinery and equipment – capital outlay	576,584	584,673
Total public safety – fire	<u>1,717,221</u>	<u>1,760,522</u>
Less, overhead allocation – Utility Fund	(6,529)	(6,529)
Less, capital outlay	<u>(576,584)</u>	<u>(576,584)</u>
Net public safety – fire	<u>1,134,108</u>	<u>1,177,409</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Public Safety – animal services:		
Salaries and wages	65,000	35,491
Overtime	4,000	1,026
Retirement, insurance and other benefits	34,710	18,089
Printing and office supplies	250	10
Memberships and dues	400	20
Travel	500	—
Automotive operating	6,000	6,961
Electric and gas	5,000	4,555
Maintenance and service contracts	7,000	3,752
Machinery and equipment repairs	1,500	37
Building repairs – dog pound	1,500	—
Radio supplies	100	—
Uniforms and clothing	1,038	—
Janitorial supplies	250	—
Advertising	1,000	—
Insurance – vehicles	1,000	1,224
Insurance – general	2,000	2,583
Employee training	2,000	—
Specialized department supplies	1,500	213
Animal control supplies	2,500	82
Lexington County Animal Shelter	—	50,000
Machinery and equipment – capital outlay	10,000	9,283
Total public safety – animal services	<u>147,248</u>	<u>133,326</u>
Less, capital outlay	<u>(9,283)</u>	<u>(9,283)</u>
Net public safety – animal services	<u>137,965</u>	<u>124,043</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Public Safety – parks:		
Salaries and wages	133,370	147,989
Overtime	10,000	12,284
Retirement, insurance and other benefits	70,790	62,793
Printing and office supplies	100	25
Memberships and dues	80	80
Automotive operating	2,500	826
Electric and gas	500	—
Maintenance and service contracts	240	—
Machinery and equipment repairs	2,500	1,220
Radio supplies	250	—
Uniforms and clothing	3,500	24
Janitorial supplies	250	—
Insurance – vehicles	1,000	—
Insurance – general	2,000	1,339
Employee training	290	—
Specialized department supplies	1,000	95
Machinery and equipment – capital outlay	68,100	61,132
Total public safety – parks	<u>296,470</u>	<u>287,807</u>
Less, capital outlay	(61,132)	(61,132)
Net public safety – parks	<u>235,338</u>	<u>226,675</u>
 Street Lighting:		
Electricity	232,000	287,440
Blossom Street lighting project	4,410	4,410
Total street lighting	<u>236,410</u>	<u>291,850</u>
Less, capital outlay	(4,410)	(4,410)
Net Street lighting	<u>232,000</u>	<u>287,440</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Sanitation:		
Salaries and wages	579,360	571,614
Overtime	750	70
Retirement, insurance and other benefits	292,986	312,488
Printing and office supplies	700	385
Postage	1,000	1,000
Memberships and dues	420	330
Travel expense	895	299
Automotive operating	161,329	115,015
Telephone	6,000	5,425
Maintenance and service contracts	900	930
Equipment repairs	5,000	3,345
Waste disposal and tipping fees	250	—
Small hand tools	5,000	2,566
Safety supplies	5,228	3,596
Uniforms and clothing	6,800	6,847
Cleaning and sanitation supplies	450	125
Medical supplies and physician expense	1,000	1,167
Insurance – vehicles	9,000	9,543
Insurance – general	9,000	10,542
Employee training	440	400
Special supply – garbage bags	4,500	3,083
Special supply – recycle bins and leaf bags	3,000	2,466
Machinery and equipment – capital outlay	15,774	15,774
Total sanitation	<u>1,109,782</u>	<u>1,067,010</u>
Less, overhead allocation – Utility Fund	(9,174)	(9,174)
Less, capital outlay	(15,774)	(15,774)
Net sanitation	<u>1,084,834</u>	<u>1,042,062</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Public Buildings:		
Salaries and wages	31,275	32,992
Overtime	700	102
Retirement, insurance and other benefits	16,364	18,065
Electric and gas	32,000	26,816
Telephone	1,300	516
Maintenance and service contracts	200	10,844
Equipment repairs	1,500	1,054
Building repairs	—	25,568
Landscaping	—	2,400
Paint supplies	100	198
Electric/light supplies	500	569
Uniforms	300	168
Janitorial supplies	3,500	3,277
Vehicle related	2,000	230
Insurance – vehicle	500	612
Insurance – general	1,300	1,125
Copy machine/contract	5,325	1,694
Capital Outlay:		
Machinery and equipment	28,796	28,915
City Hall renovations	250,000	263,476
Parks and Sanitation building	170,000	1,540
Public Safety building renovations	—	225
Other	100	2,562
Total public buildings	<u>545,760</u>	<u>422,948</u>
Less, overhead allocation – Utility Fund	(34,218)	(34,218)
Less, capital outlay	(294,037)	(294,037)
Net public buildings	<u>217,505</u>	<u>94,693</u>
Community Relations:		
Central Midlands Council of Governments	9,398	9,396
Central Midlands Regional Transportation Association	25,080	21,720
Municipal Association of SC	5,500	5,402
Lexington County Municipal Association	500	—
River Alliance	10,000	10,000
Professional services	17,400	18,775
Christmas decorations and citizen's drop-in	4,400	5,276
Employee/family Christmas party	2,800	2,677
Community programs	6,500	3,552
City newsletter	14,000	15,808
Cayce centennial	—	19
Christmas in Cayce festival	23,600	16,618
Congaree Bluegrass festival	—	37,286
Total community relations	<u>119,178</u>	<u>146,529</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Planning and Development:		
Salaries and wages	270,525	287,316
Retirement, insurance and other benefits	98,385	102,540
Printing and office supplies	2,250	4,713
Postage	282	1,061
Memberships and dues	1,190	1,971
Travel	3,825	1,461
Automotive operating	2,600	1,592
Telephone	5,900	6,260
Building repairs	4,500	220
Knox Abbott road intersection	300,000	300,000
Stormwater Study	58,800	58,800
Small hand tools	500	53
Uniforms	300	—
Advertising	1,000	717
Insurance – vehicles	500	612
Insurance – general	2,600	2,733
Employee training	3,200	1,195
NPDES phase II project	40,000	40,608
Professional services – other	12,300	28,542
Special contract – copier	2,000	1,677
Special department supplies	5,620	3,548
Façade grant program	—	16,700
Healthy initiative – SC grant	—	4,611
Total planning and development	<u>816,277</u>	<u>866,930</u>
Less, capital outlay	<u>(358,800)</u>	<u>(358,800)</u>
Net planning and development	<u>457,477</u>	<u>508,130</u>
Museum:		
Salaries and wages	99,280	99,080
Retirement, insurance and other benefits	35,248	33,908
Printing and office supplies	600	125
Postage	150	150
Memberships and dues	200	—
Travel	500	24
Electric and gas	7,300	6,219
Telephone	4,000	4,567
Service contracts	1,200	737
Equipment repairs	500	—
Building repairs	9,912	12,434
Insurance – general	2,000	2,027
Capital outlay	62,788	62,788
Total museum	<u>223,678</u>	<u>222,059</u>
Less, capital outlay	<u>(62,788)</u>	<u>(62,788)</u>
Net museum	<u>160,890</u>	<u>159,271</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	347,365	352,655
Overtime	1,500	1,848
Retirement, insurance and other benefits	173,840	158,191
Memberships and dues	600	520
Postage	140	140
Telephone	4,600	4,300
Travel	851	299
Automotive operating	30,000	19,468
Electric and gas	20,000	11,137
Service contracts	4,500	3,212
Software and licenses	500	—
Machinery and equipment repairs	10,089	9,167
Building repairs	3,256	2,723
Small hand tools	2,500	2,152
Printing and office supplies	400	249
Signs and sign supplies	1,000	770
Safety supplies	5,287	4,994
Uniforms and clothing	5,800	5,274
Cleaning supplies	2,200	1,474
Chemicals	950	712
Medical supplies and physician expense	850	904
Insurance – vehicles	7,500	8,565
Insurance – general	8,670	9,199
Employee training	1,575	530
Specialized department supplies	4,104	3,772
Beautification board	750	405
Park expenses	5,000	4,831
Capital Outlay:		
Riverbank Park projects	177,340	177,340
Machinery and equipment	30,649	30,649
Total parks	<u>851,816</u>	<u>815,480</u>
Less, capital outlay	<u>(207,989)</u>	<u>(207,989)</u>
Net parks	<u>643,827</u>	<u>607,491</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Garage:		
Salaries and wages	223,475	217,830
Overtime	500	—
Retirement, insurance and other benefits	99,957	92,398
Printing and office supplies	400	328
Travel	1,500	1,420
Automotive operating	6,500	6,541
Electric and gas	6,500	6,060
Telephone	3,000	3,685
Maintenance and service contracts	4,500	5,308
Machinery and equipment repairs	5,000	4,761
Building repairs	6,127	2,273
Small hand tools	5,069	5,147
Electrical supplies	100	57
Uniforms and clothing	2,300	1,539
Insurance – vehicles	1,000	1,224
Insurance – general	3,500	3,656
Employee training	2,000	936
Specialized department supplies	8,000	8,418
Machinery and equipment – capital outlay	—	—
Total garage	<u>379,428</u>	<u>361,581</u>
Less, overhead allocation– Utility Fund	<u>(100,992)</u>	<u>(100,992)</u>
Net garage	<u>278,436</u>	<u>260,589</u>

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

— CONTINUED —

	Final Budget	Actual
Departments (Continued)		
Non-departmental and Support Services:		
Retiree insurance expense	23,823	43,573
GASB 45-OPEB	130,490	—
Total non-departmental and support services	154,313	43,573
Less, overhead allocation – Utility Fund	(43,305)	(43,305)
Net non-departmental and support services	111,008	268
Debt Service:		
Note and lease payments	227,877	224,248
Interest and fiscal agent charges	10,286	3,288
Total debt service	238,163	227,536
Less, overhead allocation – Utility Fund	(79,185)	(79,185)
Net debt services	158,978	148,351
Capital Outlay	1,793,816	1,793,816
Total expenditures	\$ 11,553,345	\$ 11,324,664

CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2016

(With comparative total figures at June 30, 2015)

	Accom-	Hospitality	Community	ABC	Home	Law	Museum	Totals	
	modations Tax	Tax	Development	Permit Fund	Grant	Enforcement Grant Fund	Fund	2016	2015
Assets									
Cash and cash equivalents:									
Unrestricted	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 83,801	\$ 83,801	\$ 83,801
Restricted	59,314	374,497	2,630	46,705	11,563	13,093	—	507,802	405,369
Hospitality taxes receivable	—	85,038	—	—	—	—	—	85,038	87,785
Other receivables	—	—	—	1,750	—	—	—	1,750	3,000
Total assets	\$ 59,314	\$ 459,535	\$ 2,630	\$ 48,455	\$ 11,563	\$ 13,093	\$ 83,801	\$ 678,391	\$ 579,955
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ —	\$ 7,417	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,417	\$ —
Due to other funds	—	—	—	—	—	—	—	—	104,728
Total liabilities	—	7,417	—	—	—	—	—	7,417	104,728
Fund balance:									
Restricted for:									
Tourism and community development	59,314	452,118	2,630	—	11,563	—	—	525,625	347,749
ABC permit activities	—	—	—	48,455	—	—	—	48,455	31,205
Law enforcement	—	—	—	—	—	13,093	—	13,093	12,472
Total restricted	59,314	452,118	2,630	48,455	11,563	13,093	—	587,173	391,426
Assigned for:									
Museum improvement	—	—	—	—	—	—	83,801	83,801	83,801
Total fund balances	59,314	452,118	2,630	48,455	11,563	13,093	83,801	670,974	475,227
Total liabilities and fund balances	\$ 59,314	\$ 459,535	\$ 2,630	\$ 48,455	\$ 11,563	\$ 13,093	\$ 83,801	\$ 678,391	\$ 579,955

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016
(With comparative total figures year ended June 30, 2015)

	Accommodations Tax	Hospitality Tax	Community Development	ABC Permit Fund	Home Grant	Law Enforcement Grant Fund	Museum Fund	Totals	
								2016	2015
Revenue									
Accommodations and hospitality taxes	\$ 103,350	\$ 965,076	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,068,426	\$ 787,971
Federal grants	—	—	—	—	—	621	—	621	3,258
State grants	—	—	—	—	—	—	—	—	4,016
State shared revenue	—	—	—	17,250	—	—	—	17,250	17,401
Total revenue	<u>103,350</u>	<u>976,076</u>	<u>—</u>	<u>17,250</u>	<u>—</u>	<u>621</u>	<u>—</u>	<u>1,086,297</u>	<u>812,646</u>
Expenditures									
Planning and community development:									
Tourism related	37,901	148,199	—	—	—	—	—	186,100	104,746
Less, capital outlay	—	(85,381)	—	—	—	—	—	(85,381)	—
Net tourism related	<u>37,901</u>	<u>62,818</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>100,719</u>	<u>104,746</u>
Housing	—	—	—	—	9	—	—	9	24,742
Capital outlay	—	85,381	—	—	—	—	—	85,381	—
Total expenditures	<u>37,901</u>	<u>148,199</u>	<u>—</u>	<u>—</u>	<u>9</u>	<u>—</u>	<u>—</u>	<u>186,109</u>	<u>129,488</u>
Excess (deficiency) of revenue over expenditures	65,499	816,877	—	17,250	(9)	621	—	900,188	683,158
Other Financing Sources (Uses)									
Transfers in (out)	(66,324)	(638,117)	—	—	—	—	—	(704,441)	(423,300)
Net change in fund balances	<u>(875)</u>	<u>178,760</u>	<u>—</u>	<u>17,250</u>	<u>(9)</u>	<u>621</u>	<u>—</u>	<u>195,747</u>	<u>259,858</u>
Fund balances, beginning of year	60,189	273,358	2,630	31,205	11,572	12,472	83,801	475,227	215,369
Fund balances, end of year	<u>\$ 59,314</u>	<u>\$ 452,118</u>	<u>\$ 2,630</u>	<u>\$ 48,455</u>	<u>\$ 11,563</u>	<u>\$ 13,093</u>	<u>\$ 83,801</u>	<u>\$ 670,974</u>	<u>\$ 475,227</u>

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND
BALANCE SHEET

JUNE 30, 2016

(With comparative amounts for June 30, 2015)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Restricted cash and cash equivalents	\$ 1,000,067	\$ 1,137,102
Property taxes receivable	—	194
Total assets	<u>\$ 1,000,067</u>	<u>\$ 1,137,296</u>
Liabilities and Fund Balance		
Liabilities:		
Accrued interest payable	\$ 3,303	\$ 3,303
Fund balance:		
Restricted for debt service	<u>996,764</u>	<u>1,133,993</u>
Total liabilities and fund balance	<u>\$ 1,000,067</u>	<u>\$ 1,137,296</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016
(With comparative figures year ended June 30, 2015)

	<u>Current Year</u>	<u>Prior Year</u>
Revenue		
Current property taxes	\$ 1,008,560	\$ 840,763
State shared revenue	45,939	26,563
Interest on investments	125	111
Total revenue	<u>1,054,624</u>	<u>867,437</u>
Expenditures		
Debt Service:		
Principal	458,144	440,224
Interest and fiscal charges	33,709	45,595
Total expenditures	<u>491,853</u>	<u>485,819</u>
Excess (deficiency) of revenue over expenditures	562,771	381,618
Other Financing Sources (Uses)		
Transfer (out) to Capital Projects Fund	<u>(700,000)</u>	<u>—</u>
Net change in fund balance	(137,229)	381,618
Fund balance, beginning of year	<u>1,133,993</u>	<u>752,375</u>
Fund balance, end of year	<u><u>\$ 996,764</u></u>	<u><u>\$ 1,133,993</u></u>

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND
BALANCE SHEET

JUNE 30, 2016

(With comparative figures at June 30, 2015)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Cash and cash equivalents – restricted	\$ 789,311	\$ 421,440
Due from other funds	—	7,000
Total assets	<u>\$ 789,311</u>	<u>\$ 428,440</u>
Liabilities and Fund Balance		
Liabilities:		
Construction and retainage payable	\$ 54,066	\$ —
Fund balance:		
Restricted for redevelopment plan	<u>735,245</u>	<u>428,440</u>
Total liabilities and fund balance	<u>\$ 789,311</u>	<u>\$ 428,440</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016
(With comparative figures year ended June 30, 2015)

	<u>Current Year</u>	<u>Prior Year</u>
Revenue		
State grants	\$ 137,043	\$ 100,000
Local grants	—	10,000
Total revenue	<u>137,043</u>	<u>110,000</u>
Expenditures		
Capital outlay:		
Park	444,585	382,359
Infrastructure	85,615	60,899
Other:		
Infrastructure	38	—
Total expenditures	<u>530,238</u>	<u>443,258</u>
Excess (deficiency) of revenue over expenditures	(393,195)	(333,258)
Other Financing Sources (Uses)		
Transfer in from Debt Service Fund	700,000	—
Transfer in from Hospitality Tax Fund	—	7,000
Net change in fund balance	306,805	(326,258)
Fund balance, beginning of year	<u>428,440</u>	<u>754,698</u>
Fund balance, end of year	<u>\$ 735,245</u>	<u>\$ 428,440</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, 2016

(With comparative figures at June 30, 2015)

	Current Year	Prior Year		Current Year	Prior Year
Assets and Deferred Outflows			Liabilities, Deferred Inflows and Net Position		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 3,372,567	\$ 2,689,946	Accounts payable	\$ 65,491	\$ 47,229
Receivables:			Accrued salaries and wages	224,507	48,117
Water and sewer accounts (net of allowance for doubtful accounts, \$35,000 in 2016 and 2015)	2,541,637	2,344,763	Accrued compensated absences – current portion	92,572	73,126
Other accounts	480,747	1,523,441	Installment purchase contract payable – current portion	144,902	—
Inventories	159,989	201,521	Construction contracts payable	—	5,128
Total current assets	<u>6,554,940</u>	<u>6,759,671</u>	Retainage payable	—	60,508
			Other liabilities	1,392	1,006
Current restricted assets:			Due to other funds (internal balances)	93,058	149,532
Cash and cash equivalents:			Customer deposits and prepayments	40,785	45,080
Employee benefit accounts	5,252	4,002		<u>662,707</u>	<u>429,726</u>
Cayce wastewater facilities replacement & renewal fund	1,083,469	550,000	Current liabilities payable from restricted assets:		
Bond and interest redemption	1,159,595	3,995,124	Accrued interest payable	156,423	434,213
Project and construction funds	5,978,881	7,649,453	Contract liability – Springdale	52,614	54,987
Total current restricted assets	<u>8,227,197</u>	<u>12,198,579</u>	SRF and bonds payable – current portion	2,430,339	2,568,836
Capital assets:			Construction contracts and retainages payable	791,018	258,149
Land and rights-of-way	330,568	330,568	Total current liabilities payable from restricted assets	<u>3,430,394</u>	<u>3,316,185</u>
Equipment	6,741,067	5,799,564	Total current liabilities	<u>4,093,101</u>	<u>3,745,911</u>
Utility plants in service	151,485,545	149,316,029	Long-term liabilities:		
Construction in process	5,105,674	1,450,182	Accrued compensated absences	30,257	38,611
	<u>163,662,854</u>	<u>156,896,343</u>	Unearned revenue – future capacity charges	3,190	238,690
Less: accumulated depreciation	<u>(39,142,854)</u>	<u>(35,077,595)</u>	Unearned revenue – contract obligation credit	1,401,672	1,675,836
Net capital assets	<u>124,520,000</u>	<u>121,818,748</u>	Installment purchase contract payable	362,630	—
Other assets:			SRF loans payable	30,409,091	32,166,654
Cost of purchased water/sewer rights	803,883	803,883	Revenue bonds payable (\$12,275,000 +/- bonds premium/discount net of amortization)	12,848,848	13,479,263
Less: accumulated amortization	<u>(380,985)</u>	<u>(321,886)</u>	Other post-employment benefit (OPEB) obligation	794,723	722,664
Net other assets	<u>422,898</u>	<u>481,997</u>	Net pensions liability	5,273,622	4,663,806
Total assets	<u>139,725,035</u>	<u>141,258,995</u>	Total long-term liabilities	<u>51,124,033</u>	<u>52,985,524</u>
Deferred outflows of resources:			Total liabilities	<u>55,217,134</u>	<u>56,731,435</u>
Deferred outflows related to pension	790,609	418,770	Deferred inflows of resources:		
Losses on bond refundings	1,266,428	394,231	Deferred pension related inflows	233,173	393,193
Less: accumulated amortization	<u>(384,350)</u>	<u>(279,172)</u>	Total deferred inflows of resources	<u>233,173</u>	<u>393,193</u>
Total deferred outflows of resources	<u>1,672,687</u>	<u>533,829</u>	Net position:		
Total assets and deferred outflows	<u>\$ 141,397,722</u>	<u>\$ 141,792,824</u>	Net investment in capital assets	78,314,467	77,071,693
			Restricted for debt and capital projects	6,929,438	11,155,377
			Restricted for pension	790,609	418,770
			Unrestricted (deficit)	(87,099)	(3,977,644)
			Total net position	<u>85,947,415</u>	<u>84,668,196</u>
			Total liabilities, deferred inflows and net position	<u>\$ 141,397,722</u>	<u>\$ 141,792,824</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, 2016
(With comparative figures year ended June 30, 2015)

	Current Year	Prior Year
Operating Revenue (pledged as security for loans and revenue bonds)		
Water:		
Sales	\$ 5,129,429	\$ 4,913,144
Connection fees	121,848	78,897
Sewer:		
Service charges	10,140,422	8,898,796
Connection fees	3,066	5,633
Septage/grease services:		
Sales and permits	885,674	472,451
Pretreatment set-up fees	99,300	89,460
Reconnection fees	47,762	37,605
Penalties	191,671	181,935
Grant revenue	18,563	—
Miscellaneous income	227,715	293,173
Total operating revenue	16,865,450	14,971,094
Operating Expenses		
Administrative	567,592	456,049
Utility billing	698,083	593,048
Water treatment plant	1,414,384	1,377,415
Water distribution and maintenance	1,356,168	1,250,139
Wastewater treatment plant	3,026,918	2,386,593
Sewer collection and outfall lines	1,454,361	1,269,759
Septage and grease receiving station	371,645	196,661
Non-departmental and support services	1,600,000	1,629,953
Depreciation and amortization expense	4,414,469	4,333,569
Total operating expenses	14,903,620	13,493,186
Operating income	1,961,830	1,477,908
Non-Operating Revenue (Expenses)		
Interest income	10,264	11,223
Gains (losses) from sale, disposal of capital assets	4,423	23,227
Bond issue costs	(345,684)	—
Interest expense	(1,195,051)	(1,346,158)
Amortization of bond refinancing losses	(105,178)	(28,765)
Total non-operating revenue (expenses)	(1,631,226)	(1,340,473)
Income before contributions	330,604	137,435
Capital Contributions		
Capacity charges and other capital contributions	1,791,274	1,604,279
Return of disputed contributed capital	(842,659)	—
	948,615	1,604,279
Change in net position	1,279,219	1,741,714
Net position, beginning of year	84,668,196	82,926,482
Net position, end of year	\$ 85,947,415	\$ 84,668,196

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

YEAR ENDED JUNE 30, 2016
(With comparative actual figures year ended June 30, 2015)

	Current Year		Variance Positive (Negative)	Prior Year Actual
	Budget	Actual		
Departments				
<u>Administrative:</u>				
Salaries and wages	\$ 256,790	\$ 267,502	\$ (10,712)	\$ 192,591
Overtime	1,000	29	971	—
Retirement, insurance and other benefits	91,120	89,806	1,314	76,345
Other post-employment benefits (OPEB)	4,810	6,872	(2,062)	—
Printing and office supplies	5,000	4,824	176	2,651
Postage	6,000	6,000	—	5,375
Memberships and dues	665	639	26	290
Travel	3,540	2,299	1,241	2,029
Automotive operating expenses	10,000	4,684	5,316	2,752
Telephone	7,500	4,906	2,594	5,697
Maintenance and service contracts	18,972	11,028	7,944	15,179
Machinery and equipment repairs	900	267	633	—
Safety supplies	3,500	2,998	502	2,388
Uniforms and clothing	550	334	216	205
Doctor and medical expenses	4,100	2,355	1,745	2,296
Advertising	1,000	—	1,000	739
Insurance – vehicle	2,000	1,469	531	1,698
Insurance – general	5,200	2,123	3,077	1,977
Employee training – continuing education	3,035	800	2,235	1,282
Professional services	40,000	42,783	(2,783)	39,218
Professional services – legal	55,000	20,619	34,381	13,846
Professional services – engineering	25,000	29,526	(4,526)	29,245
Professional services – consultant fees	50,000	53,811	(3,811)	47,710
Special contracts – CSX	—	—	—	100
Special contracts – copier	2,675	1,737	938	2,104
Special contracts – collection expense	—	—	—	142
Fiscal agent fees	8,000	4,741	3,259	7,112
Machines and equipment – non-capital	3,725	5,440	(1,715)	3,078
	<u>610,082</u>	<u>567,592</u>	<u>42,490</u>	<u>456,049</u>

— CONTINUED —

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

— CONTINUED —

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
Departments				
<u>Utility Billing:</u>				
Salaries and wages	329,905	322,526	7,379	264,972
Overtime	16,000	15,962	38	15,924
Retirement, insurance and other benefits	153,985	161,747	(7,762)	129,550
Printing and office supplies	5,070	12,093	(7,023)	3,266
Postage	49,000	45,200	3,800	38,900
Memberships and dues	1,465	155	1,310	430
Travel	1,560	473	1,087	75
Automotive operating expenses	17,671	10,202	7,469	12,417
Telephone	8,977	5,928	3,049	5,510
Maintenance and service contracts	29,250	15,221	14,029	18,458
Equipment repairs	—	—	—	9
Machinery and equipment repairs	1,200	10,069	(8,869)	5,476
Hand tools and supplies	2,000	2,099	(99)	72
Safety supplies	1,815	752	1,063	397
Uniforms and clothing	1,750	1,671	79	1,208
General insurance (property and contents)	2,500	2,814	(314)	1,943
Insurance – general	5,000	5,094	(94)	4,141
Employee training – continuing education	6,500	1,291	5,209	700
Special contracts – collection expense	85,000	84,724	276	89,600
Machines and equipment – non-capital	—	62	(62)	—
	718,648	698,083	20,565	593,048
<u>Water Treatment Plant:</u>				
Salaries and wages	438,340	462,597	(24,257)	407,214
Overtime	41,377	43,144	(1,767)	45,129
Retirement, insurance and other benefits	195,911	229,247	(33,336)	196,628
Other post-employment benefits (OPEB)	—	11,884	(11,884)	—
Printing and office supplies	650	618	32	634
Postage	275	275	—	318
Permit fees	24,000	23,269	731	23,315
Memberships and dues	857	850	7	884
Travel	2,600	938	1,662	2,728
Automotive operating expense	4,000	4,465	(465)	3,803
Electric and gas	345,000	302,896	42,104	336,788
Telephone	6,933	7,999	(1,066)	7,632
Lubrication supplies	950	1,040	(90)	820
Maintenance and service contracts	52,472	49,464	3,008	48,508
Machinery and equipment repairs	65,000	18,910	46,090	58,069
Building repairs	6,500	4,742	1,758	53
Small hand tools	900	824	76	826

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		
Departments				
<u>Water Treatment Plant (continued):</u>				
Electrical and lighting supplies	600	455	145	374
Safety supplies	1,600	1,704	(104)	1,956
Uniforms and clothing	2,400	2,484	(84)	2,194
Cleaning and sanitation supplies	600	411	189	549
Chemicals	229,000	185,146	43,854	171,542
Laboratory supplies	29,000	28,501	499	23,827
Insurance – vehicle	1,560	2,324	(764)	1,214
Insurance – general	17,432	19,225	(1,793)	17,538
Employee training	2,750	1,125	1,625	1,851
Consultant lab tests	8,500	8,980	(480)	7,721
Machines & equipment – non-capital	159,853	867	158,986	15,300
	<u>1,639,060</u>	<u>1,414,384</u>	<u>224,676</u>	<u>1,377,415</u>
<u>Water Distribution and Maintenance:</u>				
Salaries and wages	510,035	494,750	15,285	439,934
Overtime	46,067	48,196	(2,129)	43,175
Retirement, insurance and other benefits	240,061	250,710	(10,649)	215,442
Other post-employment benefits (OPEB)	—	12,710	(12,710)	—
Printing and office supplies	2,500	2,709	(209)	2,229
Memberships and dues	1,374	1,137	237	225
Travel	4,080	3,920	160	1,998
Automotive operating expense	50,000	42,114	7,886	47,005
Electricity and gas	50,000	51,968	(1,968)	53,632
Telephone	12,000	8,512	3,488	7,389
Maintenance and service contracts	210,185	210,068	117	209,053
Machinery and equipment repairs	25,000	26,372	(1,372)	15,000
Building repairs	500	397	103	189
Small hand tools	8,000	7,329	671	5,892
Masonry supplies	4,500	5,564	(1,064)	2,997
Asphalt supplies	45,000	35,405	9,595	43,700
Radio supplies	250	—	250	—
Safety supplies	7,000	6,939	61	5,272
Uniforms and clothing	6,500	7,580	(1,080)	5,866
Chemicals	736	—	736	—
Utility repair supplies and meters	65,000	92,367	(27,367)	114,505
Insurance – vehicle	6,500	8,932	(2,432)	6,802
Insurance – general	9,700	12,678	(2,978)	10,350
Employee training	9,034	4,811	4,223	9,633
Water distribution equipment meters	15,000	15,016	(16)	5,885
Machines & equipment – non-capital	15,500	5,984	9,516	3,966
	<u>1,344,522</u>	<u>1,356,168</u>	<u>(11,646)</u>	<u>1,250,139</u>

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

— CONTINUED —

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
Departments				
<u>Wastewater Treatment Plant:</u>				
Salaries and wages	574,150	584,128	(9,978)	502,061
Overtime	20,000	33,825	(13,825)	17,026
Retirement, insurance and other benefits	242,845	289,699	(46,854)	237,356
Other post-employment benefits (OPEB)	6,615	15,004	(8,389)	—
Printing and office supplies	688	999	(311)	677
Postage	270	270	—	270
Permit fees – DHEC	3,250	3,045	205	3,170
Memberships and dues	1,500	1,070	430	625
Travel	5,000	1,502	3,498	2,655
Automotive operating expense	37,000	41,282	(4,282)	41,659
Electric and gas	939,000	931,401	7,599	788,583
Telephone	27,700	24,933	2,767	22,305
Lubrication supplies	3,000	1,405	1,595	1,392
Maintenance and service contracts	135,301	118,579	16,722	91,023
Machinery and equipment repairs	172,818	295,240	(122,422)	139,760
Building repairs	500	925	(425)	264
Sludge disposal fees	200,000	311,942	(111,942)	216,023
Small hand tools	2,000	2,036	(36)	1,191
Electrical and lighting supplies	2,000	1,281	719	2,080
Radio supplies	200	—	200	—
Safety supplies	6,005	30,163	(24,158)	6,154
Uniforms and clothing	5,600	6,394	(794)	5,531
Cleaning and sanitation supplies	1,000	587	413	864
Water	430,000	36	429,964	—
Chemicals	152,405	173,583	(21,178)	145,671
Laboratory supplies	35,900	37,044	(1,144)	27,496
Insurance	6,900	9,298	(2,398)	6,797
Insurance – general	86,000	86,236	(236)	82,478
Employee training	6,000	2,375	3,625	3,410
Professional services – lab	25,100	21,357	3,743	20,195
Professional fees	—	1,500	(1,500)	—
Machines and equipment – non-capital	57,000	(221)	57,221	19,877
	<u>3,185,747</u>	<u>3,026,918</u>	<u>158,829</u>	<u>2,386,593</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		
Departments				
<u>Sewer Collection and Outfall Lines:</u>				
Salaries and wages	545,470	531,245	14,225	460,787
Overtime	55,000	67,804	(12,804)	56,130
Retirement, insurance and other benefits	258,366	280,314	(21,948)	226,279
Other post-employment benefits (OPEB)	—	13,648	(13,648)	—
Memberships and dues	1,390	1,800	(410)	2,495
Travel	3,140	2,330	810	5,197
Automotive operating expense	60,000	51,122	8,878	62,058
Electricity and gas	115,000	137,434	(22,434)	117,221
Telephone	40,000	32,959	7,041	28,985
Lubrication supplies	300	—	300	279
Maintenance and service contracts	17,878	9,140	8,738	8,379
Machinery and equipment repairs	159,606	150,887	8,719	83,338
Small hand tools	8,000	7,296	704	4,921
Cement and masonry materials	1,500	3,104	(1,604)	700
Asphalt and grading supplies	25,000	10,933	14,067	26,175
Radio supplies	250	—	250	—
Safety supplies	7,500	7,413	87	5,788
Uniforms and clothing	6,200	7,580	(1,380)	6,071
Cleaning and sanitation supplies	500	365	135	621
Chemicals	18,687	7,358	11,329	13,880
Utility repair supplies	86,688	85,611	1,077	115,653
Transmission line operations and maintenance	5,000	—	5,000	—
Insurance – vehicle	8,850	12,600	(3,750)	—
Insurance – general	15,000	16,457	(1,457)	8,260
Employee training	4,418	3,590	828	13,726
Professional services	—	—	—	9,278
Machines & equipment	29,500	13,371	16,129	13,538
K Avenue sewer line replacement	35,000	—	35,000	—
	<u>1,508,243</u>	<u>1,454,361</u>	<u>53,882</u>	<u>1,269,759</u>

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

— CONTINUED —

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
Departments				
<u>Septage and Grease Receiving Station:</u>				
Salaries and wages	133,460	142,283	(8,823)	93,215
Overtime	3,000	8,070	(5,070)	1,833
Retirement, insurance and other benefits	47,901	56,721	(8,820)	29,172
Electricity and gas	4,000	2,164	1,836	2,494
Telephone	3,280	1,939	1,341	1,792
Printing and office supplies	1,000	946	54	657
Postage	600	600	—	300
Memberships and dues	315	160	155	185
Travel	1,829	678	1,151	482
Auto operating	5,000	1,688	3,312	1,408
Chemicals	78,000	46,204	31,796	17,730
Sludge disposal fees	98,000	58,061	39,939	22,738
Lubrications	700	117	583	222
Hand tools and supplies	2,000	2,614	(614)	1,377
Electric/light supplies	500	275	225	70
Safety program and supplies	1,100	2,026	(926)	315
Uniforms and clothing	2,000	1,095	905	838
Janitorial supplies	500	423	77	21
Employee training	925	1,020	(95)	286
Professional services – lab testing	8,214	15,223	(7,009)	3,242
Professional fees – other	750	—	750	—
Insurance – vehicle	1,000	612	388	486
Insurance – general	2,400	3,119	(719)	1,499
Building repairs	1,000	28	972	372
Equipment repairs	6,190	25,579	(19,389)	14,707
Machine and service contracts	1,440	—	1,440	—
Machines & equipment – non-capital	—	—	—	1,220
	405,104	371,645	33,459	196,661
<u>Non-departmental and support services:</u>				
Other post-employment benefit (OPEB) exp.	—	—	—	29,953
O&M indirect costs	1,600,000	1,600,000	—	1,600,000
Capital improvement/project reserve	100,000	—	100,000	—
Capital equipment reserve	100,000	—	100,000	—
	1,800,000	1,600,000	200,000	1,629,953
Depreciation	550,000	4,355,371	(3,805,371)	4,243,409
Amortization	—	16,869	(16,869)	90,160
	550,000	4,372,240	(3,822,240)	4,333,569
Total operating expenses	\$ 11,761,406	\$ 14,861,391	\$ (3,099,985)	\$ 13,493,186

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, 2016

	<u>Balance, June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2016</u>
Assets				
Cash and cash equivalents:				
Firemen's fund	\$ 105,870	\$ 52,368	\$ (36,506)	\$ 121,732
Police fund	56,265	14,070	(4,087)	66,248
Total assets	<u>\$ 162,135</u>	<u>\$ 66,438</u>	<u>\$ (40,593)</u>	<u>\$ 187,980</u>
Liabilities				
Amounts due to others:				
Firemen's fund	\$ 105,870	\$ 52,368	\$ (36,506)	\$ 121,932
Police fund	56,265	14,070	(4,087)	66,248
Total liabilities	<u>\$ 162,135</u>	<u>\$ 66,438</u>	<u>\$ (40,593)</u>	<u>\$ 187,980</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, 2016

General capital assets and construction-in-progress, June 30, 2015	\$ 22,151,171
Add, expenditures by General Fund and Capital Projects Fund:	
Land, buildings, other improvements, furniture and equipment	2,410,978
Deduct, surplus sales and other deletions by General Fund:	
Land, building, furniture and equipment	<u>(556,417)</u>
General capital assets and construction-in-progress, June 30, 2016	<u>\$ 24,005,732</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, 2016

	Due Dates	Interest Rates	Bonds and Notes				Outstanding June 30, 2016	Debt Service Requirements Next Fiscal Year	
			Outstanding July 1, 2015	Long-Term Borrowing	Matured	Paid		Principal	Interest
General Long-Term Debt									
Tax Increment Financing Revenue Bond, Series 2002	2003-2017	4.03%	\$ 949,858	\$ —	\$ 458,144	\$ (458,144)	\$ 491,714	\$ 476,793	\$ 15,060
Installment purchase contracts, monthly payments of principal and interest	various	1.88%-4.95%	224,242	—	224,242	(224,242)	—	—	—
Total general long-term debt			<u>\$ 1,174,100</u>	<u>\$ —</u>	<u>\$ 682,386</u>	<u>\$ (682,386)</u>	<u>\$ 491,714</u>	<u>\$ 476,793</u>	<u>\$ 15,060</u>
Water and Sewer Utility Fund Debt									
Clean Water State Revolving Fund loan, Series 2002, interest and principal payable quarterly	2003-2023	2.25%	\$ 811,774	\$ —	\$ 109,889	\$ (109,889)	\$ 701,885	\$ 90,159	\$ 15,035
Clean Water State Revolving Fund Loan, Series 2009, interest and principal payable quarterly	2009-2032	2.25%	29,279,642	—	1,456,369	(1,456,369)	27,823,273	1,489,414	613,516
Clean Water State Revolving Fund Loan, Series 2015, interest and principal payable quarterly	2015-2035	2.00%	3,734,073	—	114,802	(114,802)	3,619,271	155,765	71,222
Water and Sewer System Revenue Bonds, Series 2016A&B, interest payable semi-annually, principal payable annually	2016-2027	3.00%-4.00%	—	12,970,000	—	—	12,970,000	695,000	265,372
Installment purchase contracts, monthly payments of principal and interest	2015-2019	1.47%	—	639,000	119,219	(119,219)	507,532	144,902	5,973
Total water and sewer utility fund debt			<u>\$33,825,489</u>	<u>\$13,609,000</u>	<u>\$ 1,800,279</u>	<u>\$ (1,800,279)</u>	<u>\$ 45,621,961</u>	<u>\$ 2,575,240</u>	<u>\$ 971,118</u>

VICTIM'S RIGHTS ASSISTANCE

CITY OF CAYCE, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

YEAR ENDED JUNE 30, 2016

Court Fines and Assessments	
Court fines and assessments collected	\$ 610,924
Court fines and assessments remitted to State Treasurer	<u>(350,044)</u>
Total court fines and assessments retained by the City	<u>\$ 260,880</u>
Surcharges and Assessments retained by City	
Total surcharges collected	\$ 28,051
Total assessments	<u>14,872</u>
Total surcharges and assessments retained by City	<u>\$ 42,923</u>
Funds Allocated to Victims Services	
Carryover funds from prior year	\$ 52,783
Surcharges and assessments retained	42,923
Expenditures for victims services	<u>(74,473)</u>
Total unexpended victims rights assistance funds	<u>\$ 21,233</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. 111-117

Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property tax revenue. 118-121

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. 122-126

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. 127-130

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. 131-132

CITY OF CAYCE, SOUTH CAROLINA

NET POSITION BY COMPONENT
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities										
Net investment in capital assets	\$ 13,078,235	\$ 11,187,075	\$ 4,809,369	\$ 4,317,009	\$ 3,847,244	\$ 3,542,010	\$ 4,797,026	\$ 4,607,696	\$ 5,651,516	\$ 5,093,684
Restricted	4,089,583	2,900,003	2,329,686	1,688,336	1,630,222	1,215,170	1,548,803	1,421,780	268,554	300,873
Unrestricted (deficit)	(6,446,015)	(5,968,176)	(10,307,729)	(1,149,730)	(858,419)	(983,075)	(493,433)	(190,606)	(40,898)	(589,783)
Total governmental activities net position	<u>\$ 10,721,803</u>	<u>\$ 8,118,902</u>	<u>\$ (3,168,674)</u>	<u>\$ 4,855,615</u>	<u>\$ 4,619,047</u>	<u>\$ 3,772,105</u>	<u>\$ 5,852,396</u>	<u>\$ 5,838,870</u>	<u>\$ 5,879,172</u>	<u>\$ 4,804,774</u>
Business-type Activities										
Net investment in capital assets	\$ 78,314,467	\$ 79,196,265	\$ 73,208,919	\$ 67,123,141	\$ 66,405,669	\$ 58,750,650	\$ 43,931,424	\$ 35,843,888	\$ 32,372,962	\$ 34,549,212
Restricted	7,220,047	8,302,471	11,443,354	12,941,313	12,186,134	8,300,588	5,872,577	1,598,531	1,575,172	1,337,240
Unrestricted (deficit)	(87,099)	(2,830,540)	(1,725,791)	6,271,966	3,377,568	4,663,182	7,903,032	9,766,255	10,206,822	5,741,910
Total business type activities net position	<u>\$ 85,947,415</u>	<u>\$ 84,668,196</u>	<u>\$ 82,926,482</u>	<u>\$ 86,336,420</u>	<u>\$ 81,969,371</u>	<u>\$ 71,714,420</u>	<u>\$ 57,707,033</u>	<u>\$ 47,208,674</u>	<u>\$ 44,154,956</u>	<u>\$ 41,628,362</u>
Primary Government										
Net investment in capital assets	\$ 91,392,702	\$ 90,383,340	\$ 78,018,288	\$ 71,440,150	\$ 70,252,913	\$ 62,292,660	\$ 48,728,450	\$ 40,451,584	\$ 38,024,478	\$ 39,642,896
Restricted	11,809,630	11,202,474	13,773,040	14,629,649	13,816,356	9,515,758	7,421,380	3,020,311	1,843,726	1,638,113
Unrestricted (deficit)	(6,533,114)	(8,798,716)	(12,033,520)	5,122,236	2,519,149	3,678,107	7,409,599	9,575,649	10,165,924	5,152,127
Total primary government net position	<u>\$ 96,669,218</u>	<u>\$ 92,787,098</u>	<u>\$ 79,757,808</u>	<u>\$ 91,192,035</u>	<u>\$ 86,588,418</u>	<u>\$ 75,486,525</u>	<u>\$ 63,559,429</u>	<u>\$ 53,047,544</u>	<u>\$ 50,034,128</u>	<u>\$ 46,433,136</u>

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

CITY OF CAYCE, SOUTH CAROLINA

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

LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
<u>Governmental activities:</u> ⁽³⁾										
General government	\$ 481,829	\$ 434,485	\$ 340,913	\$ 255,392	\$ 224,912	\$ 497,316	\$ 656,284	\$ 565,029	\$ 530,042	\$ 495,970
Information technology	84,776	85,962	92,887	106,544	73,396	—	—	—	—	—
Finance	117,820	56,868	61,747	70,355	82,275	101,476	127,862	194,352	190,399	191,106
Public safety	5,719,168	4,976,924	4,964,652	4,758,297	4,514,375	3,878,041	4,122,059	4,271,262	3,895,074	3,745,640
Public works	1,477,526	1,331,873	1,307,718	1,398,634	1,305,014	1,187,652	1,186,723	1,027,091	1,290,153	836,595
Planning and community development	790,776	675,085	575,489	628,271	595,472	3,297,107	609,701	591,283	441,026	411,118
Parks and museum	804,149	636,000	669,385	576,023	541,286	469,933	514,635	878,374	485,703	462,343
Garage	295,422	243,925	245,638	262,443	244,377	200,620	214,446	177,478	298,751	240,133
Depreciation and amortization (unallocated) ⁽⁷⁾	708,459	651,325	671,572	721,268	671,692	593,095	599,090	605,353	532,900	497,515
Non-departmental and support services ⁽¹⁾	—	—	—	—	—	—	—	—	—	—
Interest	36,977	55,817	84,250	109,691	123,814	128,429	145,968	166,919	173,679	188,205
Total governmental activities	<u>10,516,902</u>	<u>9,148,264</u>	<u>9,014,251</u>	<u>8,886,918</u>	<u>8,376,613</u>	<u>10,353,669</u>	<u>8,176,768</u>	<u>8,477,141</u>	<u>7,837,727</u>	<u>7,068,625</u>
<u>Business-type activities:</u>										
Water and sewer utility ⁽⁷⁾	16,549,533	14,868,109	14,627,939	12,501,119	11,733,001	10,873,285	10,075,440	9,258,516	8,752,480	7,738,967
Total business-type activities	<u>16,549,533</u>	<u>14,868,109</u>	<u>14,627,939</u>	<u>12,501,119</u>	<u>11,733,001</u>	<u>10,873,285</u>	<u>10,075,440</u>	<u>9,258,516</u>	<u>8,752,480</u>	<u>7,738,967</u>
Total primary government expenses	<u>\$ 27,066,435</u>	<u>\$ 24,016,373</u>	<u>\$ 23,642,190</u>	<u>\$ 21,388,037</u>	<u>\$ 20,109,614</u>	<u>\$ 21,226,954</u>	<u>\$ 18,252,208</u>	<u>\$ 17,735,657</u>	<u>\$ 16,590,207</u>	<u>\$ 14,807,592</u>
Program Revenue										
<u>Governmental activities:</u>										
Fees for services ⁽⁴⁾	\$ 1,270,485	\$ 1,460,765	\$ 948,157	\$ 1,014,772	\$ 1,053,270	\$ 1,006,202	\$ 1,070,167	\$ 1,385,124	\$ 1,353,981	\$ 1,276,434
Operating grants and contributions ⁽²⁾	402,575	242,087	66,562	25,727	163,049	387,123	445,491	129,259	3,242	206,008
Capital grants and contributions	618,648	6,649,664	4,249	100,000	267,131	49,323	33,833	192,342	127,349	47,700
Total governmental activities	<u>2,291,708</u>	<u>8,352,516</u>	<u>1,018,968</u>	<u>1,140,499</u>	<u>1,483,450</u>	<u>1,442,648</u>	<u>1,549,491</u>	<u>1,706,725</u>	<u>1,484,572</u>	<u>1,530,142</u>
<u>Business-type activities:</u>										
Fees for services ⁽⁵⁾	16,865,450	14,971,094	14,566,496	13,053,768	12,113,231	11,113,085	9,949,750	9,722,466	9,279,771	8,703,224
Operating grants and contributions	—	—	—	—	—	—	—	—	—	—
Capital grants and contributions	948,615	1,604,279	1,233,547	8,768,596	9,848,764	13,721,503	10,191,975	2,871,370	2,644,723	2,681,105
Total business-type activities	<u>17,814,065</u>	<u>16,575,373</u>	<u>15,800,070</u>	<u>21,822,364</u>	<u>21,961,995</u>	<u>24,834,588</u>	<u>20,141,725</u>	<u>12,593,836</u>	<u>11,924,494</u>	<u>11,384,329</u>
Total primary government program revenue	<u>\$ 20,105,773</u>	<u>\$ 24,927,889</u>	<u>\$ 16,819,038</u>	<u>\$ 22,962,863</u>	<u>\$ 23,445,445</u>	<u>\$ 26,277,236</u>	<u>\$ 21,691,216</u>	<u>\$ 14,300,561</u>	<u>\$ 13,409,066</u>	<u>\$ 12,914,471</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

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

--- CONTINUED ---

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Revenue and Other Changes										
Governmental activities:										
Property taxes	\$ 4,066,933	\$ 3,786,956	\$ 3,783,478	\$ 3,616,400	\$ 3,756,223	\$ 3,408,455	\$ 2,975,601	\$ 2,619,710	\$ 2,452,705	\$ 2,222,653
Accommodation and hospitality taxes	1,074,154	787,971	98,941	90,033	86,297	76,682	87,502	107,809	108,570	112,667
State shared and unallocated intergovernmental	425,994	410,874	370,738	400,669	326,500	363,225	397,125	452,427	479,420	437,619
Business licenses and other taxes	4,586,377	6,704,824	4,043,886	3,344,898	4,087,220	2,909,802	3,124,799	3,090,229	3,193,603	2,830,976
Unrestricted investment earnings	1,201	1,777	1,813	2,309	4,053	9,497	9,485	21,309	96,838	144,116
Gain from sale of assets	35,000	—	171,314	22,854	—	—	—	—	—	—
Other	638,436	390,922	422,976	514,157	520,318	63,069	46,291	17,875	52,940	45,232
Transfers	—	—	—	—	—	—	—	420,757	1,043,477	—
Total governmental activities	10,828,095	12,083,324	8,893,146	7,991,320	8,780,611	6,830,730	6,640,803	6,730,114	7,427,553	5,793,263
Business-type activities:										
Unrestricted investment earnings	10,264	11,223	14,426	20,799	26,801	41,837	61,639	135,795	388,896	312,364
Gain from sale of assets	4,423	23,227	—	—	(844)	—	—	—	—	—
Other	—	—	—	14,619	—	4,247	370,435	3,360	9,161	6,760
Transfers	—	—	—	—	—	—	—	(420,757)	(1,043,477)	—
Total business-type activities	14,687	34,450	14,426	35,418	25,957	46,084	432,074	(281,602)	(645,420)	319,124
Total primary government general revenue and other changes	\$ 10,842,782	\$ 12,117,774	\$ 8,907,572	\$ 8,026,738	\$ 8,806,568	\$ 6,876,814	\$ 7,072,877	\$ 6,448,512	\$ 6,782,133	\$ 6,112,387
Extraordinary Item – Fire	\$ —	\$ —	\$ —	\$ —	\$ (1,040,506)	\$ —	\$ —	\$ —	\$ —	\$ —
Special Item – Wastewater Treatment Plant disposal/decommissioned	\$ —	\$ —	\$ —	\$ (4,488,481)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Changes in Net Position										
Governmental activities	\$ 2,602,901	\$ 11,287,576	\$ 897,863	\$ 244,901	\$ 846,942	\$ (2,080,291)	\$ 13,526	\$ (40,302)	\$ 1,074,398	\$ 254,780
Business-type activities	1,279,219	1,741,714	1,186,557	4,868,182	10,254,951	14,007,387	10,498,359	3,053,718	2,526,594	3,964,486
Total primary government changes in net position	\$ 3,882,120	\$ 13,029,290	\$ 2,084,420	\$ 5,113,083	\$ 11,101,893	\$ 11,927,096	\$ 10,511,885	\$ 3,013,416	\$ 3,600,992	\$ 4,219,266

113

- (1) Beginning in 2007, the City allocated non-departmental and support services to functional activities for its Governmental Activities.
- (2) Beginning in 2007, the City reported expenses reimbursed by the Water & Sewer Utility Fund net of reimbursement.
- (3) Beginning in 2007, the City allocated overhead costs associated with its Utility Fund to the functional areas of Governmental Activities.
- (4) Fees for services for the governmental activities primarily consist of police fines, fire hydrant service fees, sanitation and tapping fees and other special service fees.
- (5) Fees for services for the business-type activity consist primarily of sales for water and sewer services.
- (6) Beginning in 2013, the City implemented GASB Statement #63 and reclassified "net assets" to "net position."
- (7) Beginning in 2014, the City implemented GASB Statement #65 and GASB #68 which restated bond issue costs as expenses and restated pension liabilities and related deferrals.

CITY OF CAYCE, SOUTH CAROLINA

PROGRAM REVENUE BY FUNCTION
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Function/Program										
Governmental Activities:										
General government (1)	\$ 30,000	\$ 149,968	\$ —	\$ —	\$ —	\$ 51,694	\$ 2,527	\$ —	\$ —	\$ —
Information technology	—	—	—	—	—	—	—	—	—	—
Finance	—	—	—	—	—	—	—	—	—	—
Public safety	900,140	822,249	626,967	545,554	752,605	924,772	926,953	741,906	553,521	793,932
Public works	531,233	832,971	381,066	472,833	432,704	414,308	501,847	769,983	678,163	619,535
Planning and community development	212,815	8,467	6,200	121,286	27,757	31,120	51,550	51,556	—	—
Parks and museum	617,520	6,538,861	4,735	826	270,384	20,754	66,614	143,280	252,888	116,675
Garage	—	—	—	—	—	—	—	—	—	—
Total governmental activities	<u>2,291,708</u>	<u>8,352,516</u>	<u>1,018,968</u>	<u>1,140,499</u>	<u>1,483,450</u>	<u>1,442,648</u>	<u>1,549,491</u>	<u>1,706,725</u>	<u>1,484,572</u>	<u>1,530,142</u>
Business-type activities:										
Water and sewer utility	<u>17,814,065</u>	<u>16,575,373</u>	<u>14,629,867</u>	<u>21,822,364</u>	<u>21,961,995</u>	<u>24,834,588</u>	<u>20,141,725</u>	<u>12,593,836</u>	<u>11,924,494</u>	<u>11,384,329</u>
Total business-type activities	<u>17,814,065</u>	<u>16,575,373</u>	<u>14,629,867</u>	<u>21,822,364</u>	<u>21,961,995</u>	<u>24,834,588</u>	<u>20,141,725</u>	<u>12,593,836</u>	<u>11,924,494</u>	<u>11,384,329</u>
Total program revenue by function and program	<u>\$ 20,105,773</u>	<u>\$ 24,927,889</u>	<u>\$ 15,648,835</u>	<u>\$ 22,962,863</u>	<u>\$ 23,445,445</u>	<u>\$ 26,277,236</u>	<u>\$ 21,691,216</u>	<u>\$ 14,300,561</u>	<u>\$ 13,409,066</u>	<u>\$ 12,914,471</u>

114

(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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Nonspendable	\$ 64,979	\$ 559,143	\$ 48,921	\$ 51,930	\$ 41,613	\$ 35,177	\$ —	\$ —	\$ —	\$ —
Restricted	21,233	52,783	58,560	69,493	113,698	133,512	—	—	—	—
Committed	25,000	25,000	25,000	25,000	—	—	—	—	—	—
Assigned	930,600	923,610	4,107	9,944	17,261	20,267	—	—	—	—
Unassigned	4,859,534	4,124,328	1,090,810	476,052	694,031	430,901	—	—	—	—
Reserved	—	—	—	—	—	—	187,280	194,005	195,913	205,925
Unreserved	—	—	—	—	—	—	(209,352)	(4,412)	(123,661)	(640,160)
Total general fund	<u>5,901,346</u>	<u>5,684,864</u>	<u>1,227,398</u>	<u>632,419</u>	<u>866,603</u>	<u>619,857</u>	<u>(22,072)</u>	<u>189,593</u>	<u>72,252</u>	<u>(434,235)</u>
All Other Governmental Funds										
Restricted, reported in:										
Special revenue funds	587,173	391,426	131,568	149,493	246,509	406,477	—	—	—	—
Debt service funds	996,764	1,133,993	752,375	794,432	497,847	620,592	—	—	—	—
Capital projects funds	735,245	428,440	754,698	655,607	717,567	173,606	—	—	—	—
Assigned, reported in:	83,801									
Special revenue funds	—	83,801	83,801	83,801	—	636	—	—	—	—
Reserved, reported in:										
Special revenue funds	—	—	—	—	—	—	82,207	82,673	82,651	82,627
Debt service funds	—	—	—	—	—	—	1,349,255	1,215,761	1,143,438	1,017,411
Capital projects funds	—	—	—	—	—	—	2,277,644	2,356,749	2,590,056	3,047,680
Unreserved, reported in:										
Special revenue funds	—	—	—	—	—	—	323,318	352,489	374,364	365,716
Capital projects funds	—	—	—	—	—	—	—	—	—	—
Total all other governmental funds	<u>2,402,983</u>	<u>2,037,660</u>	<u>1,722,442</u>	<u>1,683,333</u>	<u>1,461,923</u>	<u>1,201,311</u>	<u>4,032,424</u>	<u>4,007,672</u>	<u>4,190,509</u>	<u>4,513,434</u>
Total primary government	<u>\$ 8,304,329</u>	<u>\$ 7,722,524</u>	<u>\$ 2,949,840</u>	<u>\$ 2,315,752</u>	<u>\$ 2,328,526</u>	<u>\$ 1,821,168</u>	<u>\$ 4,010,352</u>	<u>\$ 4,197,265</u>	<u>\$ 4,262,761</u>	<u>\$ 4,079,199</u>

115

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenue										
Property taxes	\$ 4,068,045	\$ 3,776,095	\$ 3,794,008	\$ 3,610,099	\$ 3,721,458	\$ 3,351,690	\$ 2,899,938	\$ 2,624,276	\$ 2,383,985	\$ 2,227,451
Hospitality taxes	1,068,426	697,654	—	—	—	—	—	—	—	—
Licenses and permits	4,799,886	6,969,845	4,182,122	3,401,971	4,145,714	2,945,593	3,296,449	3,511,330	3,534,887	3,116,879
Fines and forfeitures	260,880	329,068	268,380	223,204	316,604	328,356	282,399	284,215	239,960	337,679
State shared revenue	425,994	497,025	470,411	504,646	447,544	489,425	541,999	613,976	625,855	594,905
Current services	796,448	848,100	534,410	692,536	658,095	620,316	601,501	668,994	636,283	625,946
Grants and other	1,658,789	1,953,891	502,037	697,009	970,574	504,317	494,349	366,262	327,625	1,310,757
Interest income	1,201	1,777	1,813	2,308	4,054	9,497	9,485	21,309	96,836	144,116
Total revenue	13,079,669	15,073,455	9,753,181	9,131,773	10,264,043	8,249,194	8,126,120	8,090,362	7,845,431	8,357,733
Expenditures¹										
Current:										
General government	510,972	418,861	335,743	257,965	237,577	243,093	322,933	334,079	410,300	456,196
Information technology	74,890	78,293	90,231	106,187	73,396	—	—	—	—	—
Finance	86,021	49,747	62,061	69,766	87,707	69,582	68,791	132,174	133,598	196,415
Public safety	5,604,141	4,972,902	5,020,310	4,752,127	4,566,632	3,342,951	3,377,945	3,267,295	2,990,865	2,902,975
Public works	1,424,195	1,309,947	1,289,663	1,397,514	1,321,336	1,085,494	1,025,127	1,204,368	1,031,851	1,005,933
Planning and community development/relations	840,806	618,430	569,700	625,823	603,295	3,253,279	498,344	496,265	390,710	332,888
Parks and museum	766,762	662,474	661,278	590,580	549,481	407,817	407,097	396,719	355,486	385,507
Garage	260,589	237,940	249,836	261,917	250,402	165,610	154,796	118,365	135,652	238,020
Non-department and support services	268	26,476	15,601	24,853	511,974	863,085	1,504,764	1,559,494	1,518,150	1,397,835
Debt service and other financing:										
Principal	603,207	672,857	666,678	664,914	685,536	573,730	581,740	580,340	882,569	518,350
Interest	36,997	55,817	89,405	109,691	123,814	128,430	145,968	166,919	176,465	193,663
Capital outlay	2,324,016	1,213,999	323,518	473,210	460,431	804,800	381,641	510,656	1,019,876	834,374
Total expenditures	12,532,864	10,317,743	9,374,024	9,334,547	9,471,581	10,937,871	8,469,146	8,766,674	9,045,522	8,462,156
Excess (deficiency) of revenue over expenditures	546,805	4,755,712	379,157	(202,774)	792,462	(2,688,677)	(343,026)	(676,312)	(1,200,091)	(104,423)

— CONTINUED —

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

—CONTINUED—

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Other Financing Sources (Uses)										
Proceeds from sales of assets	35,000	16,972	254,931	—	—	—	—	—	—	—
Installment purchase contracts	—	—	—	190,000	755,402	499,493	156,113	190,059	340,176	—
Transfers in	1,404,441	423,300	456,887	42,589	437,747	939,470	38,326	459,522	1,082,135	38,533
Transfers (out)	(1,404,441)	(423,300)	(456,887)	(42,589)	(437,747)	(939,470)	(38,326)	(38,765)	(38,658)	(38,533)
Total other financing sources (uses)	35,000	16,972	254,931	190,000	755,402	499,493	156,113	610,816	1,383,653	—
Net change in fund balances before extraordinary item	581,805	4,772,684	634,088	(12,774)	1,547,864	(2,189,184)	(186,913)	(65,496)	183,562	(104,423)
Extraordinary Item – Fire	—	—	—	—	(1,040,506)	—	—	—	—	—
Net change in fund balances	581,805	4,772,684	634,088	(12,774)	507,358	(2,189,184)	(186,913)	(65,496)	183,562	(104,423)
Fund balances, beginning of year	7,722,524	2,949,840	2,315,752	2,328,526	1,821,168	4,010,352	4,197,265	4,262,761	4,079,199	4,183,622
Fund balances, end of year	<u>\$8,304,329</u>	<u>\$7,772,524</u>	<u>\$ 2,949,840</u>	<u>\$ 2,315,752</u>	<u>\$2,328,526</u>	<u>\$1,821,168</u>	<u>\$4,010,352</u>	<u>\$4,197,265</u>	<u>\$4,262,761</u>	<u>\$4,079,199</u>
Debt service as a percentage of non-capital expenditures	5%	8%	9%	10%	10%	7%	10%	10%	15%	10%

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

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

Fiscal Year	Real and Personal Property				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						
2007	\$ 25,396,160	\$ 12,567,235	\$ 5,402,340	\$ (5,792,520)	\$ 37,573,215	42.50	\$ 767,801,614	4.9%	
2008	26,418,340	13,044,310	5,289,010	(5,921,020)	38,830,640	44.50	769,750,286	5.0%	
2009	27,142,680	18,481,310	5,383,210	(10,944,250)	40,062,950	46.00	887,711,138	4.5%	
2010	27,497,250	20,681,250	5,012,660	(11,267,780)	41,923,380	46.00	938,592,286	4.5%	
2011*	32,002,480	31,373,060	4,414,160	(20,893,160)	46,896,540	41.25	818,978,882	5.7%	
2012	32,995,290	27,666,827	4,801,730	(18,539,870)	46,923,977	46.93	823,005,284	5.7%	
2013	33,861,520	31,369,790	5,033,320	(22,674,050)	47,860,580	43.27	834,372,162	5.7%	
2014	33,707,440	31,406,130	5,646,490	(22,208,610)	48,551,450	44.17	849,135,496	5.7%	
2015	34,138,570	34,547,080	5,994,890	(24,197,850)	50,482,690	44.17	873,465,498	5.9%	
2016	33,944,810	35,766,070	6,442,250	(24,673,760)	51,479,370	45.36	877,639,579	5.9%	

Source: Lexington County Auditor, Final Tax Year Assessments.

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

* Results due to reassessment year.

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

Fiscal Year	City Millage ⁽¹⁾	County Millage	School District Millage	All Other Districts	Total Millage
2007	42.500	67.132	173.150	21.022	303.804
2008	44.500	70.692	178.600	25.113	318.905
2009	46.000	73.931	178.600	23.617	322.148
2010	46.000	74.238	178.600	22.468	321.306
*2011	41.250	70.428	176.210	22.013	309.901
**2012	46.930	71.709	176.210	22.690	317.539
2013	43.270	73.768	176.210	22.402	315.650
2014	44.170	76.728	176.210	22.502	319.610
2015	44.170	77.178	176.210	24.002	321.560
2016	45.360	76.968	225.960	22.443	370.731

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 Municipal millage increase was due mainly to a one year only increase of 5 mills to help with the prior year budget deficiency.

CITY OF CAYCE, SOUTH CAROLINA
 PRINCIPAL PROPERTY TAX PAYERS
 COMPARISON OF 2016 TO 2007

120

Taxpayer	Type of Business	2016			2007		
		Assessment	Rank	Percentage of Total Assessed Valuation	Assessment	Rank	Percentage of Total Assessed Valuation
SCANA, Inc (SCE&G included)	Electric Utility	\$ 24,294,490	1	31.90%	\$ 3,499,060	2	9.09%
Owen Electric Steel Co. of S.C.	Manufacturer, Steel	6,287,220	2	8.26%	4,259,470	1	11.07%
SN Riverside LLC	Apartments	1,065,600	3	1.40%	—	—	—
PEP-USC LLC (Point West)	Apartments	735,750	4	0.97%	549,750	4	1.43%
Farm Bureau Insurance of S.C.	Insurance	684,720	5	0.90%	437,450	6	1.14%
Bell South Telecommunication, Inc.	Telecommunication	684,520	6	0.90%	1,387,990	3	3.61%
Granby Crossing, L.P.	Apartments	516,150	7	0.68%	406,200	7	1.06%
Parkland Partnership	Shopping Center	508,330	8	0.67%	473,230	5	1.23%
PS Southeast Two LLC	Mini Warehousing	342,010	9	0.45%	—	1	—
Cayce Commons Shopping Ctr	Shopping Center	286,280	10	0.38%	—	—	—
Cole CV Cayce SC LLC	Real Estate	270,000	11	0.35%	—	—	—
Southern First Bank National	Banking	261,040	12	0.34%	—	—	—
AVTX Edenwood Associates LLC	Real Estate	241,820	13	0.32%	—	—	—
WRH Edenwood LTD	Apartments	230,370	14	0.30%	172,310	12	0.45%
WED Properties LLC	Real Estate	214,780	15	0.28%	—	—	—
W.P. Hylton, LLC (Park Place 440)	Real Estate	210,000	16	0.28%	165,900	14	0.43%
Brickworks Associates LLC	Land Development	196,820	17	0.26%	—	—	—
Bi-Lo LLC	Grocer	195,820	18	0.26%	—	—	—
OTARRE Point Realty Partners LLC	Real Estate	188,140	19	0.25%	—	—	—
Efron Family LLC	Real Estate	181,090	20	0.24%	—	—	—
Virginia American Industries	Manufacturer, Tanks	165,880	—	—	167,410	13	0.44%
Southeastern Concrete Products	Manufacturer, Concrete	149,670	—	—	259,040	9	0.67%
Cayce Crossing, L.P.	Shopping Center	148,350	—	—	174,710	11	0.45%
Love Chevrolet	Car Dealership	131,840	—	—	148,430	15	0.39%
Time Warner Ent.- Advance Newhouse	Telecommunication	119,460	—	—	139,610	17	0.36%
Pilot Travel Centers, LLC	Gasoline Stations	94,270	—	—	131,860	19	0.34%
Indigo Associates, LTD	Real Estate	65,810	—	—	144,420	16	0.38%
Shealy Environmental Services	Laboratory Testing	41,350	—	—	121,160	20	0.31%
University Commons	Apartments	0	—	—	332,760	8	0.86%
The BOC Group, Inc.	Real Estate	0	—	—	137,890	18	0.36%
Small, Jr., Robert S.	Real Estate	0	—	—	196,470	10	0.51%
Total		\$ 38,511,580		49.37%			
Total Assessed Value (Includes FILOT)		\$ 76,153,130					
Total Assessed Value (Not Including FILOT)		\$ 51,479,370					

Source: Lexington County Auditor's Office.

CITY OF CAYCE, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS¹
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year ²	Amounts Collected within the Fiscal Year by Year of Levy				Percentage of Levy	Total Collections Received in Fiscal Year for All Levies ³
		Current Amount	Delinquent Amounts	Total	Total		
2007	\$ 1,584,077	\$ 1,362,656	\$ 107,696	\$ 1,470,351	93%	\$ 1,422,356	
2008	1,692,004	1,480,304	19,519	1,499,823	89%	1,542,832	
2009	1,843,767	1,591,476	62,372	1,653,848	90%	1,650,292	
2010	1,897,309	1,691,680	109,438	1,801,118	95%	1,854,051	
2011	1,826,802	1,624,572	121,708	1,745,280	96%	1,873,739	
2012	2,165,282	1,878,733	65,402	1,944,135	90%	1,945,144	
2013	2,027,828	1,788,626	84,273	1,872,899	92%	1,884,856	
2014	2,068,820	1,832,965	67,261	1,900,227	92%	1,926,015	
2015	2,162,503	1,912,049	48,445	1,960,494	91%	2,007,323	
2016	2,265,998	2,000,127	38,030	2,038,157	90%	2,066,543	

- 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			
2007	\$ —	\$ 4,025,450	\$ 434,142	\$ 20,880,000	\$ 1,387,786	\$ —	\$26,727,378	12.4%	2,133
2008	—	3,692,501	565,406	26,125,000	1,324,508	226,764	31,934,179	14.8%	2,525
2009	—	3,346,000	520,650	24,720,000	1,258,823	138,220	29,983,693	13.9%	2,295
2010	—	2,985,394	455,631	23,240,000	1,190,640*	*46,809	27,918,474	12.9%	2,137
2011	—	2,610,109	756,680	21,705,000	1,119,864*	—	26,191,653	10.1%	2,091
2012	—	2,219,547	1,217,108	20,110,000	35,574,548	—	59,121,203	21.7%	4,640
2013	—	1,813,087	1,002,799	18,445,000	34,104,337	—	55,365,223	19.2%	4,367
2014	—	1,390,082	600,862	16,715,000	32,609,883	—	51,315,827	17.0%	3,990
2015	—	949,858	224,242	13,945,000	33,825,489	—	48,944,589	16.1%	3,779
2016	—	491,714	—	12,970,000	32,144,429	507,532	46,113,675	15.0%	3,563

*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
2007	—	—	—
2008	—	—	—
2009	—	—	—
2010	—	—	—
2011	—	—	—
2012	—	—	—
2013	—	—	—
2014	—	—	—
2015	—	—	—
2016	—	—	—

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, 2016

		<u>General Bonded Debt Outstanding</u>		
<u>Political Subdivisions</u>	<u>Assessed Value</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Cayce Taxpayers²</u>	<u>Cayce's Taxpayers Share of Debt¹</u>
Lexington County	\$ 1,214,040,260	\$ 42,193,795	5.94%	\$ 2,506,311
Lexington School District 2	288,845,600	146,254,000	24.97%	36,519,624
Lexington Recreation District	914,317,130	34,115,000	7.89%	2,691,674
Riverbanks Zoo	1,214,040,260	14,743,768	5.94%	875,780
Total Overlapping General Bonded Debt		<u>\$ 237,306,563</u>		<u>\$ 42,593,389</u>
 <u>Direct City Debt Outstanding</u>				
Governmental Activities:				
Tax Increment Financing (TIF)				
Revenue Bonds				\$ 491,714
Installment Purchase Contracts				—
				<u>\$ 491,714</u>
 Business-type Activities:				
Water and Sewer System Revenue				
Bonds				\$ 12,970,000
Clean Water State Revolving				
Fund Loans (SRF)				32,144,429
Installment purchase contracts				507,732
				<u>\$ 45,621,962</u>
Total Direct & Overlapping Debt				<u>\$ 88,707,065</u>

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

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

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

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Assessed Valuation	\$51,479,370	\$50,482,690	\$48,551,450	\$47,860,580	\$46,923,977	\$46,896,540	\$41,923,380	\$40,062,950	\$38,830,640	\$37,573,215
Maximum General Obligation Debt limited to 8% of total assessed valuation (1)	4,118,350	4,038,615	3,884,116	3,828,846	3,753,918	3,751,723	3,353,870	3,205,036	3,106,451	3,005,857
Outstanding bonds chargeable to bond limit	—	—	—	—	—	—	—	—	—	—
Legal debt margin	<u>\$4,118,350</u>	<u>\$ 4,038,615</u>	<u>\$ 3,884,116</u>	<u>\$ 3,828,846</u>	<u>\$ 3,753,918</u>	<u>\$ 3,751,723</u>	<u>\$ 3,353,870</u>	<u>\$ 3,205,036</u>	<u>\$3,106,451</u>	<u>\$3,005,857</u>
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. Does not include FILOT.

Source: Lexington County Auditor's Office.

CITY OF CAYCE, SOUTH CAROLINA

PLEDGED REVENUE — REVENUE BOND COVERAGE WATER AND SEWER ENTERPRISE FUND

LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30.									
	2016	2015	2014 ⁽²⁾	2013	2012	2011	2010	2009	2008	2007
Gross Revenues	\$ 16,880,137	\$ 15,005,544	\$ 14,580,922	\$ 13,899,383	\$ 12,140,032	\$ 11,159,169	\$ 10,381,824	\$ 9,861,621	\$ 9,677,828	\$ 9,022,348
Capital Facility Charges	465,468	1,604,279	1,592,759	5,145,064	9,848,764	13,721,503	7,168,737	1,580,790	1,486,154	1,058,798
Expenses of Operating and Maintaining the System ⁽³⁾	(10,489,151)	(9,159,617)	(9,089,535)	(7,886,067)	(8,014,258)	(7,391,785)	(6,630,334)	(6,352,267)	(6,509,486)	(4,927,517)
Net Earnings/Net Revenues ⁽¹⁾	\$ 6,856,454	\$ 7,450,206	\$ 7,084,146	\$ 11,158,380	\$ 13,974,538	\$ 17,488,887	\$ 10,920,227	\$ 5,090,144	\$ 4,654,496	\$ 5,153,629
Combined Debt Service Requirements ⁽⁴⁾	\$ 4,551,866	\$ 4,774,334	\$ 4,835,493	\$ 4,881,806	\$ 3,240,906	\$ 2,707,437	\$ 2,709,725	\$ 2,818,044	\$ 2,212,235	\$ 2,216,564
Debt Service Coverage ⁽⁵⁾	151%	156%	147%	229%	431%	646%	403%	180%	210%	236%
Debt Service Coverage Without Capital Facility Charges ⁽⁵⁾	N/A	122%	114%	123%	127%	139%	138%	124%	143%	185%

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

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

COMMERCIAL PERMITS VALUES TEN FISCAL YEAR REPORT

Occurrence	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Alterations	\$ 3,663,392	\$ 2,024,358	\$ 1,433,524	\$ 4,355,520	\$ 583,964	\$ 1,485,764	\$ 1,445,301	\$ 5,027,581	\$ 1,124,891	\$ 2,346,231
Additions	1,067,481	—	1,159,300	1,171,880	368,348	94,692	74,256	565,615	9,311,921	31,860
New Construction	8,158,486	205,910	9,812,273	1,084,624	78,420	105,830	62,060,078	42,184,048	62,749,070	53,319,654
Sub-total:	12,889,359	2,230,268	12,405,097	6,612,024	1,030,732	1,686,286	63,579,635	47,777,244	73,185,882	55,697,745
Signage	85,224	63,914	78,430	73,417	44,130	88,105	169,376	93,959	84,372	111,034
Commercial Totals	\$ 12,974,583	\$ 2,294,182	\$ 12,483,527	\$ 6,685,441	\$ 1,074,862	\$ 1,774,391	\$ 63,749,011	\$ 47,871,203	\$ 73,270,254	\$ 55,808,779

RESIDENTIAL PERMITS VALUES TEN FISCAL YEAR REPORT

Occurrence	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Alterations	\$ 1,722,156	\$ 1,227,438	\$ 959,069	\$ 1,558,973	\$ 976,387	\$ 804,757	\$ 2,236,743	\$ 882,040	\$ 926,205	\$ 1,699,842
Additions	132,485	311,499	258,552	297,543	192,946	226,930	225,550	201,607	826,408	565,569
Multi-Family	—	35,670,684	—	—	1,354,057	—	—	—	—	—
Single-Family	9,431,975	6,684,947	8,230,264	7,917,316	4,105,918	676,678	3,518,000	9,898,625	5,075,670	8,989,979
Residential Totals:	\$ 11,286,616	\$ 43,894,568	\$ 9,447,885	\$ 9,773,832	\$ 6,629,308	\$ 1,708,365	\$ 5,980,293	\$ 10,982,272	\$ 6,828,283	\$ 11,255,390
Yearly Grand Total:	\$ 24,261,199	\$ 46,188,750	\$ 21,931,411	\$ 16,459,273	\$ 7,704,170	\$ 3,482,756	\$ 69,729,304	\$ 58,853,475	\$ 80,098,537	\$ 67,064,169

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

<u>Per Year 2010 Census¹</u>	<u>Cayce⁵</u>	<u>Lexington County⁴</u>	<u>South Carolina⁴</u>
Total Population (2012 estimate)	12,944	281,833	4,896,146
Per Capita Income (in 2010 dollars)	\$ 23,690	\$ 28,411	\$ 25,627
Median Household Income (in 2010 dollars)	\$ 43,186	\$ 55,227	\$ 47,238
Median Family Income (in 2010 dollars)	\$ 55,012	\$ 70,069	\$ 59,282
Total Personal Income (in 2010 dollars)	\$ 306,643,360	\$ 8,007,157,363	\$ 125,473,533,542

<u>Population Estimates¹ (July 1, 2015)</u>	<u>Cayce</u>	<u>Lexington County</u>	<u>South Carolina</u>
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	12,626	266,547	4,673,509
2012	12,772	270,272	4,723,417
2013	12,860	273,752	4,774,839
2014	12,951	277,888	4,832,482
2015	12,944	281,833	4,896,146

<u>Unemployment Rates² (Annual Average)</u>	<u>Cayce</u>	<u>Lexington County</u>	<u>South Carolina</u>
2007	N/A	4.1	5.7
2008	N/A	4.9	6.8
2009	N/A	8.0	11.2
2010	N/A	8.2	11.2
2011	N/A	8.0	10.6
2012	N/A	7.0	9.2
2013	N/A	5.8	7.6
2014	N/A	5.0	6.4
2015	N/A	4.8	6.0
2016 ³	N/A	4.4	5.4

<u>Cayce's Income Demographics⁵</u>	<u>Households</u>		<u>Families</u>	
	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
\$0 – \$10,000	500	9.3%	294	10.0%
10,000 – 14,999	314	5.9%	76	2.6%
15,000 – 24,999	737	13.8%	242	8.2%
25,000 – 34,999	641	12.0%	289	9.8%
35,000 – 49,999	787	14.7%	396	13.5%
50,000 – 74,999	1,053	19.7%	711	24.2%
75,000 – 99,999	770	14.4%	498	17.0%
100,000 – 149,999	396	7.4%	326	11.1%
150,000 – 199,999	81	1.5%	54	1.8%
200,000 and over	74	1.4%	49	1.7%
Totals	5,353	100.0%	2,935	100.0%

Sources: ¹ U.S. Bureau of the Census. Census 2010. 2015 latest estimates.

² S.C. Department of Employment and Workforce.

³ Six month average from January 1, 2016 through June 30, 2016.

⁴ State demographic information for all categories, updated as of July 1, 2015.

⁵ Income demographics for the City are based on estimates from the Bureau of the Census, American Community Survey, latest year 2015.

N/A = Not Available

CITY OF CAYCE, SOUTH CAROLINA

PRINCIPAL EMPLOYERS

JUNE 30, 2016

(With comparative data from that first reported in CAFR, June 30, 2007)

Taxpayer		2016			2007		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
SCANA, Inc	Electric Utility	1,873	1	22.0%	200	4	3.0%
SMI Steel	Manufacturer, Steel	385	2	4.5%	593	1	8.8%
Lexington School District 2	Public School System	271	3	3.2%	-	-	0.0%
Bi-Lo, LLC	Grocer	189	4	2.2%	-	-	0.0%
Farm Bureau Insurance of S.C.	Insurance	160	5	1.9%	175	5	2.6%
CINTAS	Uniform Provider	106	6	1.2%	-	-	0.0%
Genuine Parts Co.	Parts Distributor	65	7	0.8%	-	-	0.0%
Love Automotive Co.	Car Dealership	50	8	0.6%	-	-	0.0%
Southeastern Concrete	Manufacturer, Concrete	50	9	0.6%	55	8	0.1%
Krispy Kreme Doughnut Co.	Retail	44	10	0.5%	65	7	1.0%
Total		3,193		37.56%	1,088		15.8%
Approximate number employed within the City limits		<u>8,500</u>			<u>6,725</u>		

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

CITY OF CAYCE, SOUTH CAROLINA

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Employees by Function/Program										
<u>Governmental Activities</u>										
General government:										
Legislative	5	5	5	5	5	5	5	5	5	5
Administrative	6	6	5	4	4	5	5	5	5	5
Recorder's court	3	3	2	2	1	1	1	1	1	1
IT***	1	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A
Finance:										
Accounting	3	3	3	3	3	4	4	4	4	4
Public safety:										
Animal control	1	2	2	2	2	2	2	2	2	2
Dispatchers	5	5	5	5	5	5	5	5	5	5
Administrative	4	4	4	4	4	4	4	4	4	4
Detectives	8	8	8	8	8	9	9	9	9	8
Traffic/Victim's Advocate**	39	41	38	38	39	47	48	47	45	44
Fire **	15	15	12	9	9					
Parks	4	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Planning and community development:										
Administrative	5	4	4	6	5	5	5	5	5	5
Public works:										
Public buildings	1	1	1	1	1	1	1	1	1	1
Sanitation	15	17	17	17	17	16	16	16	16	16
Garage	5	5	5	5	5	5	5	4	4	4
Parks and museum:										
Museum	2	2	2	2	2	2	2	2	2	2
Parks	12	10	10	9	9	8	8	8	8	8
Subtotals	134	134	124	122	119	119	120	118	116	114
<u>Business-type Activities</u>										
Water and sewer utility:										
Administrative*	4	4	12	8	8	7	7	6	6	6
Water billing*	8	8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water treatment plant	10	10	9	10	10	10	10	10	10	10
Water distribution and maintenance	13	13	13	14	14	14	14	13	12	12
Sewer collection and outfall lines	13	13	12	12	12	10	9	9	9	9
Wastewater treatment plant	12	12	12	12	12	11	11	11	10	10
Wastewater Pre-treatment Plant****	3	3	1							
Subtotals	63	63	59	56	56	52	51	49	47	47
Total	197	197	183	178	175	171	171	167	163	161

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

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

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

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

***First year with Full-Time IT person started July 1, 2012.

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

CITY OF CAYCE, SOUTH CAROLINA
 OPERATING INDICATORS AND CAPITAL ASSETS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities										
General government:										
Area in Square Miles	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	15
Population of City ¹	12,944	12,951	12,860	12,679	12,743	12,528	13,062	12,646	12,556	12,382
Public safety:										
Number of stations	4	4	6	6	6	6	6	6	6	6
Number of Police Officers	1	1	2	2	2	2	2	1	1	1
Number of Firefighters	6	6	12	9	9	7	7	7	7	5
Number of Public Safety Officers*	57	54	48	47	47	50	51	52	49	49
Dispatchers and Victim's Advocate										
Number of arrests	700	685	1121	887	728	830	523	992	898	938
Number of emergency incidents	5,800	8,470	6,800	2,968	5,295	9,388	10,494	8,781	2,403	4,535
Planning and community development:										
Permits issues	452	744	300	917	276	239	341	376	349	317
Estimated cost of construction	24,261,198	46,188,750	21,931,411	16,459,273	7,704,170	3,482,756	69,725,305	58,853,475	80,098,537	67,064,169
Public works:										
Active vehicles in vehicle replacement plan	168	156	146	152	149	130	122	122	120	119
Refuse collected (average tons per day)	24.5	25.0	23.19	44.4	35.3	48.0	47.8	17.58	13.43	14.10
Recyclables collected (average tons per day)	2.5	2.0	1.26	1.18	1.06	1.05	1.04	1.14	1.40	3.00
Parks and museum:										
Number of parks	9	9	9	9	9	8	8	8	6	6
Number of playgrounds	6	5	5	5	5	5	5	4	3	3
Museum complex	1	1	1	1	1	1	1	1	1	1

¹Based on latest U.S. Census or estimates

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

— CONTINUED —

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

— CONTINUED —

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Business-type activities</u>										
Water and sewer utility:										
Number of water customers – end of period ²	7,760	8,436	8,245	8,222	8,490	8,337	7,329	7,248	7,230	7,098
Number of sewer customers – end of period ²	11,625	12,146	11,595	11,893	12,150	10,812	10,757	10,651	10,629	8,424
Water plant filtration capacity per day – gallons (GPD)	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000
Maximum daily pumping capacity of water – gallons	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Average daily filtration flow – water GPD	3,000,160	2,790,000	2,790,000	2,730,000	3,070,000	3,090,000	3,050,000	3,000,000	3,310,000	4,530,000
Peak average filtration flow – water GPD	3,721,000	3,740,000	3,740,000	3,750,000	4,300,000	3,790,000	3,440,000	3,300,000	3,300,000	4,530,000
Peak daily filtration flow – water GPD	4,408,000	4,771,900	4,771,900	4,020,000	4,389,000	4,130,000	4,410,000	5,199,000	5,393,000	5,500,000
Wastewater plant treatment capacity per day – gallons	25,000,000	25,000,000	25,000,000	25,000,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000
Average daily treated flow – wastewater GPD	9,803,000	7,743,000	8,222,000	6,666,000	5,733,000	4,303,000	6,758,000	6,056,000	5,407,000	5,660,000
Peak average treated flow – wastewater GPD	13,458,000	8,900,000	10,123,000	7,417,000	6,184,000	6,002,000	9,030,000	7,196,000	6,796,000	6,261,000
Peak daily treated flow – wastewater GPD	23,647,000	16,490,000	17,075,000	13,181,000	9,557,000	10,871,000	14,188,000	12,795,000	9,615,000	13,040,000
Number of miles of water mains owned by City	217.7	216.3	215.9	214.8	214.0	210.5	207	128	124	123
Number of miles of sewage collection lines owned by City	270.1	268.5	266.3	265.7	265	260	260	158	156	152

² Beginning in 2016, number of customers include only ‘active’ accounts. Previous year’s data also included final billed and inactive, but available accounts.

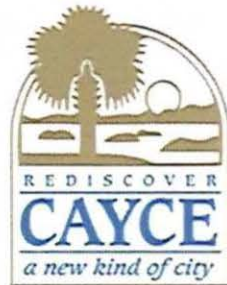
Source: City of Cayce Finance and Utility Departments.

CITY OF CAYCE, SOUTH CAROLINA

COVER STORY

PHOTOGRAPH: LET'S TAKE A WALK BY SKIP WILLIS

IMAGE OF CAYCE RIVERWALK, TIMMERMAN TRAIL FEATURED IN THE CITY OF CAYCE 2016 — 2017 CALENDAR



CITY OF CAYCE

1800 12TH STREET

PO BOX 2004

CAYCE, SC 29171

TEL: 803-796-9020

FAX: 803-796-9072