

CITY OF CAYCE, SOUTH CAROLINA



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2017

CITY OF CAYCE, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2017

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, 2017

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CITY OF CAYCE, SOUTH CAROLINA

INTRODUCTORY SECTION

CITY OF CAYCE, SOUTH CAROLINA

January 19, 2018

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, 2017 (FY 2017). The report contains a comprehensive analysis of the City's financial position and activities for the period. This report is presented in three sections: 1) Introductory Section consisting of this transmittal letter, a listing of City officials, and the organization structure; 2) Financial Section, which consists of the independent auditor's report, management's discussion and analysis, basic financial statements, notes to the financial statements, required supplemental information along with detailed combining and individual fund statements; 3) Statistical Section, which contains pertinent financial and general information indicating trends for comparative fiscal periods.

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

In accordance with Section 5-13-30 of the South Carolina Code of Laws, the City of Cayce's financial statements have been audited by the firm of Robert E. Milhous, C.P.A., P.A. and Associates. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The auditor's report in the Financial Section provides a discussion of the audit, procedures and their opinion. The independent auditor has rendered an unqualified opinion on the City of Cayce's financial statements for the year ended June 30, 2017 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, 2017.

Profile of the Government

The City of Cayce (the "City" or "Cayce") was incorporated in 1914 and is located along the Congaree River in Lexington and Richland counties in the central midlands of South Carolina. The City serves a population of approximately 14,233 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, 2017, elected officials were as follows:

MAYOR

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

MEMBERS OF COUNCIL

District 1

Tara Almond
almondcayceouncil@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, 2017, 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, and is expected to be completed by February 2018.

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 six years and has continued to increase tax and license revenues in the City over that same period. The Lexington County Medical Park that was finished in 2016 will continue to add to the City's tax base and areas master plan. The townhome project known as Otarre Point was completed last fiscal year, adding 299 upscale townhomes, and construction was completed this year on 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 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 single family housing development called Congaree Bluff off of Axtell Drive was issued and construction is now in process.

The Southern First Bank building at the corner of Knox Abbott Dr. and Axtell Dr. was first development in the proposed "The Brickworks" project that is being developed and built by Brickworks Associates, LLC. New construction associated with this project could total \$40 million and include 300,000 square feet of office, retail, and residential construction that will extend to the Congaree River and tie into the Cayce Riverwalk. An upscale apartment complex similar to The Tremont is already under permit review with approximately 186 units.

Other known projects include the Saxe Gotha Industrial Park that Lexington County is continuing to expand 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 more than 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 expanded 12th Street to four lanes to accommodate the expected growth.

As most know, Amazon has a distribution center within the Industrial Park and, though not within the City of Cayce, is having a beneficial impact on Cayce and the surrounding area. Nephron, a pharmaceutical company built within the Industrial Park, has also increased water and sewer sales and has recently received approval for another 15,000 GPD of sewer service capacity to accommodate their expansion.

Lexington School District 2 has begun new construction on the Brooklyn Cayce High School Arena. This arena is also an event space that will bring in various tournaments into the city and help develop local economic growth. Lexington School District 2 has also begun construction on a new Career and Technology Education Center (CATE) that is scheduled to open August 2018. This new innovative career center we believe will be another draw for employers to the area.

The City continues providing water and sewer service to the South Carolina State Farmer's Market. The farmer's market relocated from Bluff 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, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

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

Internal Control

The City's management appreciates the necessity for a comprehensive framework of internal control as defined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). To that end, the City strives to maintain a control environment that supports continuous risk assessment, the proper control activities, reliable and secure information and communication, and the appropriate monitoring to ensure the effectiveness and efficiency of operations, plus the reliability of financial reporting and compliance with applicable laws and regulations. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, and that the financial statements are free of any material misstatements.

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

Budgetary and Accounting Policies

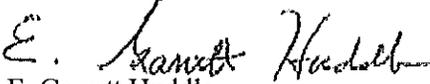
By June 30th of each year, the City enacts, through passage of an ordinance, a legal budget along with the establishment of property tax levy (millage) for the upcoming fiscal year. Annually, the City gathers information about assessed values of real and personal property located within the City limits. The total assessments are then applied to the applicable tax rates in order to determine estimated tax revenues. The City's 2016-2017 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 18, with the City preparing for implementation of GASB Statement #75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, which becomes effective for the year ended June 30, 2018. Under GASB #75, the City will be required to obtain biennial valuations. Disclosures related to actuarial valuations and accounting treatment of the benefit in effect at June 30, 2017 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**

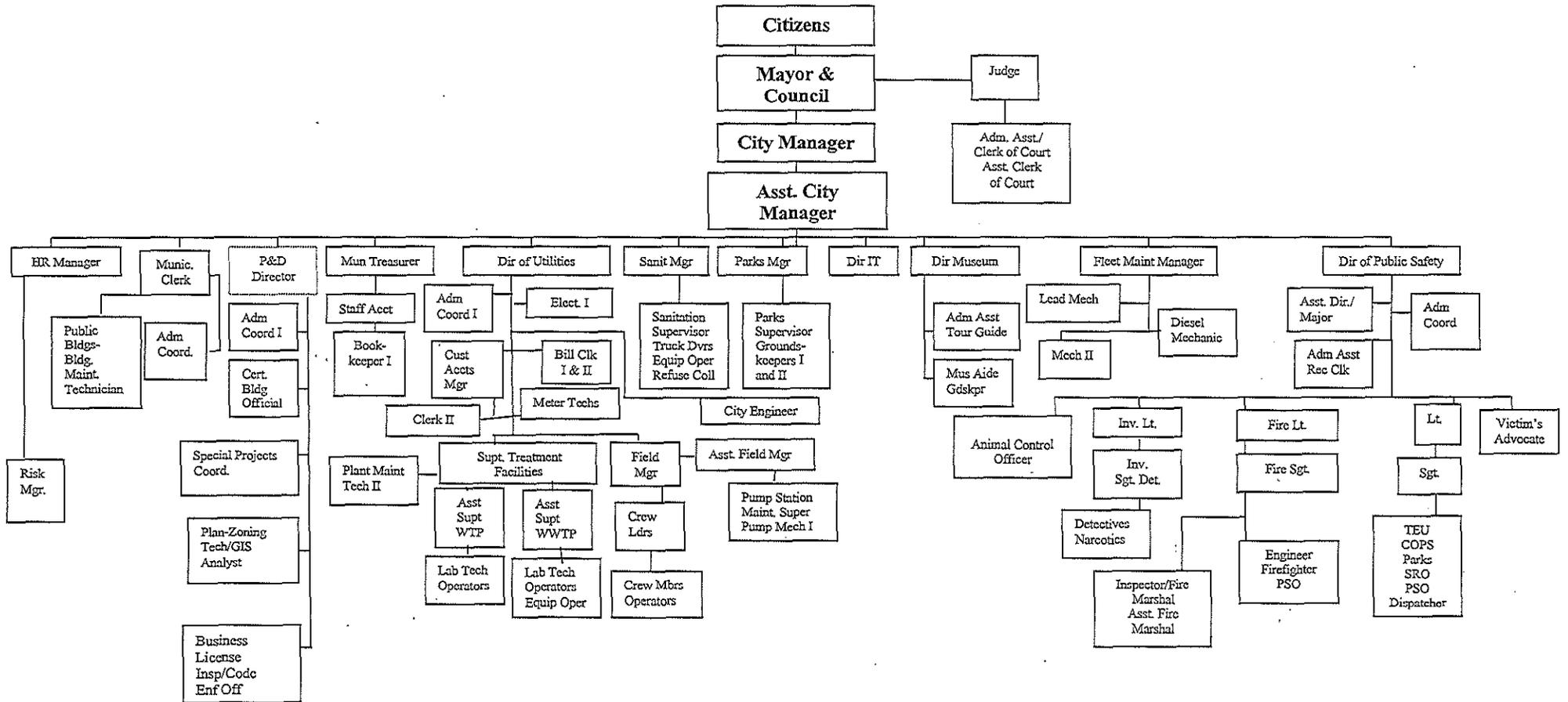
Presented to

**City of Cayce
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



FINANCIAL SECTION

CITY OF CAYCE, SOUTH CAROLINA

REPORT OF INDEPENDENT AUDITOR

CITY OF CAYCE, SOUTH CAROLINA

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

A Professional Association Of

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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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, 2017, 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, 2017, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Emphasis of Matter

As discussed in *Note 15* to the financial statements, the Business-type activities and the Proprietary Fund financial statements have been restated as a result of the City adjusting its receivables to reflect net realizable values. My opinion is not modified with respect to this matter.

Required Supplementary Information

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

Other Information

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

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

Summarized Comparative Information

The prior year summarized comparative information presented in the individual fund financial statements and schedules has been derived from the City's 2016 audited financial statements, and in my report dated November 30, 2016, 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.



January 19, 2018
Columbia, South Carolina

CITY OF CAYCE, SOUTH CAROLINA

City of Cayce, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2017

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, 2017. 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, 2017 were \$196.9 million and exceeded total liabilities and deferred inflows by \$101.8 million. Of the total net position at June 30, 2017, there was a \$3.5 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 \$5.6 million for the year ended June 30, 2017. The Governmental Activities resulted in a net increase of \$1.9 million, while the Business-type Activities contributed a positive net change in net position of \$3.7 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 \$17.8 million at June 30, 2017. The City restated its beginning net position for its Water and Sewer Utility Fund to report past-due accounts receivable to a more reasonably possible net realizable amount, (see *Note 15* 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 \$101.8 million at the close of June 30, 2017.

Below is a 'condensed' Statement of Net Position at June 30, 2017, which depicts the major components of the City's assets, deferred outflows, liabilities and net position (with comparative amounts for June 30, 2016).

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Assets and Deferred Outflows						
Cash and cash equivalents:						
Unrestricted	\$ 5,152,592	\$ 5,314,433	\$ 3,200,543	\$ 3,372,567	\$ 8,353,135	\$ 8,687,000
Restricted	2,623,728	3,243,096	32,486,290	8,227,197	35,110,018	11,470,293
Other current assets	1,643,685	679,430	2,820,924	2,632,945	4,464,609	3,312,375
Other assets, net of accumulated amortization	95,000	95,000	408,802	422,898	503,802	517,898
Capital assets, net of accumulated depreciation	15,859,932	13,642,253	127,755,138	124,520,000	143,615,070	138,162,253
Total assets	25,374,937	22,974,212	166,671,697	139,175,607	192,046,634	162,149,819
Deferred outflows of resources:						
Deferred outflows related to pensions	2,724,706	1,749,168	1,360,694	790,609	4,085,400	2,539,777
Losses on bond refundings	—	—	776,900	882,078	776,900	882,078
Total deferred outflows of resources	2,724,706	1,749,168	2,137,594	1,672,687	4,862,300	3,421,855
Total assets and deferred outflows	28,099,643	24,723,380	168,809,291	140,848,294	196,908,934	165,571,674
Liabilities, Deferred Inflows and Net Position						
Current liabilities	825,223	881,100	700,640	590,881	1,525,863	1,471,981
Current liabilities payable from restricted assets	160,950	476,793	5,817,138	3,430,394	5,978,088	3,907,187
Non-current liabilities	13,982,210	11,862,073	72,850,610	51,124,033	86,832,820	62,986,106
Total liabilities	14,968,383	13,219,966	79,368,388	55,145,308	94,336,771	68,365,274
Deferred inflows of resources:						
Deferred inflows related to pensions	535,694	781,611	222,688	233,173	758,382	1,014,784
Total deferred inflows of resources	535,694	781,611	222,688	233,173	758,382	1,014,784
Total liabilities, deferred inflows of resources	15,504,077	14,001,577	79,591,076	55,378,481	95,095,153	69,380,058
Net position:						
Net investment in capital assets	15,430,572	13,078,235	80,976,020	78,314,467	96,406,592	91,392,702
Restricted	2,503,787	4,089,583	6,359,124	7,255,808	8,862,911	11,345,391
Unrestricted (deficit)	(5,338,793)	(6,446,015)	1,883,071	(100,462)	(3,455,722)	(6,546,477)
Total net position	\$ 12,595,566	\$ 10,721,803	\$ 89,218,215	\$ 85,469,813	\$ 101,813,781	\$ 96,191,616

Total net position equaled \$101.8 million at June 30, 2017 (\$96.2 million at June 30, 2016), of which \$12.6 million (\$10.7 million in 2016) represents net position of the City's Governmental Activities, and \$89.2 million in 2017 (\$85.5 million in 2016 after restatement), represents Business-type Activities after restatements.

Government-Wide Financial Analysis (continued)

By far the largest portion of the City's net position (\$96.4 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, \$8.8 million, or 8.7% 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 \$5.3 million in 2017), 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 \$11.6 million (plus deferred inflows of \$2.7 million, less deferred outflows of \$.5 million) in accordance with GASB #68.

Unrestricted net position in Governmental Activities resulted in a deficit totaling \$5.3 million in 2017 (as compared to a deficit of \$6.4 million in 2016) primarily resulting from net pension liabilities in accordance with GASB #68.

Business-type Activities resulted in an unrestricted net position (positive) totaling \$1.9 million in 2017 (as compared to a deficit of \$.1 million in 2016). This increase is primarily due to utility rate increases.

Governmental Activities change in net position increased \$1.9 million in 2017 (as compared to \$2.6 million in 2016), primarily due to new hospitality taxes, collection of business licenses, and capital grants and contributions. Business-type Activities change in net position increased in 2017 by approximately \$3.7 million (and \$1.3 million in 2016) 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 2017 and FY 2016, are illustrated in the following table:

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenue						
Program Revenue:						
Charges for services	\$ 1,255,379	\$ 1,270,485	\$ 17,251,630	\$ 16,865,450	\$ 18,507,009	\$ 18,135,935
Operating grants and contributions	340,742	402,575	95,193	—	435,935	402,575
Capital grants and contributions	695,130	618,648	3,131,410	948,615	3,826,540	1,567,263
General revenue:					—	
Property taxes	4,367,332	4,066,933	—	—	4,367,332	4,066,933
Accommodation and hospitality taxes	1,147,949	1,074,154	—	—	1,147,949	1,074,154
State shared and unallocated intergovernmental	458,807	425,994	—	—	458,807	425,994
Licenses and other	5,049,090	4,587,578	—	—	5,049,090	4,587,578
Other	105,787	673,436	23,795	14,687	129,582	688,123
Total revenue	<u>13,420,216</u>	<u>13,119,803</u>	<u>20,502,028</u>	<u>17,828,752</u>	<u>33,922,244</u>	<u>30,948,555</u>
Expenses						
General government	592,721	481,829	—	—	592,721	481,829
Information technology	108,495	84,776	—	—	108,495	84,776
Finance	73,568	117,820	—	—	73,568	117,820
Public safety	6,116,479	5,719,168	—	—	6,116,479	5,719,168
Public works	1,310,352	1,477,526	—	—	1,310,352	1,477,526
Planning and development	924,506	790,776	—	—	924,506	790,776
Parks and museum	1,230,689	804,149	—	—	1,230,689	804,149
Garage	276,484	295,422	—	—	276,484	295,422
Depreciation and amortization (unallocated)	896,646	708,459	—	—	896,646	708,459
Interest	16,513	36,977	—	—	16,513	36,977
Water and sewer utility	—	—	16,753,626	16,549,533	16,753,626	16,549,533
Total expenses	<u>11,546,453</u>	<u>10,516,902</u>	<u>16,753,626</u>	<u>16,549,533</u>	<u>28,300,079</u>	<u>27,066,435</u>
Changes in net position	1,873,763	2,602,901	3,748,402	1,279,219	5,622,165	3,882,120
Beginning net position	10,721,803	8,118,902	85,469,813	84,668,196	96,191,616	92,787,098
Cumulative effect of restatement	—	—	—	(477,602)	—	(477,602)
Ending net position	<u>\$ 12,595,566</u>	<u>\$ 10,721,803</u>	<u>\$ 89,218,215</u>	<u>\$ 85,469,813</u>	<u>\$ 101,813,781</u>	<u>\$ 96,191,616</u>

Government-Wide Financial Analysis (continued)

Net changes for net position in Governmental Activities had a total increase of \$1.9 million in 2017 compared to an increase of \$2.6 million in 2016. Net position in Business-type Activities resulted in an increase of \$3.7 million in 2017 compared to a \$1.3 million increase in 2016, 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 2017 (as compared to \$2.3 million in 2016). General Revenues totaled \$11.1 million in 2017 and \$10.8 million in 2016 due to increase in taxes and business licenses revenue. All functional expense categories saw increases in 2017, as compared to 2016, 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.

Governmental Activities expenses totaled \$11.5 million in 2017 and \$10.5 million in 2016 and resulted in normal department increases.

Key Business-type Activity revenue highlights are as follows: Total Program Revenue for services totaled \$20.5 million in 2017 (compared to \$16.8 million in 2016) resulting in an increase of \$3.7 million (or 22%) due to utility rate increases and capital grants and contributions. Expenses of operation and maintenance increased by \$204,093 (or 1.2%) due to the normal increases in the wastewater treatment plant, septage and grease center costs to operate.

Expenses and Program Revenues – Governmental Activities – Governmental expenses (totaling \$11.5 million in 2017) are funded in part by program-specific revenues of fees for services, grants and contributions. As shown below, Governmental Activities were overall funded by 19.8% ‘program revenues’, leaving 80.2% 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	\$ (592,721)	\$ 59,539	\$ (533,182)	10.0%	90.0%
Information technology	(108,495)	—	(108,495)	—	100.0%
Finance	(73,568)	—	(73,568)	—	100.0%
Public safety	(6,116,479)	573,876	(5,542,603)	9.4%	90.6%
Public works	(1,310,352)	1,199,282	(111,070)	91.5%	8.5%
Planning and development	(924,506)	121,179	(803,327)	13.1%	86.9%
Parks and museum	(1,230,689)	337,375	(893,314)	27.4%	72.6%
Garage	(276,484)	—	(276,484)	—	100.0%
Depreciation and amortization	(896,646)	—	(896,646)	—	100.0%
Interest	(16,513)	—	(16,513)	—	100.0%
Totals	<u>\$(11,546,453)</u>	<u>\$ 2,291,251</u>	<u>\$ (9,255,202)</u>	<u>19.8%</u>	<u>80.2%</u>

Government-Wide Financial Analysis (continued)

As in prior years, depreciation and amortization expenses were not allocated to the City’s functions due to non-detailed information available and are shown as a single line item in the Statement of Activities as “unallocated”, while non-departmental service support expenses were allocated by function in 2017.

General Revenues by Source – Governmental Activities

As shown in a table on the preceding page, General Revenues funded the City’s Governmental Activities by 80.2% in the following categories.

	<u>2017</u>	<u>2016</u>
Property taxes	\$ 4,367,332	\$ 4,066,933
Accommodation and hospitality taxes	1,147,949	1,074,154
State shared revenue	458,807	425,994
Licenses and related fees	5,049,090	4,586,377
Miscellaneous	<u>105,787</u>	<u>674,637</u>
Total	<u>\$11,128,965</u>	<u>\$10,828,095</u>

Overall, the City experienced a 2.8% increase in General Revenues (or \$300,870 more in 2017 than 2016) primarily due to prior-period business licenses and related fees collected/settled in 2017.

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 \$17.3 million in 2017 (as compared to \$16.8 million in 2016) and includes water sales and connection fees of \$5.4 million and \$9.8 million from sewer services and \$1.3 million in septage and grease treatment services. Operating expenses totaled \$15.6 million in 2017 (compared to \$14.9 million in 2016) resulting in an increase of 5.1% primarily due to increases in treatment costs. Operating income at year ended June 30, 2017, totaled \$1,687,544 (as compared to \$1,961,830 in 2016). Capacity charges, consisting primarily of system enhancement, capacity (impact) fees, and capital contributions from developers totaled \$3.1 million in 2017 (as compared to \$1.8 million in 2016), or a 75% increase. While the actual number of water and sewer customers grew nominally, the reported number of sewer customers accounts increased from 11,625 in 2016 to 12,583 in 2017. The number of water customers remained about the same – 7,760 in 2016 and 7,776 in 2017. Increased sewer customers resulted primarily from new development both in-city and outside-city. 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 2016, actual General Fund revenues for 2017 decreased by \$108,715 (or 1.0%), even with increases in property taxes and licenses, but grants and capital contributions were less in 2017. Actual General Fund expenditures, net of Utility Fund overhead allocations and capital outlay, totaled \$11,359,112 in 2017 compared to \$11,324,664 in 2016. The General Fund's 'final' budgeted revenues totaled \$11,254,781 and actual revenues achieved equaled \$10,692,990, or \$.5 million less than budget for the reasons stated above. The City had actual General Fund expenditures before Other Financing Sources (Uses) of \$11,359,112 compared to a 'final' budget of \$12,550,776 for a favorable budget to actual variance of \$1.2 million for the fiscal year ended June 30, 2017.

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 \$1.3 million. The General Fund's other financing sources and uses budget included \$1.3 million in 2017 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 expenditures were below budget. The General Fund had a positive increase in fund balance of \$617,026 for the year ended June 30, 2017.

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 2017 compared to 2016 actual amounts achieved.

General Fund	2017		Variances Favorable (Non- favorable)	2016
	Final Budget	Actual		Actual
Revenue				
Property taxes	\$ 3,086,000	\$ 3,225,201	\$ 139,201	\$ 3,059,485
Licenses and permits	4,297,700	5,171,194	873,494	4,799,886
Fines and forfeitures	285,100	214,485	(70,615)	260,880
State shared revenue	361,000	387,193	26,193	362,805
Current services	1,031,976	1,035,625	3,649	796,448
Grants and other	2,192,005	658,094	(1,533,911)	1,521,125
Interest income	1,000	1,198	198	1,076
Total revenue	11,254,781	10,692,990	(561,791)	10,801,705
Expenditures				
<i>Current (net of Utility Fund overhead allocations and capital outlay):</i>				
General government	1,149,362	489,206	660,156	510,972
Information technology	207,159	97,066	110,093	74,890
Finance	322,275	72,419	249,856	86,021
Public safety	6,047,846	5,815,970	231,876	5,604,141
Public works	1,544,967	1,253,360	291,607	1,424,195
Community relations	184,555	188,549	(3,994)	146,529
Planning and development	610,252	547,412	62,840	508,130
Parks and museum	914,113	847,583	66,530	766,762
Garage	394,553	263,316	131,237	260,589
Non-departmental and support services	40,902	5,976	34,926	268
Debt service	135,160	16,834	118,326	148,351
Capital outlay	999,632	1,761,421	(761,789)	1,793,816
Total expenditures	12,550,776	11,359,112	1,191,664	11,324,664
Excess (deficiency) of revenue over (under) expenditures	(1,295,995)	(666,122)	629,873	(522,959)
Other financing sources and (uses)	1,295,995	1,283,148	(12,847)	739,441
Net change in fund balance	\$ —	\$ 617,026	\$ 617,026	\$ 216,482

General Fund Financial Analysis and Budgetary Highlights (continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – As of June 30, 2017, the City’s capital assets for its Governmental Activities totaled \$27.1 million, less accumulated depreciation of \$11.2 million for a net carrying value of \$15.9 million. For its Business-type Activities, total capital assets equaled \$163.9 million, less accumulated depreciation of \$43.7 million for a net carrying value of \$120.2 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 \$423,778 as a result of a new \$519,000 installment purchase note. In 2007, the city paid-off the Governmental Activities debt consisting of a tax increment financing (TIF) bond. Business-type activities long-term debt consists of State Revolving Fund (SRF) loans totaling \$54,841,328, revenue bonds totaling \$12,275,000, and an installment purchase contract payable totaling \$362,630 at June 30, 2017. Additional information on the City’s long-term debt can be found in *Note 6* of this report.

During the year 2016-2017 the City issued a new Series 2017 \$24.5 million SRF Loan for renewing and replacing significant water and sewer system infrastructure. Subsequent to June 30, 2017, the City issued Series 2017 Tax Increment Financing Revenue Bonds as a junior-lien of the Water and Sewer Utility Fund to fund redevelopment in the tax district.

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, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows			
Current assets:			
Cash and cash equivalents	\$ 5,152,592	\$ 3,200,543	\$ 8,353,135
Receivables, net	1,396,349	2,727,155	4,123,504
Internal balances, net	96,892	(96,892)	—
Inventories and prepaid items	150,444	190,661	341,105
Total current assets	<u>6,796,277</u>	<u>6,021,467</u>	<u>12,817,744</u>
Non-current assets:			
Restricted cash and cash equivalents	2,623,728	32,486,290	35,110,018
Capital assets not subject to depreciation	9,892,808	7,471,184	17,363,992
Capital assets, net of depreciation	5,967,124	120,283,954	126,251,078
Other assets, net	95,000	408,802	503,802
Total non-current assets	<u>18,578,660</u>	<u>160,650,230</u>	<u>179,228,890</u>
Total assets	<u>25,374,937</u>	<u>166,671,697</u>	<u>192,046,634</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	2,724,706	1,360,694	4,085,400
Losses on bond refundings, net	—	776,900	776,900
Total deferred outflows of resources	<u>2,724,706</u>	<u>2,137,594</u>	<u>4,862,300</u>
Total assets and deferred outflows of resources	<u>\$ 28,099,643</u>	<u>\$ 168,809,291</u>	<u>\$ 196,908,934</u>
Liabilities, Deferred Inflows and Net Position			
Current liabilities:			
Accounts payable	\$ 203,745	\$ 257,828	\$ 461,573
Accrued expenses and other liabilities	289,224	133,623	422,847
Accrued compensated absences – current portion	119,334	85,442	204,776
Unearned revenue, deposits and prepayments	84,471	63,431	147,902
Installment purchase contracts payable – current portion	128,449	160,316	288,765
Current liabilities payable from restricted assets	160,950	5,817,138	5,978,088
Total current liabilities	<u>986,173</u>	<u>6,517,778</u>	<u>7,503,951</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	216,746	43,329	260,075
Installment purchase contract payable	295,329	202,314	497,643
Unearned revenue – future capacity charges and credits	—	1,404,862	1,404,862
SRF loans and revenue bonds payable	—	64,204,507	64,204,507
Net pension liabilities	11,683,929	6,125,573	17,809,502
Other post-employment benefit (OPEB) obligation	1,786,206	870,025	2,656,231
Total long-term liabilities	13,982,210	72,850,610	86,832,820
Total liabilities	14,968,383	79,368,388	94,336,771
Deferred inflows of resources:			
Deferred inflows related to pensions	535,694	222,688	758,382
Total deferred inflows of resources	535,694	222,688	758,382
Total liabilities and deferred inflows of resources	15,504,077	79,591,076	95,095,153
Net position:			
Net investment in capital assets	15,430,572	80,976,020	96,406,592
Restricted for:			
Debt service	550,615	—	550,615
Capital projects and redevelopment plan	447,405	6,013,964	6,461,369
Community development and tourism	744,554	—	744,554
Law enforcement	16,668	—	16,668
Pensions	744,545	345,160	1,089,705
Unrestricted (deficit)	(5,338,793)	1,883,071	(3,455,722)
Total net position	12,595,566	89,218,215	101,813,781
Total liabilities, deferred inflows and net position	\$ 28,099,643	\$ 168,809,291	\$ 196,908,934

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

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	\$ (592,721)	\$ 5,052	\$ 19,315	\$ 35,172	\$ (533,182)	\$ —	\$ (533,182)
Information technology	(108,495)	—	—	—	(108,495)	—	(108,495)
Finance	(73,568)	—	—	—	(73,568)	—	(73,568)
Public safety	(6,116,479)	511,555	36,821	25,500	(5,542,603)	—	(5,542,603)
Public works	(1,310,352)	738,473	163,427	297,382	(111,070)	—	(111,070)
Planning and community development	(924,506)	—	121,179	—	(803,327)	—	(803,327)
Parks and museum	(1,230,689)	299	—	337,076	(893,314)	—	(893,314)
Garage	(276,484)	—	—	—	(276,484)	—	(276,484)
Depreciation and amortization (unallocated)	(896,646)	—	—	—	(896,646)	—	(896,646)
Interest	(16,513)	—	—	—	(16,513)	—	(16,513)
Total governmental activities	<u>(11,546,453)</u>	<u>1,255,379</u>	<u>340,742</u>	<u>695,130</u>	<u>(9,255,202)</u>	<u>—</u>	<u>(9,255,202)</u>
<u>Business-type activities:</u>							
Water and sewer utility	(16,753,626)	17,251,630	95,193	3,131,410	—	3,724,607	3,724,607
Total business-type activities	<u>(16,753,626)</u>	<u>17,251,630</u>	<u>95,193</u>	<u>3,131,410</u>	<u>—</u>	<u>3,724,607</u>	<u>3,724,607</u>
Total primary government	<u>\$ (28,300,079)</u>	<u>\$ 18,507,009</u>	<u>\$ 435,935</u>	<u>\$ 3,826,540</u>	<u>(9,255,202)</u>	<u>3,724,607</u>	<u>(5,530,595)</u>
General Revenue							
<u>General Revenue:</u>							
Property taxes					4,367,332	—	4,367,332
Accommodation and hospitality taxes					1,147,949	—	1,147,949
State shared and unallocated intergovernmental (unrestricted)					458,807	—	458,807
Business licenses, taxes, and penalties					5,049,090	—	5,049,090
Unrestricted investment earnings					1,555	10,258	11,813
Gain on sale of property and other					104,232	13,537	117,769
Total general revenue					<u>11,128,965</u>	<u>23,795</u>	<u>11,152,760</u>
Changes in net position					1,873,763	3,748,402	5,622,165
Net position – beginning of year <i>(as restated, see Note 15)</i>					<u>10,721,803</u>	<u>85,469,813</u>	<u>96,191,616</u>
Net position – end of year					<u>\$ 12,595,566</u>	<u>\$89,218,215</u>	<u>\$101,813,781</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2017

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 5,068,791	\$ —	\$ 83,801	\$ 5,152,592
Receivables, net	960,235	—	115,913	1,076,148
Due from other funds	98,330	—	—	98,330
Inventories	57,596	—	—	57,596
Prepaid items	92,848	—	—	92,848
Restricted assets:				
Cash and cash equivalents	954,944	471,987	1,196,797	2,623,728
Total assets	\$ 7,232,744	\$ 471,987	\$ 1,396,511	\$ 9,101,242
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 183,932	\$ 19,000	\$ 813	\$ 203,745
Accrued liabilities	271,148	—	—	271,148
Construction and retainage payable	155,368	5,582	—	160,950
Other liabilities	18,075	—	—	18,075
Deposits and prepayments	84,471	—	—	84,471
Due to other funds	1,378	—	60	1,438
Total liabilities	714,372	24,582	873	739,827
Fund balances:				
Nonspendable in:				
Inventories	150,444	—	—	150,444
Restricted for:				
Debt service	—	—	550,615	550,615
Tourism and community development	—	—	674,263	674,263
Redevelopment plan	—	447,405	—	447,405
ABC permit	—	—	70,291	70,291
Law enforcement	—	—	16,668	16,668
Victims Rights Assistance	—	—	—	—
	—	447,405	1,311,837	1,759,242
Committed for:				
UST program	25,000	—	—	25,000
Assigned for:				
Christmas in Cayce	11,187	—	—	11,187
Congaree Blue Grass Festival Museum	8,735	—	—	8,735
History park	—	—	83,801	83,801
	948,466	—	—	948,466
	968,388	—	83,801	1,052,189
Unassigned	5,374,540	—	—	5,374,540
Total fund balances	6,518,372	447,405	1,395,638	8,361,415
Total liabilities and fund balances	\$ 7,232,744	\$ 471,987	\$ 1,396,511	\$ 9,101,242

— 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	\$ 8,361,415
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in these funds.	15,859,932
Other assets not available to pay for current period expenditures and, therefore, are not reported in the funds.	415,201
Certain deferred outflows related to pensions are not available to pay for current expenditures and, therefore, are not reported in the funds.	2,724,706
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in these funds.	(14,229,994)
Certain deferred inflows related to pensions are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(535,694)</u>
Net position, end of year – Governmental Activities	<u>\$ 12,595,566</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, 2017

	General Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenue				
Property taxes	\$ 3,225,201	\$ —	\$ 1,011,222	\$ 4,236,423
Accommodation and hospitality taxes	—	—	1,147,949	1,147,949
Licenses and permits	5,171,194	—	—	5,171,194
Fines and forfeitures	214,485	—	—	214,485
State shared revenue	387,193	—	67,642	454,835
Current services	1,035,625	—	—	1,035,625
Grants and other	658,094	314,543	13,030	985,667
Interest income	1,198	—	357	1,555
Total revenue	<u>10,692,990</u>	<u>314,543</u>	<u>2,240,200</u>	<u>13,247,733</u>
Expenditures				
Current:				
General government	489,207	—	—	489,207
Information technology	97,066	—	—	97,066
Finance	72,419	—	—	72,419
Public safety	5,815,970	—	—	5,815,970
Public works	1,253,360	—	—	1,253,360
Community relations	188,549	—	—	188,549
Planning and community development	547,412	—	161,362	708,774
Parks and museum	847,583	—	—	847,583
Garage	263,316	—	—	263,316
Non-departmental and support services	5,976	—	—	5,976
Debt service	16,834	—	503,470	520,304
Capital outlay	1,761,420	1,583,383	86,348	3,431,151
Total expenditures	<u>11,359,112</u>	<u>1,583,383</u>	<u>751,180</u>	<u>13,693,675</u>
Excess (deficiency) of revenue over expenditures	<u>(666,122)</u>	<u>(1,268,840)</u>	<u>1,489,020</u>	<u>(445,942)</u>
Other Financing Sources (Uses)				
Installment purchase	519,000	—	—	519,000
Proceeds from sales of assets	3,028	—	—	3,028
Transfers in	761,120	1,000,000	—	1,761,120
Transfers (out)	—	—	(1,761,120)	(1,761,120)
Debt issue costs	—	(19,000)	—	(19,000)
Total other financing sources (uses)	<u>1,283,148</u>	<u>981,000</u>	<u>(1,761,120)</u>	<u>503,028</u>
Net change in fund balances	617,026	(287,840)	(272,100)	57,086
Fund balances, beginning of year	<u>5,901,346</u>	<u>735,245</u>	<u>1,667,738</u>	<u>8,304,329</u>
Fund balances, end of year	<u>\$ 6,518,372</u>	<u>\$ 447,405</u>	<u>\$ 1,395,638</u>	<u>\$ 8,361,415</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	\$ 57,086
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.	2,217,680
Revenues in the Statement of Activities do not provide current financial resources are reported as revenues in these funds.	143,954
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.	(612,893)
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>67,936</u>
Change in net position — Governmental Activities	<u>\$ 1,873,763</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

JUNE 30, 2017

	<u>Business-type Activities – Enterprise Fund Water and Sewer Utility</u>
Assets and Deferred Outflows	
Current assets:	
Cash and cash equivalents	\$ 3,200,543
Receivables, net:	
Water and sewer accounts, net	2,451,996
Other accounts	275,159
Prepaid expense	13,716
Inventories	176,945
Total current assets	<u>6,118,359</u>
Non-current assets:	
Restricted cash and cash equivalents	32,486,290
Capital assets not subject to depreciation	7,471,184
Capital assets, net of depreciation	120,283,954
Other assets, net	408,802
Total non-current assets	<u>160,650,230</u>
Total assets	<u>166,768,589</u>
Deferred outflows of resources:	
Deferred outflows related to pension	1,360,694
Losses on bond refundings, net	776,900
	<u>2,137,594</u>
Total assets and deferred outflows	<u>\$ 168,906,183</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

— CONTINUED —

	Business-type Activities – Enterprise Fund Water and Sewer Utility
Liabilities, Deferred Inflows and Net Position	
Current liabilities:	
Accounts payable	\$ 257,828
Accrued payroll and related taxes	131,564
Accrued compensated absences – current portion	85,442
Installment purchase contract payable – current portion	160,316
Other liabilities	2,059
Due to other funds (internal balances)	96,892
Customer prepayments	63,431
Current liabilities payable from restricted assets	5,817,138
Total current liabilities	<u>6,614,670</u>
Long-term (non-current) liabilities:	
Accrued compensated absences	43,329
Unearned revenue – future capacity charges and credits	1,404,862
Installment purchase contract payable	202,314
SRF loans payable	53,072,889
Revenue bonds payable	11,131,618
Net pension liability	6,125,573
Other post-employment benefit (OPEB) obligation	870,025
Total long-term liabilities	<u>72,850,610</u>
Total liabilities	<u>79,465,280</u>
Deferred inflows of resources:	
Deferred inflows related to pension	222,688
	<u>222,688</u>
Net position:	
Net investment in capital assets	80,976,020
Restricted for:	
Debt and capital projects	6,013,964
Pension	345,160
Unrestricted	1,883,071
Total net position	<u>89,218,215</u>
Total liabilities, deferred inflows and net position	<u>\$ 168,906,183</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, 2017

	Business-type Activities – Enterprise Fund Water and Sewer Utility
Operating Revenue (pledged as security for loans and revenue bonds)	
Water:	
Sales	\$ 5,373,604
Connection fees	93,133
Sewer:	
Service charges	9,813,793
Connection fees	3,750
Septage/grease services:	
Sales and permits	1,251,102
Pretreatment set-up fees	100,410
Re-connection fees	34,009
Penalties	168,572
Grant revenue	95,193
Miscellaneous income	413,257
Total operating revenue	<u>17,346,823</u>
Operating Expenses	
Administrative	551,170
Utility billing	768,383
Water treatment plant	1,503,062
Water distribution and maintenance	1,320,208
Wastewater treatment plant	3,236,055
Sewer collection and outfall lines	1,608,056
Septage and grease receiving station	493,145
Non-departmental and support services	1,600,000
Depreciation and amortization expense	4,579,200
Total operating expenses	<u>15,659,279</u>
Operating income	<u>1,687,544</u>
Non-Operating Revenue (Expenses)	
Interest income	10,258
Gains from sale, disposal of equipment	13,537
Interest expense	(980,203)
Amortization of bond refinancing losses	(105,178)
Fiscal agent fees	(8,966)
Total non-operating revenue (expenses)	<u>(1,070,552)</u>
Income before contributions	616,992
Capital Contributions	
Capacity charges and other capital contributions	<u>3,131,410</u>
Change in net position	3,748,402
Net position, beginning of year, (as restated, see Note 15)	<u>85,469,813</u>
Net position, end of year	<u>\$ 89,218,215</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2017

	<u>Business-type Activities— Enterprise Fund Water and Sewer Utility</u>
Cash Flows from Operating Activities	
Cash received from:	
Usage fees	\$ 16,307,356
Tap fees	96,883
Service and miscellaneous charges	711,031
Cash paid to (for):	
Employee salaries and related costs	(4,274,488)
Water treatment and distribution costs	(1,270,181)
Sewer treatment and collection costs	(2,964,681)
Septage and grease treatment and disposal costs	(242,522)
Other administrative and billing costs	(230,533)
Indirect (overhead) and support costs	(1,600,000)
Net cash provided by (used in) operating activities	<u>6,532,865</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of capital assets	13,537
Acquisition and construction of capital assets	(5,113,104)
Interest, and fiscal agent fees paid on capital related debt	(836,246)
Proceeds from SRF loans	24,560,378
Principal payments on bonds and notes	(2,565,230)
Return of 2015 SRF escrowed funds	(138,151)
Capacity charges and other capital contributions	1,622,762
Net cash provided by (used in) capital and related financing activities	<u>17,543,946</u>
Cash Flows from Investing Activities	
Interest received	10,258
Net cash provided by investing activities	<u>10,258</u>
Net increase in cash and cash equivalents	24,087,069
Cash and cash equivalents, beginning of year (of which \$8,232,449 is restricted)	<u>11,599,764</u>
Cash and cash equivalents, end of year (of which \$32,486,290 is restricted)	<u>\$ 35,686,833</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

— CONTINUED —

	<u>Business-type Activities— Enterprise Fund Water and Sewer Utility</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 1,687,544
Adjustments to reconcile operating income to net cash provided by operations:	
Depreciation and amortization expense	4,579,200
Changes in certain assets and liabilities:	
(Increase) decrease in accounts receivable	(254,199)
(Increase) decrease in inventory and prepaid items	(30,672)
Increase (decrease) in accounts payable/accrued liabilities	100,061
Increase (decrease) in amounts due to/from others	75,660
Increase (decrease) in customer deposits and prepayments	22,646
Increase (decrease) in net pension liabilities	851,951
(Increase) decrease in pension related deferred outflows	(570,085)
Increase (decrease) in pension related deferred inflows	(10,485)
Increase (decrease) in other post-employment benefit (OPEB) obligation	75,302
Increase (decrease) in accrued compensated absences	5,942
Net cash provided by (used in) operating activities	<u>\$ 6,532,865</u>
Supplemental disclosure of non-cash capital and related financing activities	
Contributed property by developers	\$ 1,507,648
Amortization of revenue bond refinancing losses	\$ 105,178
Amortization of revenue bond premium/discount	\$ 42,231

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 218,770
Total assets	<u>\$ 218,770</u>
Liabilities	
Amounts due to others	\$ 218,770
Total liabilities	<u>\$ 218,770</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

CITY OF CAYCE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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, 2017.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation

Government-Wide and Fund Financial Statements

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

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

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

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

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

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

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Governmental Funds

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

Special Revenue Funds – The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally (or donor) restricted to expenditures for specified purposes other than debt service or capital projects. The City maintains special revenue funds for continuing grant programs 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, 2017, 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 \$10,950,776, plus \$1,600,000 Utility Fund indirect costs and overhead allocated to the General Fund departments, and other financing sources (uses) of \$1,295,995. 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 \$11,830,322 (including operation and maintenance, capital improvements, debt service principal amounts and coverages). Actual operating expenses totaled \$15,659,279 (including a charge of \$4,579,200 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, 2017.

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, 2017 totaled \$14,097. Additionally, the City's portion of the Taylor Road wastewater line expansion totaled \$240,019 and has been fully amortized. The Governmental Activities rights result from the purchase and cost contribution to Lexington County to construct a new animal services/shelter services and to provide the City future services. The purchase price (cost) totaling \$100,000 and is to be amortized over the life of the contract (20 years). Amortization expense incurred for fiscal year totaling \$5,000.

Capital Assets and Depreciation

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

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

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

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

Capital Assets and Depreciation (Continued)

Public domains (rights-of-way and easements) have been capitalized using actual and estimated historical costs of such assets that were acquired by the City. The City owns .98 mile of paved subdivision streets at June 30, 2017. 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, 2017, 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, 2017, 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, 2017, the City had the following cash and investment balances:

Cash on hand	\$ 1,830
Carrying amount of deposits	18,918,969
Carrying amount of investments	2,109,572
Funds held in trust by State	22,651,552
Total	\$ 43,681,923

Statement of Net Position balances:

Cash and cash equivalents	\$ 8,353,135
Cash and cash equivalents – restricted	35,110,018
Cash and cash equivalents – fiduciary	218,770
Total	\$ 43,681,923

Investments are categorized as follows:

Money Market Funds	\$ 2,109,572
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Deposits

Custodial credit risk of deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At June 30, 2017, the carrying amount of the City's cash deposits with financial institutions was \$18,918,969 and the financial institution's balances totaled \$20,854,510. Of this balance, \$880,212 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, 2017, amounted to \$1,830. 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, 2017, the City had the following investments subject to interest rate risk:

	<u>Fair Value</u>	<u>Maturity</u>
Money Market Funds	\$ 2,109,572	8 days weighted average of portfolios

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

The statutes provide that all authorized investments shall have maturities consistent with the time or times when the invested monies will be needed in cash. Statutes also allow the State Treasurer to assist local governments in investing funds. The City is under no contractual agreements which restrict investment alternatives. The City has no investment policy that would further limit its investment choices other than its compliance with State Law.

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

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

2. Deposits and Investments (Continued)

Investments (Continued)

Custodial credit risk. Custodial credit risk of investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment balances were covered by collateral held by the financial institution’s trust department in the City’s name. The City does not have an investment policy for custodial credit risk. As of June 30, 2017, the City was not exposed to custodial credit risk.

Concentration of Credit Risk. The City places no limit on the amount it may invest in any one issuer. More than 5% of the City’s investments are in money market funds. These investments are 100% of the City’s total investments.

3. Receivables

Receivables at June 30, 2017, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities
Property taxes	\$ 1,483,370	\$ —
Hospitality taxes	97,156	—
Sanitation and fire hydrant fees	54,970	—
Water and sewer accounts	—	2,066,554
WWTP contract ‘true-up’ due	—	420,442
Franchise fees settlement	458,451	—
E911 Reimbursement from the state	204,703	—
State shared revenue and other	541,971	—
ABC permits	6,750	—
Other	—	275,159
Gross receivables	2,847,371	2,762,155
Less, allowance for uncollectible	(1,451,022)	(35,000)
Net total receivables	\$ 1,396,349	\$ 2,727,155

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, 2017, were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 96,892	\$ —
Water and Sewer Fund	—	(96,892)
	\$ 96,892	\$ (96,892)

Net internal balances shown on the Statement of Net Position between Governmental and Business-type Activities totaled \$96,892 at June 30, 2017.

5. Capital Assets

A summary of the changes in the City's capital assets during the year ended June 30, 2017, are as follows:

Governmental Activities:

	Balance June 30, 2016	Additions	Retirements	Transfers	Balance June 30, 2017
Capital assets not being depreciated:					
Land and rights-of-way	\$ 7,589,662	\$ —	\$ —	\$ 630,053	\$ 8,219,715
Construction in progress	1,711,826	2,176,753	—	(2,215,486)	1,673,093
Total capital assets not being depreciated	9,301,488	2,176,753	—	(1,585,433)	9,892,808
Capital assets being depreciated:					
Land improvements	5,060,238	—	—	1,200,841	6,261,079
Buildings and improvements	1,697,940	16,300	—	372,944	2,087,184
Furniture, vehicles, equipment	7,946,066	911,273	(38,215)	11,648	8,830,772
Totals capital assets being depreciated	14,704,244	927,573	(38,215)	1,585,433	17,179,035
Less, accumulated depreciation for:					
Land improvements	(2,938,784)	(321,558)	—	—	(3,260,342)
Buildings and improvements	(1,208,776)	(66,037)	—	—	(1,274,813)
Furniture, vehicles, equipment	(6,215,919)	(499,051)	38,214	—	(6,676,756)
Total accumulated depreciation	(10,363,479)	(886,646)	38,214	—	(11,211,911)
Total capital assets being depreciated, net	4,340,765	40,927	(1)	1,585,433	5,967,124
Net capital assets –					
Governmental Activities	\$ 13,642,253	\$ 2,217,680	\$ (1)	\$ —	\$ 15,859,932

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

5. Capital Assets (Continued)

Business-Type Activities:

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance June 30, 2017</u>
Capital assets not being depreciated:					
Land and rights-of-way	\$ 330,568	\$ —	\$ —	\$ —	\$ 330,568
Construction in progress	5,105,674	5,911,120	—	(3,876,178)	7,140,616
Total capital assets not being depreciated	<u>5,436,242</u>	<u>5,911,120</u>	<u>—</u>	<u>(3,876,178)</u>	<u>7,471,184</u>
Capital assets being depreciated:					
Water plant and distribution system	38,242,479	625,852	—	3,797,528	42,665,859
Wastewater plant and collection system	111,710,166	882,795	—	78,650	112,671,611
Septage & grease facility	1,532,900	—	—	—	1,532,900
Furniture, vehicles, equipment	6,741,067	380,475	(31,565)	—	7,089,977
Total capital assets being depreciated	<u>158,226,612</u>	<u>1,889,122</u>	<u>(31,565)</u>	<u>3,876,178</u>	<u>163,960,347</u>
Less, accumulated depreciation for:					
Water plant and distribution system	(16,517,342)	(1,114,420)	—	—	(17,631,762)
Wastewater plant and collection system	(18,662,014)	(2,860,078)	—	—	(21,522,092)
Septage & grease facility	(110,473)	(51,049)	—	—	(161,522)
Furniture, vehicles, equipment	(3,853,025)	(539,557)	31,565	—	(4,361,017)
Total accumulated depreciation	<u>(39,142,854)</u>	<u>(4,565,104)</u>	<u>31,565</u>	<u>—</u>	<u>(43,676,393)</u>
Total capital assets being depreciated, net	<u>119,083,758</u>	<u>(2,675,982)</u>	<u>—</u>	<u>3,876,178</u>	<u>120,283,954</u>
Net capital assets –					
Business-type Activities	<u>\$ 124,520,000</u>	<u>\$ 3,235,138</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$127,755,138</u>

For the year ended June 30, 2017, 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 \$18,846 was capitalized as part of the construction for Business-type Activities at during the fiscal year 2017.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt

Long-term debt of the City at June 30, 2017, consisted of the following:

A. Governmental Activities

Installment purchase contract – (vehicles) \$519,000, dated September 13, 2016, interest at 1.33% per annum (payable monthly with principal) due on September 2020.	\$ 423,778
Less, current portions (due within one year):	<u>(128,449)</u>
Total long-term debt – Governmental Activities	<u>\$ 295,329</u>

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.	\$ 611,726
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.	26,333,859
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.	3,335,365
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.	7,775,000
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
Clean Water State Revolving Funds (SRF) Loan, Series 2017, \$24,560,378, dated February 9, 2017, principal and interest (1.80% per annum) payable quarterly, final payment due December 2048.	24,560,378
Installment purchase contract – (Utility Department Vehicles), \$639,000, dated September 4, 2015, interest at 1.47% per annum, due on September 2019.	<u>362,630</u>
	67,478,958
Add/Subtract:	
Series 2016A Bond discount (\$44,769 net \$9,949 accumulated amortization)	(34,820)
Series 2016B Bond premium (\$660,846 net \$94,407 accumulated amortization)	566,439
Less, current portions (due within one year):	
State Revolving Fund Loans (Series' 2002, 2009, and 2015)	(1,768,439)
Revenue bonds (Series 2016A)	(1,675,000)
Installment purchase contracts payable	<u>(160,316)</u>
Total long-term debt – Business-type Activities	<u>\$ 64,406,822</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

B. Business-Type Activities (continued)

Series 2017 SRF Loan

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

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

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

At June 30, 2017, total funds available in the trust account equaled \$7,286,332, and the outstanding principal and interest due on the Series 2007A bonds equaled \$8,125,000. The Series 2016A bonds shall not be subject to optional redemption prior to their stated maturities. The Series 2016B bonds maturing on and after July 1, 2027 are subject to redemption at any time on and after July 1, 2026 at a redemption price of par plus accrued interest to the date of redemption.

Bond Refunding Gains or Losses

The defeasance transactions of the Series 1998, Series 2007A, and Series 2016A & B bonds resulted in an accumulative accounting loss of \$1,266,428, which is being amortized over the shorter life of the new refunding debt or the refunded (old) debt, with such amount being reported as deferred outflows of resources on the Statement of Net Position. For the year ended June 30, 2017, accumulated amortization totaled \$489,528 and amortization expense of the bond refunding loss equaled \$105,178.

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 Business-type Activities (Water and Sewer Utility Fund). At June 30, 2017, total outstanding balance totaled \$362,630.

During FY 2016-2017, the City entered into an installment purchase contract totaling \$519,000 for acquiring certain vehicles and equipment used in the Governmental Activities. At June 30, 2017, total outstanding balance totaled \$423,778.

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, 2017, were as follows:

	Date of Issue	Outstanding 6/30/16	Additions	Retirements	Outstanding 6/30/17
Governmental Activities:					
TIF Revenue Bonds – Series 2002	10/24/02	\$ 491,714	\$ —	\$ (491,714)	\$ —
Installment purchase contract	9/13/16	\$ —	\$ 519,000	\$ (95,222)	\$ 423,778
Accrued compensated absences	—	\$ 394,570	\$ 76,225	\$ (134,715)	\$ 336,080
Business-type Activities:					
Clean Water State Revolving Funds Loan – Series 2002	12/01/02	\$ 701,885	\$ —	\$ (90,159)	\$ 611,726
Clean Water State Revolving Funds Loan – Series 2009	9/15/09	\$ 27,823,273	\$ —	\$ (1,489,414)	\$ 26,333,859
Clean Water State Revolving Funds Loan – Series 2015	1/29/15	\$ 3,619,271	\$ —	\$ (283,906)	\$ 3,335,365
Water and Sewer System Refunding Revenue Bonds – Series 2016A (Taxable)	3/29/16	\$ 8,470,000	\$ —	\$ (695,000)	\$ 7,775,000
Water and Sewer System Refunding Revenue Bonds – Series 2016B (Non-taxable)	3/29/16	\$ 4,500,000	\$ —	\$ —	\$ 4,500,000
Clean Water State Revolving Funds Loan – Series 2017	2/9/17	\$ —	\$ 24,560,378	\$ —	\$ 24,560,378
Installment purchase contract	9/04/15	\$ 507,532	\$ —	\$ (144,902)	\$ 362,630
Accrued compensated absences	—	\$ 122,829	\$ 44,769	\$ (38,827)	\$ 128,771

Accrued compensated absences due within one year for the Governmental Activities total \$119,334 and for Business-type Activities total \$85,442 at June 30, 2017.

The SRF Loan, Series 2015, was reamortized during FY 17 which, because the original loan amount was not drawn in full, reduced the total outstanding balance by \$138,151 effective May 2017. Principal payments totaled \$145,755 for the year ended June 30, 2017, and the new quarterly principal and interest payment equaled \$218,589.

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:			
Installment Purchase Contract:			
2018 (due within one year)	\$ 4,855	\$ 128,449	\$ 133,304
2019	3,136	130,168	133,304
2020	1,394	131,909	133,303
2021	74	33,252	33,326
	<u>\$ 9,459</u>	<u>\$ 423,778</u>	<u>\$ 433,237</u>
	<u>Interest</u>	<u>Principal</u>	<u>Total Requirements</u>
Business-type Activities:			
SRF Loan, Series 2002			
2018 (due within one year)	\$ 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	4,332	100,862	105,194
2023	2,043	103,151	105,197
2024	143	26,153	26,296
	<u>\$ 45,734</u>	<u>\$ 611,726</u>	<u>\$ 657,460</u>
SRF Loan, Series 2009			
2018 (due within one year)	\$ 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	436,693	1,666,237	2,102,930
2023-2027	1,598,894	8,915,756	10,514,650
2028-2032	540,420	9,448,496	9,988,916
	<u>\$ 4,684,357</u>	<u>\$ 26,333,859</u>	<u>\$ 31,018,216</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

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

<u>Business-type Activities (continued):</u>	<u>Interest</u>	<u>Principal</u>	<u>Total Requirements</u>
SRF Loan, Series 2015			
2018 (due within one year)	\$ 65,564	\$ 153,025	\$ 218,589
2019	62,481	156,109	218,590
2020	59,335	159,254	218,589
2021	56,126	162,463	218,589
2022	52,852	165,737	218,589
2023-2027	212,800	880,147	1,092,947
2028-2032	120,477	972,470	1,092,947
2033-2037	24,257	686,160	710,417
	<u>\$ 653,892</u>	<u>\$ 3,335,365</u>	<u>\$ 3,989,257</u>
Revenue Bonds, Series 2016A			
2018 (due within one year)	\$ 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	84,933	800,000	884,933
2023-2027	114,482	2,510,000	2,624,482
	<u>\$ 721,419</u>	<u>\$ 7,775,000</u>	<u>\$ 8,496,419</u>
Revenue Bonds, Series 2016B			
2018 (due within one year)	\$ 177,850	\$ —	\$ 177,850
2019	177,850	—	177,850
2020	177,850	—	177,850
2021	177,850	—	177,850
2022	177,850	—	177,850
2023-2027	791,025	2,290,000	3,081,025
2028-2029	88,600	2,210,000	2,298,600
	<u>\$ 1,768,875</u>	<u>\$ 4,500,000</u>	<u>\$ 6,268,875</u>
SRF Loan, Service 2017			
2018 (due within one year)	\$ 220,347	\$ 310,312	\$ 530,659
2019	432,271	629,046	1,061,317
2020	420,871	640,446	1,061,317
2021	409,265	652,052	1,061,317
2022	1,864,739	3,441,846	5,306,585
2023-2027	1,541,366	3,765,219	5,306,585
2028-2032	1,187,610	4,118,975	5,306,585
2033-2037	800,619	4,505,966	5,306,585
2038-2042	377,268	4,929,317	5,306,585
2043-2047	24,783	1,567,199	1,591,982
	<u>\$ 7,279,139</u>	<u>\$ 24,560,378</u>	<u>\$ 31,839,517</u>
Installment Purchase Contract			
2018 (due within one year)	\$ 4,274	\$ 160,316	\$ 164,590
2019	1,902	162,689	164,591
2020	100	39,625	39,725
	<u>\$ 6,276</u>	<u>\$ 362,630</u>	<u>\$ 368,906</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 Master Bond Ordinance where it requires, among other requirements, for the City to prescribe and maintain rates and charges for services and facilities furnished by the Water and Sewer Utility system which, together with other income, are reasonably expected to yield annual Net Earnings (as defined in the Bond Ordinance) in the current fiscal year equal to at least the sum of 115% of the Annual Principal and Interest Requirement in such fiscal year for all bonds outstanding. Net Earnings under the Bond Ordinance includes Capital Facility Charges.

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, 2015 and 2017) 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, 2017.

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	\$ 15,859,932	\$ 127,755,138
Less, revenue bonds and loans payable	(423,778)	(67,478,958)
Add, back portion of debt proceeds reported as restricted	—	22,651,502
Less, construction and retainages payable	(5,582)	(1,951,662)
Total net investment in capital assets	\$ 15,430,572	\$ 80,976,020

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	\$ 550,615	\$ 2,109,572
Project and construction funds	447,405	6,633,785
Cayce WWTP facility renewal and replacement fund	—	1,083,469
Accommodations and hospitality taxes (for tourism)	660,088	—
Community development and housing	14,175	—
Pensions and employee benefits	744,545	345,160
Law enforcement	16,668	—
ABC permit activities (for tourism)	70,291	—
Victim’s Rights Assistance	—	—
Less, liabilities payable from restricted assets:		
Debt service related	—	(3,812,862)
Total restricted net position	\$ 2,503,787	\$ 6,359,124

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, 2017, 2016, and 2015, were approximately \$9,058,566, \$8,359,967, and \$7,923,045, respectively, while total wages (“covered-employee”) were \$9,116,783, \$8,565,569, and \$7,985,444, , for the years ended 2017, 2016, and 2015, respectively. State statutes also determine the levels of contributions required by both employers and employees.

For the year ended June 30, 2017, SCRS contribution rates were 8.66% and 11.56% for non-public safety employees and the employer, respectively. PORS contribution rates were 9.24% and 14.24% for public safety employees and the employer, respectively. Effective July 1, 2017, for non-public safety employees, the employee contribution rate will be 9.00% and the employer required contribution will be 13.56%, which includes .15% of group life coverage. Effective July 1, 2017, for public safety employees, the employee contribution rate will be 9.75% and the employer contribution rate will be 16.24%, which includes .2% of group life and .2% of accidental death coverage. The City contributed 100% of the required contribution for each of the plans for the years ending June 30, 2017, 2016, and 2015, as shown in the following table.

	SCRS			PORS		
	2017	2016	2015	2017	2016	2015
Wages:						
Pensionable	\$ 5,897,743	\$ 5,443,028	\$ 5,133,635	\$ 3,160,823	\$ 2,916,939	\$ 2,789,410
Contribution rates:						
Employees	8.66%	8.16%	8.0%	9.24%	8.74%	8.41%
Employer	11.56%	11.06%	10.9%	14.24%	13.74%	13.41%
Contributions:						
Employees	\$ 510,745	\$ 444,152	\$ 427,593	\$ 292,061	\$ 254,942	\$ 217,686
Employer	\$ 667,638	\$ 635,004	\$ 557,599	\$ 422,067	\$ 406,098	\$ 374,067

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

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

At June 30, 2017, the City reported a liability of \$17,809,502 for the measurement period June 30, 2016 for its proportionate share of the net pension liabilities, of which \$12,005,946 was for SCRS and \$5,803,556 was for PORS. The net pension liabilities were measured by PEBA as of June 30, 2016 and the total pension liabilities used to calculate the net pension liability was determined by an actuarial valuation of data as of July 1, 2015 and rolled forward to June 30, 2016. 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, 2016, PEBA reported the City's proportion of the collective net pension liability was 0.056208% for SCRS and 0.228800% for PORS.

For the year ended June 30, 2017, the City recognized pension expense of \$1,815,044, of which \$1,188,439 was for SCRS (\$571,899 in Governmental Activities and \$616,540 in the Business-type Activities) and \$626,605 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, 2016, follows:

	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
Pension expense:			
Service cost	429,068	358,227	787,295
Interest on total pension liability	1,816,402	1,038,056	2,854,458
Changes in plan benefits	—	—	—
Plan administrative costs	7,391	4,711	12,102
Plan member contributions	(423,894)	(263,551)	(687,445)
Expected return on plan assets	(1,039,010)	(675,460)	(1,714,470)
Recognition of deferred outflows – current year amortization	85,170	39,224	124,394
Recognition of deferred inflows – current year amortization	312,752	128,021	440,773
Other	560	(2,623)	(2,063)
Total pension expense	<u>1,188,439</u>	<u>626,605</u>	<u>1,815,044</u>
PEBA employer contribution	<u>(601,999)</u>	<u>(400,823)</u>	<u>(1,002,822)</u>
Changes in deferred items (net of amortization):			
Outflow – Plan performance	(60,029)	(11,152)	(71,181)
Outflow – Assumption changes	—	—	—
Outflow – Investment experience	752,479	483,718	1,236,197
Outflow – Allocated proportion change	149,630	60,325	209,955
Outflow – Employer differences	—	—	—
Inflow – Plan performance	5,532	—	5,532
Inflow – Assumption changes	—	—	—
Inflow – Investment experience	188,103	120,658	308,761
Inflow – Allocated proportion change	—	16,769	16,769
Inflow – Employer differences	—	102	102
	<u>1,035,715</u>	<u>670,420</u>	<u>1,706,135</u>
Total change in net pension liability	<u>\$ 1,622,155</u>	<u>\$ 896,202</u>	<u>\$ 2,518,357</u>

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, 2017, 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	\$ 124,456	\$ 86,114	\$ 210,570
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on pension plan investments	1,418,013	911,488	2,329,501
Changes in proportion and differences between City contributions and proportionate share of contributions	320,871	60,325	381,196
City contributions subsequent to the measurement date	667,638	422,067	1,089,705
Employer differences	70,284	4,144	74,428
Total	\$ 2,601,262	\$ 1,484,138	\$ 4,085,400

	Deferred Inflows of Resources Related to Pensions		
	SCRS	PORS	Total
Differences between expected and actual plan performance	\$ 13,038	\$ —	\$ 13,038
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on pension plan investments	407,927	253,416	661,343
Changes in proportion and differences between City contributions and proportionate share of contributions	—	46,885	46,885
Employer differences	3,042	34,074	37,116
Total	\$ 424,007	\$ 334,375	\$ 758,382

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 \$1,089,705 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources Related to Pensions		
	SCRS	PORS	Total
<u>Fiscal year ended June 30:</u>			
2018	\$ 630,997	\$ 311,335	\$ 942,332
2019	564,728	311,335	876,063
2020	499,226	276,051	775,277
2021	238,673	163,350	402,023
	<u>\$1,933,624</u>	<u>\$1,062,071</u>	<u>\$2,995,695</u>

	Deferred Inflows of Resources Related to Pensions		
	SCRS	PORS	Total
<u>Fiscal year ended June 30:</u>			
2018	\$ 207,296	\$ 156,231	\$ 363,527
2019	207,297	155,837	363,134
2020	7,039	21,167	28,206
2021	2,375	1,140	3,515
	<u>\$ 424,007</u>	<u>\$ 334,375</u>	<u>\$ 758,382</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2016 actuarial valuation (measurement period) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Cost Method	<u>SCRS</u>	<u>PORS</u>
	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

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, 2016 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, 2016, actuarial valuations, was based upon the 30 year capital market outlook at the end of the third quarter 2015, 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 as of January 1, 2016. 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.

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 January 1, 2016.

<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>
Global Public Equity	43.0%		
Global public equity	34.0%	6.52%	2.22%
Private equity	9.0%	9.30%	0.84%
Real Estate	8.0%		
Real estate	5.0%	4.32%	0.22%
Commodities	3.0%	4.53%	0.13%
Opportunistic	20.0%		
GTAA/Risk parity	10.0%	3.90%	0.39%
HF (low beta)	10.0%	3.87%	0.39%
Diversified Credit	17.0%		
Mixed credit	5.0%	3.52%	0.17%
Emerging markets debt	5.0%	4.91%	0.25%
Private debt	7.0%	4.47%	0.31%
Conservative Fixed Income	12.0%		
Core fixed income	10.0%	1.72%	0.17%
Cash and short duration (net)	2.0%	0.71%	0.01%
Total expected real return	100.0%		5.10%
Inflation for actuarial purposes			2.75%
Total expected nominal return			7.85%

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, 2016, 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		
	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
SCRS	\$ 14,977,089	\$ 12,005,946	\$ 9,532,581
PORS	\$ 7,606,057	\$ 5,803,556	\$ 4,183,670

Pension Plans Fiduciary Net Position

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

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— 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 \$745.88 for the retiree and \$742.28 for the spouse for the year ended June 30, 2017. The retiree pays nothing for retiree only coverage and pays the full premium rate of \$742.28 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, 2017, the City had 8 retired employees with an average age of 57.25 years covered by the program with monthly premium costs averaging \$745.88 per participant. Total expenses funded by the City for the year ended June 30, 2017 were \$59,370 (or 21.9%) 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 2016 and 2015, total funding expenses were \$43,573 and \$36,153 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	164,843
Annual required contribution (ARC)	270,857
Interest on net other post-employment benefit (OPEB) obligation	106,403
Adjustment to required annual contribution	(26,156)
Annual other post-employment benefit (OPEB) cost	351,104
Contributions made	(59,370)
Increase in net other post-employment benefit (OPEB) obligation	291,734
Net other post-employment benefit (OPEB) obligation – beginning of year	2,364,497
Net other post-employment benefit (OPEB) obligation – end of year	\$ 2,656,231

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 \$351,104, \$337,861, and \$218,751, or the fiscal years 2017, 2016 and 2015, respectively. The City's net other post-employment benefit (OPEB) obligation was \$2,656,231, \$2,364,497, and \$2,070,208, for the fiscal years 2017, 2016 and 2015, respectively. The City contributed 16.9%, 12.9%, and 16.5%, of the annual other post-employment benefit cost for the years ended June 30, 2017, 2016, and 2015, 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, 2016 was \$8,565,569 and \$9,116,783 at June 30, 2017.

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 28 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, 2017, 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, 2017, were as follows:

Contributed property by developers	\$ 1,507,648
Grant	1,000
Capacity charges	<u>1,622,762</u>
Total capacity charges to customers under agreement and other capital contributions recognized	<u>\$ 3,131,410</u>

12. Commitments and Contingencies

Litigation

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

Federal and State Assisted Programs

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

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

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

13. Reconciliation of Government-Wide and Fund Financial Statements

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

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

Capital assets in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements:

Capital assets	\$ 27,071,843
Less, accumulated depreciation	<u>(11,211,911)</u>
Net amount reported	<u>\$ 15,859,932</u>

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

State shared (local government fund) and accommodation tax revenue	\$ 101,747
Contractual rights for animal services, net of amortization	95,000
Franchise fees	29,110
Property taxes revenue	<u>189,344</u>
Net amount reported	<u>\$ 415,201</u>

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.

\$ 2,724,706

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

Installment purchase contracts	\$ (423,778)
Accrued compensated absences	(336,081)
Net pension liabilities	(11,683,929)
Other post-employment benefits (OPEB)	<u>(1,786,206)</u>
Net amount reported	<u>\$ (14,229,994)</u>

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

\$ (535,694)

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	\$ 3,104,326
Depreciation expense	(886,646)
Net amount reported	\$ 2,217,680

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	\$ 143,954
	\$ 143,954

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	\$ 58,490
Animal control service agreement expense	(10,000)
Pension expenses	(444,951)
Other post-employment benefits (OPEB)	(216,432)
Net amount reported	\$ (612,893)

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	\$ 95,222
Proceeds of Installment purchase contract	(519,000)
Principal repayments – TIF Bonds	491,714
Net amount reported	\$ 67,936

CITY OF CAYCE, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

14. Subsequent Events

The City issued \$8.0 million Tax Increment Revenue Bonds, Series 2017, dated August 1, 2017, to provide for funding of certain projects in the Redevelopment Plan district including certain water and sewer infrastructure improvements. The bonds are secured by a pledge of tax increment revenues within the tax district plus a junior lien on the City's Water and Sewer Utility Fund system gross revenues.

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

15. Restatement of Prior Year Balances

The City determined that certain Water and Sewer Utility Fund past-due accounts receivable are maintained for customers who, for the most part, are no longer residing in the City's service area. While these accounts have been, or are being submitted to the State debt set-off program, the City decided to restate its beginning balances to reflect a more net realizable value as follows:

	Business-type Activities
	Water and Sewer Utility Fund
Net position, beginning of year	\$ 85,947,415
Adjust gross accounts receivable for reasonably possible uncollectibles	(549,428)
Add, amounts billed for governmental activities of sanitation, fire charges, etc.	71,826
Net position, as restated	\$ 85,469,813

CITY OF CAYCE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CAYCE, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

YEAR ENDED JUNE 30, 2017
 (With comparative actual amounts for year ended June 30, 2016)

	2017			Variance Positive (Negative)	2016
	Budget		Actual		Actual
	Original	Final			
Revenue					
Property taxes	\$ 3,086,000	\$ 3,086,000	\$ 3,225,201	\$ 139,201	\$ 3,059,485
Licenses and permits	4,297,700	4,297,700	5,171,194	873,494	4,799,886
Fines and forfeitures	285,100	285,100	214,485	(70,615)	260,880
State shared revenue	361,000	361,000	387,193	26,193	362,805
Current services	1,031,976	1,031,976	1,035,625	3,649	796,448
Grants and other	2,192,005	2,192,005	658,094	(1,533,911)	1,521,125
Interest income	1,000	1,000	1,198	198	1,076
Total revenue	11,254,781	11,254,781	10,692,990	(561,791)	10,801,705
Expenditures					
General Government					
Legislative	135,537	135,537	123,787	11,750	122,910
Administrative	706,419	706,419	664,801	41,618	704,994
Recorder's Court	222,831	222,831	195,882	26,949	167,983
Legal	84,575	84,575	96,847	(12,272)	101,676
Total	1,149,362	1,149,362	1,081,317	68,045	1,097,563
Less, Utility Fund overhead	—	—	(592,111)	(592,111)	(586,591)
Net general government	1,149,362	1,149,362	489,206	660,156	510,972
Information Technology					
IT support	207,159	207,159	207,402	(243)	221,418
Less, Utility Fund overhead	—	—	(110,336)	(110,336)	(109,625)
Less capital outlay	—	—	—	—	(36,903)
Net information technology	207,159	207,159	97,066	110,093	74,890
Finance					
Finance and accounting	300,913	300,913	276,754	24,159	289,326
Tax collection	21,362	21,362	21,707	(345)	21,200
Total	322,275	322,275	298,461	23,814	310,526
Less, Utility Fund overhead	—	—	(226,042)	(226,042)	(224,505)
Net finance	322,275	322,275	72,419	249,856	86,021
Public Safety					
Administrative	524,003	524,003	595,336	(71,333)	500,811
Police – Detectives	870,400	870,400	699,786	170,614	683,974
Police – Traffic	2,952,204	2,952,204	2,926,622	25,582	3,140,642
Fire	1,302,994	1,302,994	1,185,000	117,994	1,760,522
Animal services	72,593	72,593	62,813	9,780	133,326
Parks	276,117	276,117	256,380	19,737	287,807
Dispatch	457,136	457,136	521,353	(64,217)	—
Total	6,455,447	6,455,447	6,247,290	208,157	6,507,082
Less, Utility Fund overhead	—	—	(90,553)	(90,553)	(89,826)
Less, capital outlay	(407,601)	(407,601)	(340,767)	(66,834)	(813,115)
Net public safety	6,047,846	6,047,846	5,815,970	231,876	5,604,141

CITY OF CAYCE, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND
— CONTINUED —

Expenditures (Continued)	2017			2016	
	Budget		Actual	Variance	Actual
	Original	Final		Positive (Negative)	
Public Works					
Street lighting	286,502	286,502	316,371	(29,869)	291,850
Sanitation	1,143,652	1,143,652	1,046,743	96,909	1,067,010
Public buildings	169,844	169,844	432,942	(263,098)	422,948
Total	1,599,998	1,599,998	1,796,056	(196,058)	1,781,808
Less, Utility Fund overhead	—	—	(183,302)	(183,302)	(43,392)
Less, capital outlay	(55,031)	(55,031)	(359,394)	(304,363)	(314,221)
Net public works	1,544,967	1,544,967	1,253,360	291,607	1,424,195
Community Relations					
Promotions and events	184,555	184,555	188,549	(3,994)	146,529
Total community relations	184,555	184,555	188,549	(3,994)	146,529
Planning and Development					
Planning and zoning	610,252	610,252	558,612	51,640	866,930
Less, capital outlay	—	—	(11,200)	(11,200)	(358,800)
Total planning and development	610,252	610,252	547,412	62,840	508,130
Parks and Museum					
Parks	712,111	712,111	1,178,309	(466,198)	815,480
Museum	202,002	202,002	184,033	17,969	222,059
Total	914,113	914,113	1,362,342	(448,229)	1,037,539
Less, capital outlay	—	—	(514,759)	(514,759)	(270,777)
Net parks and museum	914,113	914,113	847,583	66,530	766,762
Garage					
Garage	412,553	412,553	381,345	31,208	361,581
Less, Utility Fund overhead	—	—	(101,729)	(101,729)	(100,992)
Less, capital outlay	(18,000)	(18,000)	(16,300)	(1,700)	
Net garage	394,553	394,553	263,316	131,237	260,589
Non-departmental and Support Services					
Non-departmental and support services	559,902	559,902	578,370	(18,468)	43,573
Less, Utility Fund overhead	—	—	(53,394)	(53,394)	(43,305)
Less, capital outlay	(519,000)	(519,000)	(519,000)	—	—
Net support services	40,902	40,902	5,976	34,926	268

CITY OF CAYCE, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2017			Variance Positive (Negative)	2016
	Budget		Actual		Actual
	Original	Final			
Expenditures (Continued)					
Debt Service					
Principal retirement	125,927	125,927	95,222	30,705	224,248
Interest and fiscal charges	9,233	9,233	4,756	4,477	3,288
Total debt service	135,160	135,160	99,978	35,182	227,536
Less, overhead allocated – Utility Fund	—	—	(83,144)	(83,144)	(79,185)
Net debt service	135,160	135,160	16,834	118,326	148,351
Capital Outlay	999,632	999,632	1,761,420	(761,788)	1,793,816
Total expenditures	12,550,776	12,550,776	11,359,112	1,191,664	11,324,664
Excess (deficiency) of revenue over expenditures	(1,295,995)	(1,295,995)	(666,122)	629,873	(522,959)
Other Financing Sources (Uses)					
Installment purchase contract	519,000	519,000	519,000	—	—
Proceeds from sale of assets	12,000	12,000	3,028	(8,972)	35,000
Transfers in:					
Accommodations Tax Fund	124,875	124,875	121,000	(3,875)	99,172
Hospitality tax	640,120	640,120	640,120	—	605,269
Total other financing sources (uses)	1,295,995	1,295,995	1,283,148	(12,847)	739,441
Net change in fund balance	—	—	617,026	617,026	216,482
Fund balance, beginning of year	5,901,346	5,901,346	5,901,346	—	5,684,864
Fund balance, end of year	<u>\$ 5,901,346</u>	<u>\$ 5,901,346</u>	<u>\$ 6,518,372</u>	<u>\$ 617,026</u>	<u>\$ 5,901,346</u>

See Notes to Budgetary Comparison Schedule

CITY OF CAYCE, SOUTH CAROLINA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2017

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 \$910,950,776, 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 \$1,295,995.

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, 2017

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)

	2017	2016	2015	2013	2012	2011	2010	2009	2008	2007
City' s proportion of the net pension liability	N/A	0.056208%	0.054751%	0.053510%	N/A	N/A	N/A	N/A	N/A	N/A
City' s proportion share of the net pension liability	N/A	\$ 12,005,946	\$ 10,383,791	\$ 9,212,648	\$ 9,597,785	N/A	N/A	N/A	N/A	N/A
City' s covered payroll (pensionable)	\$ 5,897,743	\$ 5,443,028	\$ 5,133,635	\$ 4,849,702	\$ 4,933,520	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	220.6%	202.3%	190.0%	194.5%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	52.9%	57.0%	59.9%	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⁾

	2017	2016	2015	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 667,638	\$ 635,004	\$ 557,599	\$ 514,069	\$ 486,663	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	\$ 667,638	\$ 635,004	\$ 557,599	\$ 514,069	\$ 486,663	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	N/A	N/A	N/A	N/A	N/A
City's covered payroll (pensionable)	\$ 5,897,743	\$ 5,443,028	\$ 5,133,635	\$ 4,849,702	\$ 4,933,520	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	11.3%	11.7%	10.9%	10.6%	9.9%	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)

	2017	2016	2015	2013	2012	2011	2010	2009	2008	2007
City's proportion of the net pension liability (asset)	N/A	0.228800%	0.225160%	0.228990%	N/A	N/A	N/A	N/A	N/A	N/A
City's proportion share of the net pension liability (asset)	N/A	\$ 5,803,556	\$ 4,907,354	\$ 4,383,771	\$ 4,746,817	N/A	N/A	N/A	N/A	N/A
City's covered payroll (pensionable)	\$ 3,160,823	\$ 2,916,939	\$ 2,789,410	\$ 2,762,383	\$ 2,267,964	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	199.6%	175.9%	158.7%	209.0%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	60.4%	64.6%	67.5%	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)

	2017	2016	2015	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 432,067	\$ 406,098	\$ 374,067	\$ 354,690	\$ 321,072	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	\$ 432,067	\$ 406,098	\$ 374,067	\$ 354,690	\$ 321,072	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	N/A	N/A	N/A	N/A	N/A
City's covered payroll (pensionable)	\$ 3,160,823	\$ 2,916,939	\$ 2,789,410	\$ 2,762,383	\$ 2,267,964	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	13.7%	13.9%	13.4%	12.8%	14.2%	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, 2017

	Total Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
Assets			
Cash and cash equivalents:			
Unrestricted	\$ 83,801	\$ —	\$ 83,801
Restricted	658,189	538,608	1,196,797
Property taxes receivable	—	12,007	12,007
Hospitality taxes receivable	97,156	—	97,156
Other receivables	6,750	—	6,750
Total assets	\$ 845,896	\$ 550,615	\$ 1,396,511
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 813	\$ —	\$ 813
Accrued interest	—	—	—
Construction and retainages payable	—	—	—
Due to other funds	60	—	60
Total liabilities	873	—	873
Fund balance:			
Restricted for:			
Debt service	—	550,615	550,615
Tourism and community development	674,263	—	674,263
ABC permit activities	70,291	—	70,291
Law enforcement	16,668	—	16,668
Total restricted	761,222	550,615	1,311,837
Assigned for:			
Museum	83,801	—	83,801
Total fund balances	845,023	550,615	1,395,638
Total liabilities and fund balances	\$ 845,896	\$ 550,615	\$ 1,396,511

CITY OF CAYCE, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2017

	Total Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
Revenue			
Property taxes	\$ —	\$ 1,011,222	\$ 1,011,222
Accommodation and hospitality taxes	1,147,949	—	1,147,949
Grants and other	13,030	—	13,030
State shared revenue	21,900	45,742	67,642
Interest income	—	357	357
Total revenue	1,182,879	1,057,321	2,240,200
Expenditures			
Planning and community development:			
Tourism related	247,692	—	247,692
Less, capital outlay	(86,348)	—	(86,348)
Net tourism related	161,344	—	161,344
Housing	18	—	18
Debt service:			
Principal	—	491,713	491,713
Interest and fiscal charges	—	11,757	11,757
Capital outlay	86,348	—	86,348
Total expenditures	247,710	503,470	751,180
Excess (deficiency) of revenue over expenditures	935,169	553,851	1,489,020
Other Financing Sources (Uses)			
Transfers in (out)	(761,120)	(1,000,000)	(1,761,120)
Net change in fund balances	174,049	(446,149)	(272,100)
Fund balances, beginning of year	670,974	996,764	1,667,738
Fund balances, end of year	\$ 845,023	\$ 550,615	\$ 1,395,638

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, 2017
(With comparative figures June 30, 2016)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Cash and cash equivalents:		
Unrestricted	\$ 5,068,791	\$ 5,230,632
Restricted	954,944	945,916
Property taxes receivable	1,483,370	1,482,714
Other receivables	927,887	212,675
Less, allowance for uncollectible accounts	(1,451,022)	(1,447,029)
Due from other funds	98,330	102,373
Prepaid construction	92,848	—
Inventory – supplies (at cost)	57,596	64,979
Total assets	<u>\$ 7,232,744</u>	<u>\$ 6,592,260</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 183,932	\$ 134,610
Accrued salaries and wages	271,148	439,294
Construction and retainage payable	155,368	—
Other liabilities	18,075	23,224
Deposits and prepayments	84,471	84,471
Due to other funds	1,378	9,315
Total liabilities	<u>714,372</u>	<u>690,914</u>
 Fund balance:		
Nonspendable in:		
Inventories and prepaid items	<u>150,444</u>	<u>64,979</u>
 Restricted for:		
Victims Rights Assistance	<u>—</u>	<u>21,233</u>
 Committed for:		
UST program	<u>25,000</u>	<u>25,000</u>
 Assigned for:		
Christmas in Cayce	11,187	8,875
Congaree Bluegrass Festival	8,735	3,259
History Park	<u>948,466</u>	<u>918,466</u>
	<u>968,388</u>	<u>930,600</u>
Unassigned	<u>5,374,540</u>	<u>4,859,534</u>
Total fund balance	<u>6,518,372</u>	<u>5,901,346</u>
Total liabilities and fund balance	<u>\$ 7,232,744</u>	<u>\$ 6,592,260</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017
(With comparative actual amounts year ended June 30, 2016)

	Current Year			Prior Year
	Final Budget	Actual	Variance Pos. (Neg.)	Actual
Revenue				
Property taxes	\$ 3,086,000	\$ 3,225,201	\$ 139,201	\$ 3,059,485
Licenses and permits	4,297,700	5,171,194	873,494	4,799,886
Fines and forfeitures	285,100	214,485	(70,615)	260,880
State shared revenue	361,000	387,193	26,193	362,805
Current services	1,031,976	1,035,625	3,649	796,448
Grants and other	2,192,005	658,094	(1,533,911)	1,521,125
Interest income	1,000	1,198	198	1,076
Total revenue	11,254,781	10,692,990	(561,791)	10,801,705
Expenditures				
Current (net of Utility Fund overhead allocations and capital outlay):				
Legislative	135,537	70,966	64,571	70,458
Administrative	706,419	156,334	550,085	200,210
Recorder's court	222,831	195,882	26,949	167,983
Legal	84,575	66,025	18,550	72,321
Information technology	207,159	97,066	110,093	74,890
Finance and accounting	300,913	50,712	250,201	64,821
Tax collector	21,362	21,707	(345)	21,200
Public safety:				
Administrative	524,003	543,542	(19,539)	449,391
Detectives	731,333	662,201	69,132	657,687
Police	2,871,004	2,816,323	54,681	2,968,936
Fire	1,255,660	1,178,411	77,249	1,177,409
Animal services	72,593	62,813	9,780	124,043
Parks	266,117	249,874	16,243	226,675
Dispatch	327,136	302,806	24,330	
Street lighting	286,502	303,871	(17,369)	287,440
Sanitation	1,142,452	1,012,298	130,154	1,042,062
Public buildings	116,013	(62,809)	178,822	94,693
Community relations	184,555	188,549	(3,994)	146,529
Planning and development	610,252	547,412	62,840	508,130
Museum	202,002	184,033	17,969	159,271
Parks	712,111	663,550	48,561	607,491
Garage	394,553	263,316	131,237	260,589
Non-departmental and support services	40,902	5,976	34,926	268
Debt service	135,160	16,834	118,326	148,351
Capital outlay	999,632	1,761,420	(761,788)	1,793,816
Total expenditures	12,550,776	11,359,112	1,191,664	11,324,664
Excess (deficiency) of revenue over expenditures	(1,295,995)	(666,122)	629,873	(522,959)
Other Financing Sources (uses)				
Installment purchase	519,000	519,000	—	—
Proceeds from sale of assets	12,000	3,028	(8,972)	35,000
Transfers in:				
Accommodation tax	124,875	121,000	(3,875)	99,172
Hospitality tax	640,120	640,120	—	605,269
Total other financing sources (uses)	1,295,995	1,283,148	(12,847)	739,441
Net change in fund balance	—	617,026	617,026	216,482
Fund balance, beginning of year	5,901,346	5,901,346	—	5,684,864
Fund balance, end of year	\$ 5,901,346	\$ 6,518,372	\$ 617,026	\$ 5,901,346

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE — BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017

	<u>Final Budget</u>	<u>Actual</u>
Revenue		
Property taxes:		
Property tax – current (Lexington County)	\$ 2,055,000	\$ 2,205,618
Property tax – current (Richland County)	85,000	89,013
Penalties – current	4,000	3,673
Property tax – delinquent	30,000	38,271
Penalties – delinquent	11,000	9,533
Other property tax collections	126,000	129,754
Fees in lieu of taxes	775,000	749,339
	<u>3,086,000</u>	<u>3,225,201</u>
Licenses and permits:		
Business licenses – current	4,100,000	5,027,203
Business licenses – prior year	10,000	1,261
Penalties – business licenses	7,000	21,551
Building permits	150,000	78,300
Electrical permits	15,000	18,831
Plumbing permits	10,000	5,421
Rental registration fees	—	12,692
Gas permits	1,000	319
Garage sale permits	700	765
Miscellaneous permits	4,000	4,851
	<u>4,297,700</u>	<u>5,171,194</u>
Fines and forfeitures:		
Criminal fines	70,000	56,406
Traffic fines	170,000	127,717
Parking fines	100	175
Victims assistance	45,000	30,187
	<u>285,100</u>	<u>214,485</u>
State shared and other revenue:		
Local government fund	270,000	283,736
Merchants inventory tax	72,000	71,566
Local option sales tax	14,000	15,480
County municipal revenue fund	5,000	16,411
	<u>361,000</u>	<u>387,193</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	216,130
Special fire protection fees	—	760
911 fees	110,000	10,971
Animal control fees	200	—
Special services – SRO officers	72,000	69,209
Duplication services	4,000	5,052
Residential sanitation	655,776	733,503
	<u>1,031,976</u>	<u>1,035,625</u>
Grants and Other:		
Miscellaneous	70,000	91,205
Sale of plastic bags	5,000	4,970
Donated revenue – Christmas in Cayce	2,000	1,950
Donated revenue – Congaree Bluegrass Festival	6,000	7,910
Admission and rents	400	299
LRADAC/AET agreements	27,000	31,708
Recycling revenue	1,000	4,038
Grant revenue:		
FEMA grant	50,000	53,591
SC PRT grant	150,000	—
SCMIT grant	—	1,538
State C-funds	110,000	209,314
Department of Justice grant	150,584	34,477
Department of Public Safety grant	—	22,533
Other federal grants	20,021	33,172
Other grants	—	2,000
Utility Fund fees	1,600,000	159,389
	<u>2,192,005</u>	<u>658,094</u>
Interest income	1,000	1,198
Total revenue	<u>11,254,781</u>	<u>10,692,990</u>
Other Financing Sources		
Installment purchase contract	519,000	519,000
Proceeds from sale of assets	12,000	3,028
Transfers in:		
Accommodations tax – General Fund portion	124,875	121,000
Hospitality tax – General Fund portion	640,120	640,120
Total other financing sources	<u>1,295,995</u>	<u>1,283,148</u>
Total revenue and other financing sources	<u>\$ 12,550,776</u>	<u>\$ 11,976,138</u>

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017

	<u>Final Budget</u>	<u>Actual</u>
Departments		
Legislative:		
Salaries and wages	\$ 81,092	\$ 79,500
Retirement, insurance and other benefits	19,396	18,936
Printing and office supplies	1,000	1,448
Postage	300	300
Memberships and dues	2,882	1,075
Travel	10,650	8,741
Telephone	2,000	2,350
Advertising	250	500
Employee training	7,432	3,919
Awards	6,035	4,971
City election expense	2,000	1,576
City events/special meetings	1,500	31
Other	1,000	440
Total legislative	<u>135,537</u>	<u>123,787</u>
Less, overhead allocation – Utility Fund	—	(52,822)
Net legislative	<u>135,537</u>	<u>70,965</u>
 Administrative:		
Salaries and wages	474,545	455,341
Retirement, insurance and other benefits	156,611	138,332
Printing and office supplies	6,000	8,538
Postage	1,000	1,000
Publications	400	404
Memberships and dues	3,832	6,684
Travel	12,243	11,928
Automotive operating	12,600	3,294
Telephone	8,860	8,000
Safety supplies	2,200	1,440
Advertising expense	3,856	—
Insurance – vehicles	2,230	2,673
Insurance – general	4,800	4,379
Employee training	7,048	7,187
Professional services – human resources	3,300	3,240
Service contracts	4,000	9,868
Equipment - non-capital	1,144	1,043
Other	1,750	1,450
Total administrative	<u>706,419</u>	<u>664,801</u>
Less, overhead allocation – Utility Fund	—	(508,467)
Net administrative	<u>706,419</u>	<u>156,334</u>

— CONTINUED —

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Recorder's Court:		
Salaries and wages	126,675	119,073
Overtime	1,251	859
Retirement, insurance and other benefits	53,101	40,237
Juror fees	2,000	—
Printing and office supplies	4,000	3,688
Postage	7,000	7,000
Memberships and dues	227	227
Travel	3,500	3,500
Employee training	1,550	1,541
Telephone	5,061	1,941
Insurance – general	1,900	1,838
Machinery and equipment – non-capital	5,066	4,720
Special contracts	10,000	9,801
Special department supplies	1,500	1,457
Total recorder's court	<u>222,831</u>	<u>195,882</u>
Legal:		
Printing and office supplies	75	—
Postage	500	500
Professional services	65,000	84,748
Professional services – Prosecutor fees	16,500	8,151
Professional services – Public Defender fees	—	1,178
Codification of City code	2,500	2,270
Total legal	<u>84,575</u>	<u>96,847</u>
Less, overhead allocation – Utility Fund	—	(30,822)
Net legal	<u>84,575</u>	<u>66,025</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Information Technology (IT):		
Salaries and wages	90,366	87,199
Retirement, insurance and other benefits	30,347	27,743
Printing and office supplies	1,000	1,571
Postage	140	140
Publications	100	35
Memberships and dues	800	550
Travel	1,530	886
Telephone	3,695	1,680
Service contracts	1,880	2,710
Equipment repairs	1,500	2,504
Software and licenses	34,207	38,996
Employee training	1,750	—
Insurance – general	1,000	617
Website maintenance	2,400	3,530
Professional services	8,000	7,800
Machinery and equipment – non-capital	27,444	30,626
Other	1,000	815
Total IT	<u>207,159</u>	<u>207,402</u>
Less, overhead allocation – Utility Fund	—	(110,336)
Less, capital outlay	—	—
Net IT	<u>207,159</u>	<u>97,066</u>
Finance and Accounting:	180,661	173,535
Salaries and wages	67,362	64,101
Retirement, insurance and other benefits	5,000	2,507
Printing and office supplies	760	759
Postage	600	690
Memberships and dues	450	54
Telephone	2,600	1,941
Service contracts	11,980	5,761
Insurance – general	2,500	2,203
Employee training	1,000	—
Professional services	28,000	25,203
Total finance and accounting	<u>300,913</u>	<u>276,754</u>
Less, overhead allocation – Utility Fund	—	(226,042)
Net finance and accounting	<u>300,913</u>	<u>50,712</u>
Tax Collector:		
Printing and office supplies	50	—
Postage	60	—
Professional services	21,252	21,707
Total tax collector	<u>21,362</u>	<u>21,707</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 – administrative:		
Salaries and wages	244,502	241,869
Retirement, insurance and other benefits	106,834	100,195
Printing and office supplies	9,000	10,747
Postage	3,000	3,000
Memberships and dues	585	715
Travel	2,000	3,801
Automotive operating	3,000	4,173
Electric and gas	45,000	37,129
Telephone	62,016	60,941
Maintenance and service contracts	19,150	15,725
Building repairs	10,555	97,469
Uniforms	1,200	324
Janitorial supplies	600	371
Medical supplies and physician expense	2,000	6,536
Advertising	502	—
Insurance – vehicles	1,484	1,704
Insurance – general	5,600	4,921
Employee training	600	1,092
Community relations	750	27
Special contracts	5,125	4,597
Explorer Scouts	500	—
Total public safety – administrative	<u>524,003</u>	<u>595,336</u>
Less, overhead allocation – Utility Fund	—	(51,794)
Net public safety – administrative	<u>524,003</u>	<u>543,542</u>
Public Safety – police/detectives:		
Salaries and wages	430,135	389,860
Overtime	14,000	20,126
Retirement, insurance and other benefits	210,726	182,188
Memberships and dues	650	650
Travel	1,000	1,295
Automotive operating	32,000	29,875
Maintenance and service contracts	7,348	5,805
Machinery and equipment repairs	300	1,015
Radio supplies	350	350
Uniforms and clothing	4,800	4,992
Insurance – vehicles	8,880	8,322
Insurance – general	11,000	9,689
Employee training	1,500	1,760
Specialized department supplies	3,000	3,177
Other	—	203
Machinery and equipment – non-capital	5,644	2,894
Machinery and equipment – capital outlay	139,067	37,585
	<u>870,400</u>	<u>699,786</u>
Less, capital outlay	(139,067)	(37,585)
Total public safety – police/detectives	<u>731,333</u>	<u>662,201</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	1,450,141	1,451,610
Overtime	137,000	141,785
Retirement, insurance and other benefits	781,259	752,514
Memberships and dues	1,150	960
Travel	1,200	1,412
SCMIT/DOJ vest grant expense	10,000	11,721
Automotive operating	145,228	165,181
Maintenance and service contracts	26,750	26,016
Machinery and equipment repairs	11,286	12,636
SLED equipment	2,185	672
Small hand tools	500	877
Radio supplies	500	414
Safety supplies	2,602	1,966
Uniforms and clothing	43,903	44,186
Jail detention	600	35
Laundry and linen service	100	—
Insurance – vehicles	32,648	30,011
Insurance – general	57,700	48,515
Employee training	15,000	9,645
Victim’s assistance	82,076	77,521
Victim’s assistance grant	135	183
Department of Juvenile Justice fees	5,000	1,485
Specialized department supplies	33,256	32,987
Machinery and equipment – non-capital	30,785	36,161
Machinery and equipment – capital outlay	81,200	78,129
Total public safety – police/traffic	<u>2,952,204</u>	<u>2,926,622</u>
Less, overhead allocation – Utility Fund	—	(32,170)
Less, capital outlay	<u>(81,200)</u>	<u>(78,129)</u>
Net public safety – police/traffic	<u>2,871,004</u>	<u>2,816,323</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 – fire:		
Salaries and wages	687,043	617,640
Overtime	30,000	43,687
Fire department overtime – responses	30,000	21,963
Retirement, insurance and other benefits	333,938	300,441
Memberships and dues	885	390
Travel	1,000	1,114
Automotive operating	40,000	67,666
Maintenance and service contracts	8,110	4,543
Machinery and equipment repairs	3,700	2,190
Building repairs	5,000	4,695
Small hand tools	1,500	2,157
Radio supplies	500	489
Safety supplies	3,500	3,070
Uniforms and clothing	17,000	19,159
Janitorial supplies	600	415
Medical supplies and physician expense	3,800	2,590
Air pack and fire extinguisher	6,460	2,721
Insurance – vehicles	8,162	9,055
Insurance – general	20,500	18,258
Employee training	9,400	7,132
Specialized department supplies	3,500	3,827
Machinery and equipment – non-capital	41,062	51,798
Machinery and equipment – capital outlay	47,334	—
Total public safety – fire	<u>1,302,994</u>	<u>1,185,000</u>
Less, overhead allocation – Utility Fund	—	(6,589)
Less, capital outlay	(47,334)	—
Net public safety – fire	<u>1,255,660</u>	<u>1,178,411</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	33,318	30,783
Overtime	143	202
Retirement, insurance and other benefits	20,268	16,474
Printing and office supplies	250	12
Memberships and dues	400	45
Travel	250	100
Automotive operating	3,000	2,297
Electric and gas	4,500	4,196
Maintenance and service contracts	4,358	3,966
Machinery and equipment repairs	666	665
Radio supplies	100	—
Uniforms and clothing	600	348
Janitorial supplies	250	—
Advertising	—	—
Insurance – vehicles	740	1,337
Insurance – general	2,000	2,182
Employee training	250	80
Specialized department supplies	750	44
Animal control supplies	750	82
Lexington County Animal Shelter	—	—
Machinery and equipment – capital outlay	—	—
Total public safety – animal services	<u>72,593</u>	<u>62,813</u>
Less, capital outlay	—	—
Net public safety – animal services	<u>72,593</u>	<u>62,813</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	149,477	136,611
Overtime	10,000	11,949
Retirement, insurance and other benefits	84,740	78,088
Printing and office supplies	100	21
Travel	—	—
Memberships and dues	80	80
Automotive operating	2,500	3,345
Electric and gas	500	—
Maintenance and service contracts	240	—
Machinery and equipment repairs	2,500	1,556
Radio supplies	250	—
Uniforms and clothing	3,500	3,194
Janitorial supplies	250	—
Insurance – vehicles	1,484	302
Insurance – general	2,700	2,869
Employee training	290	100
Specialized department supplies	1,000	—
Machinery and equipment – non-capital	6,506	11,759
Machinery and equipment – capital outlay	10,000	6,506
Total public safety – parks	<u>276,117</u>	<u>256,380</u>
Less, capital outlay	<u>(10,000)</u>	<u>(6,506)</u>
Net public safety – parks	<u>266,117</u>	<u>249,874</u>
Public Safety – dispatch		
Salaries and wages	195,215	168,002
Overtime	15,000	16,318
Retirement, insurance and other benefits	91,627	77,253
Printing office supplies	2,000	521
Memberships and dues	100	—
Travel	750	270
Telephone	—	21,261
Maintenance and service contracts	3,044	4,918
Machinery and equipment repairs	5,000	1,017
Radio supplies	1,200	144
Uniforms and clothing	3,500	928
Insurance – general	6,000	5,873
Employee training	2,100	—
Specialized department supplies	1,000	1,076
Machinery and equipment – non-capital	600	5,225
Machinery and equipment – capital outlay	130,000	218,547
Total public safety – dispatch	<u>457,136</u>	<u>521,353</u>
Less, capital outlay	<u>(130,000)</u>	<u>(218,547)</u>
Net public safety – dispatch	<u>327,136</u>	<u>302,806</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

Departments (Continued)	<u>Final Budget</u>	<u>Actual</u>
Street Lighting:		
Electricity	286,502	303,871
Blossom Street lighting project	—	12,500
Total street lighting	<u>286,502</u>	<u>316,371</u>
Less, capital outlay	—	(12,500)
Net street lighting	<u>286,502</u>	<u>303,871</u>
Sanitation:		
Salaries and wages	601,078	537,209
Overtime	750	507
Retirement, insurance and other benefits	341,692	287,663
Printing and office supplies	700	234
Postage	1,000	1,000
Memberships and dues	530	—
Travel expense	940	616
Automotive operating	130,000	109,814
Telephone	6,734	6,182
Maintenance and service contracts	900	1,121
Equipment repairs	5,000	4,326
Waste disposal and tipping fees	250	—
Small hand tools	6,000	3,740
Safety supplies	7,000	5,829
Uniforms and clothing	8,050	9,830
Cleaning and sanitation supplies	450	216
Medical supplies and physician expense	1,002	1,095
Insurance – vehicles	9,646	10,090
Insurance – general	10,542	10,318
Employee training	500	—
Contract labor	250	14,922
Special supply – garbage bags	4,500	3,083
Special supply – recycle bins and leaf bags	3,000	2,565
Machinery and equipment – non-capital	1,938	1,938
Machinery and equipment – capital outlay	1,200	34,445
Total sanitation	<u>1,143,652</u>	<u>1,046,743</u>
Less, capital outlay	(1,200)	(34,445)
Net sanitation	<u>1,142,452</u>	<u>1,012,298</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 Buildings:		
Salaries and wages	33,424	32,748
Overtime	700	396
Retirement, insurance and other benefits	18,946	18,398
Electric and gas	32,000	25,296
Telephone	1,372	510
Maintenance and service contracts	9,860	4,243
Equipment repairs	1,500	2,135
Building repairs	2,000	9,617
Paint supplies	100	67
Electric/light supplies	500	7,672
Uniforms	300	26
Janitorial supplies	4,000	3,264
Vehicle related	2,000	103
Insurance – vehicle	742	971
Insurance – general	1,300	1,081
Copy machine/contract	5,325	1,264
Machinery and equipment – non-capital	1,844	304
City Hall landscaping	—	12,040
Capital Outlay:		
City Hall renovations	—	2,829
Parks and Sanitation building	53,831	213,518
Public Safety building renovations	—	96,102
Other	100	358
Total public buildings	<u>169,844</u>	<u>432,942</u>
Less, overhead allocation – Utility Fund	—	(183,302)
Less, capital outlay	<u>(53,831)</u>	<u>(312,449)</u>
Net public buildings	<u>116,013</u>	<u>(62,809)</u>
Community Relations:		
Central Midlands Council of Governments	9,400	9,396
Central Midlands Regional Transportation Association	25,080	27,314
Municipal Association of SC	5,500	5,402
Lexington County Municipal Association	500	—
River Alliance	10,000	10,000
Professional services	17,400	29,100
Christmas decorations and citizen's drop-in	5,300	5,255
Employee/family Christmas party	3,000	2,744
Community programs	6,500	3,146
City newsletter	14,000	15,126
Christmas in Cayce festival	31,875	22,638
Congaree Bluegrass festival	56,000	58,428
Total community relations	<u>184,555</u>	<u>188,549</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	368,379	331,455
Retirement, insurance and other benefits	142,443	125,144
Printing and office supplies	3,500	4,141
Postage	800	3,100
Memberships and dues	1,450	3,306
Travel	4,650	2,974
Automotive operating	5,000	6,858
Telephone	8,100	7,830
Building repairs	500	256
Small hand tools	50	85
Uniforms	800	593
Advertising	1,000	390
Insurance – vehicles	2,220	1,272
Insurance – general	2,600	2,644
Employee training	5,780	4,479
NPDES phase II project	40,000	33,873
Professional services – other	12,300	3,930
Special contract – copier	2,200	1,686
Special department supplies	6,620	8,996
Facade grant program	—	3,256
Palmetto Pride Park grant – non-capital	1,860	1,144
Capital outlay:		
Stormwater Study	—	1,200
Bike and pedestrian project	—	10,000
Total planning and development	<u>610,252</u>	<u>558,612</u>
Less, capital outlay	—	(11,200)
Net planning and development	<u>610,252</u>	<u>547,412</u>
Museum:		
Salaries and wages	104,759	100,473
Retirement, insurance and other benefits	36,993	29,017
Printing and office supplies	600	815
Postage	150	150
Memberships and dues	200	165
Travel	500	7
Electric and gas	7,300	4,368
Telephone	4,000	5,675
Service contracts	1,200	904
Equipment repairs	500	395
Building repairs	42,800	40,087
Insurance – general	3,000	1,977
Capital outlay	—	—
Total museum	<u>202,002</u>	<u>184,033</u>
Less, capital outlay	—	—
Net museum	<u>202,002</u>	<u>184,033</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	371,111	347,592
Overtime	2,000	1,827
Retirement, insurance and other benefits	197,541	171,469
Memberships and dues	600	—
Printing and office supplies	500	310
Postage	140	140
Telephone	5,362	5,491
Travel	853	612
Automotive operating	26,000	21,280
Electric and gas	20,000	16,723
Service contracts	4,500	8,193
Advertising	500	11
Machinery and equipment repairs	10,000	11,758
Building repairs	3,000	11,118
Small hand tools	2,500	3,138
Signs and sign supplies	1,000	1,051
Safety supplies	5,700	5,307
Uniforms and clothing	5,800	6,939
Cleaning supplies	2,200	2,329
Chemicals	1,200	727
Medical supplies and physician expense	850	370
Insurance – vehicles	10,262	10,866
Insurance – general	9,878	9,409
Employee training	1,575	507
Specialized department supplies	4,000	6,607
Beautification board	750	—
Park expansion	7,000	6,593
Machinery and equipment – non-capital	17,289	13,183
Capital Outlay:		
Riverland Park projects	—	84,560
Riverwalk Flooding projects	—	425,339
Machinery and equipment	—	4,860
Total parks	<u>712,111</u>	<u>1,178,309</u>
Less, capital outlay	—	(514,759)
Net parks	<u>712,111</u>	<u>663,550</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
 SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

Departments (Continued)	<u>Final Budget</u>	<u>Actual</u>
Garage:		
Salaries and wages	234,489	213,256
Overtime	500	—
Retirement, insurance and other benefits	103,037	90,684
Printing and office supplies	400	301
Travel	1,500	334
Automotive operating	6,500	6,589
Electric and gas	6,500	5,927
Telephone	3,000	3,228
Maintenance and service contracts	3,500	3,826
Machinery and equipment repairs	5,000	7,434
Building repairs	6,027	5,302
Small hand tools	6,000	10,077
Electrical supplies	100	240
Uniforms and clothing	2,500	2,279
Insurance – vehicles	1,500	1,940
Insurance – general	4,000	3,525
Employee training	2,000	—
Specialized department supplies	8,000	10,103
Machinery and equipment – capital outlay	18,000	16,300
Total garage	<u>412,553</u>	<u>381,345</u>
Less, overhead allocation– Utility Fund	—	(101,729)
Less, capital outlay	<u>(18,000)</u>	<u>(16,300)</u>
Net garage	<u>394,553</u>	<u>263,316</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Non-departmental and Support Services:		
Retiree insurance expense	40,902	59,370
Capital outlay – vehicles	519,000	519,000
Total non-departmental and support services	<u>559,902</u>	<u>578,370</u>
Less, overhead allocation – Utility Fund	—	(53,394)
Less, capital outlay	(519,000)	(519,000)
Net non-departmental and support services	<u>40,902</u>	<u>5,976</u>
Debt Service:		
Note and lease payments	125,927	95,222
Interest and fiscal agent charges	9,233	4,756
Total debt service	<u>135,160</u>	<u>99,978</u>
Less, overhead allocation – Utility Fund	—	(83,144)
Net debt services	<u>135,160</u>	<u>16,834</u>
Capital Outlay	<u>999,632</u>	<u>1,761,420</u>
Total expenditures	<u><u>\$ 12,550,776</u></u>	<u><u>\$ 11,359,112</u></u>

CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2017

(With comparative total figures at June 30, 2016)

	Accom-	Hospitality	Community	ABC	Home	Law	Museum	Totals	
	modations Tax	Tax	Development	Permit Fund	Grant	Enforcement Grant Fund	Fund	2017	2016
Assets									
Cash and cash equivalents:									
Unrestricted	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 83,801	\$ 83,801	\$ 83,801
Restricted	51,633	512,172	2,630	63,541	11,545	16,668	—	658,189	507,802
Hospitality taxes receivable	—	97,156	—	—	—	—	—	97,156	85,038
Other receivables	—	—	—	6,750	—	—	—	6,750	1,750
Total assets	\$ 51,633	\$ 609,328	\$ 2,630	\$ 70,291	\$ 11,545	\$ 16,668	\$ 83,801	\$ 845,896	\$ 678,391
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ —	\$ 813	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 813	\$ 7,417
Due to other funds	—	60	—	—	—	—	—	60	—
Total liabilities	—	873	—	—	—	—	—	873	7,417
Fund balance:									
Restricted for:									
Tourism and community development	51,633	608,455	2,630	—	11,545	—	—	674,263	525,625
ABC permit activities	—	—	—	70,291	—	—	—	70,291	48,455
Law enforcement	—	—	—	—	—	16,668	—	16,668	13,093
Total restricted	51,633	608,455	2,630	70,291	11,545	16,668	—	761,222	587,173
Assigned for:									
Museum improvement	—	—	—	—	—	—	83,801	83,801	83,801
Total fund balances	51,633	608,455	2,630	70,291	11,545	16,668	83,801	845,023	670,974
Total liabilities and fund balances	\$ 51,633	\$ 609,328	\$ 2,630	\$ 70,291	\$ 11,545	\$ 16,668	\$ 83,801	\$ 845,896	\$ 678,391

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017
(With comparative total figures year ended June 30, 2016)

	Accom-	Hospitality	Community	ABC	Home	Law	Museum	Totals	
	modations	Tax	Development	Permit	Grant	Enforcement	Fund	2017	2016
	Tax			Fund		Grant Fund			
Revenue									
Accommodations and hospitality taxes	\$ 107,299	\$ 1,040,650	\$ —	\$ —	\$ —	\$ —	\$ —	\$1,147,949	\$ 1,068,426
Federal grants	—	—	—	—	—	3,575	—	3,575	621
State shared revenue	—	—	—	21,900	—	—	—	21,900	17,250
Other	—	9,455	—	—	—	—	—	9,455	—
Total revenue	107,299	1,050,105	—	21,900	—	3,575	—	1,182,879	1,086,297
Expenditures									
Planning and community development:									
Tourism related	36,980	210,648	—	64	—	—	—	247,692	186,100
Less, capital outlay	—	(86,348)	—	—	—	—	—	(86,348)	(85,381)
Net tourism related	36,980	124,300	—	64	—	—	—	161,344	100,719
Housing	—	—	—	—	18	—	—	18	9
Capital outlay	—	86,348	—	—	—	—	—	86,348	85,381
Total expenditures	36,980	210,648	—	64	18	—	—	247,710	186,109
Excess (deficiency) of revenue over expenditures	70,319	839,457	—	21,836	(18)	3,575	—	935,169	900,188
Other Financing Sources (Uses)									
Transfers in (out)	(78,000)	(683,120)	—	—	—	—	—	(761,120)	(704,441)
Net change in fund balances	(7,681)	156,337	—	21,836	(18)	3,575	—	174,049	195,747
Fund balances, beginning of year	59,314	452,118	2,630	48,455	11,563	13,093	83,801	670,974	475,227
Fund balances, end of year	\$ 51,633	\$ 608,455	\$ 2,630	\$ 70,291	\$ 11,545	\$ 16,668	\$ 83,801	\$ 845,023	\$ 670,974

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND
BALANCE SHEET

JUNE 30, 2017

(With comparative amounts for June 30, 2016)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Restricted cash and cash equivalents	\$ 538,608	\$ 1,000,067
Property taxes receivable	12,007	—
Total assets	<u>\$ 550,615</u>	<u>\$ 1,000,067</u>
Liabilities and Fund Balance		
Liabilities:		
Accrued interest payable	\$ —	\$ 3,303
Fund balance:		
Restricted for debt service	<u>550,615</u>	<u>996,764</u>
Total liabilities and fund balance	<u>\$ 550,615</u>	<u>\$ 1,000,067</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017
(With comparative figures year ended June 30, 2016)

	<u>Current Year</u>	<u>Prior Year</u>
Revenue		
Current property taxes	\$ 1,011,222	\$ 1,008,560
State shared revenue	45,742	45,939
Interest on investments	357	125
Total revenue	<u>1,057,321</u>	<u>1,054,624</u>
Expenditures		
Debt Service:		
Principal	491,713	458,144
Interest and fiscal charges	11,757	33,709
Total expenditures	<u>503,470</u>	<u>491,853</u>
Excess (deficiency) of revenue over expenditures	553,851	562,771
Other Financing Sources (Uses)		
Transfer (out) to Capital Projects Fund	<u>(1,000,000)</u>	<u>(700,000)</u>
Net change in fund balance	(446,149)	(137,229)
Fund balance, beginning of year	<u>996,764</u>	<u>1,133,993</u>
Fund balance, end of year	<u><u>\$ 550,615</u></u>	<u><u>\$ 996,764</u></u>

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND
BALANCE SHEET

JUNE 30, 2017

(With comparative figures at June 30, 2016)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Cash and cash equivalents – restricted	\$ 471,987	\$ 789,311
Due from other funds	—	—
Total assets	<u>\$ 471,987</u>	<u>\$ 789,311</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 19,000	\$ —
Construction and retainage payable	5,582	54,066
Total liabilities	<u>24,582</u>	<u>54,066</u>
Fund balance:		
Restricted for redevelopment plan	<u>447,405</u>	<u>735,245</u>
Total liabilities and fund balance	<u>\$ 471,987</u>	<u>\$ 789,311</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017
(With comparative figures year ended June 30, 2016)

	<u>Current Year</u>	<u>Prior Year</u>
Revenue		
State grants	\$ 185,063	\$ 137,043
Local grants	7,602	—
Other	121,878	—
Total revenue	<u>314,543</u>	<u>137,043</u>
Expenditures		
Capital outlay:		
Park	609,616	444,585
Infrastructure	973,275	85,615
Other:		
Infrastructure	492	38
Total expenditures	<u>1,583,383</u>	<u>530,238</u>
Excess (deficiency) of revenue over expenditures	<u>(1,268,840)</u>	<u>(393,195)</u>
Other Financing Sources (Uses)		
Transfer in from Debt Service Fund	1,000,000	700,000
Debt issue costs	(19,000)	—
Total other financing sources (uses)	<u>981,000</u>	<u>700,000</u>
Net change in fund balance	(287,840)	306,805
Fund balance, beginning of year	<u>735,245</u>	<u>428,440</u>
Fund balance, end of year	<u>\$ 447,405</u>	<u>\$ 735,245</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, 2017

(With comparative figures at June 30, 2016, as restated)

	<u>Current Year</u>	<u>Prior Year</u>		<u>Current Year</u>	<u>Prior Year</u>
Assets and Deferred Outflows			Liabilities, Deferred Inflows and Net Position		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 3,200,543	\$ 3,372,567	Accounts payable	\$ 257,828	\$ 65,491
Receivables:			Accrued salaries and wages	131,564	224,507
Water and sewer accounts (net of allowance for doubtful accounts, \$35,000 in 2017 and 2016)	2,451,996	2,361,570	Accrued compensated absences – current portion	85,442	92,572
Other accounts	275,159	111,386	Installment purchase contract payable – current portion	160,316	144,902
Prepaid expense	13,716	—	Other liabilities	2,059	1,392
Inventories	176,945	159,989	Due to other funds (internal balances)	96,892	21,232
Total current assets	<u>6,118,359</u>	<u>6,005,512</u>	Customer deposits and prepayments	63,431	40,785
				<u>797,532</u>	<u>590,881</u>
Current restricted assets:			Current liabilities payable from restricted assets:		
Cash and cash equivalents:			Accrued interest payable	369,423	156,423
Employee benefit accounts	7,912	5,252	Contract liability – Springdale	52,614	52,614
Cayce wastewater facilities replacement & renewal fund	1,083,469	1,083,469	SRF and bonds payable – current portion	3,443,439	2,430,339
Bond and interest redemption	2,109,572	1,159,595	Construction contracts and retainages payable	1,951,662	791,018
Project and construction funds	29,285,337	5,978,881	Total current liabilities payable from restricted assets	<u>5,817,138</u>	<u>3,430,394</u>
Total current restricted assets	<u>32,486,290</u>	<u>8,227,197</u>	Total current liabilities	<u>6,614,670</u>	<u>4,021,275</u>
Capital assets:			Long-term liabilities:		
Land and rights-of-way	330,568	330,568	Accrued compensated absences	43,329	30,257
Equipment	7,089,977	6,741,067	Unearned revenue – future capacity charges	3,190	3,190
Utility plants in service	156,870,370	151,485,545	Unearned revenue – contract obligation credit	1,401,672	1,401,672
Construction in process	7,140,616	5,105,674	Installment purchase contract payable	202,314	362,630
	<u>171,431,531</u>	<u>163,662,854</u>	SRF loans payable	53,072,889	30,409,090
Less, accumulated depreciation	(43,676,393)	(39,142,854)	Revenue bonds payable (+/- bonds premium/discount net of amortization)	11,131,618	12,848,849
Net capital assets	<u>127,755,138</u>	<u>124,520,000</u>	Other post-employment benefit (OPEB) obligation	870,025	794,723
Other assets:			Net pensions liability	6,125,573	5,273,622
Cost of purchased water/sewer rights	803,883	803,883	Total long-term liabilities	<u>72,850,610</u>	<u>51,124,033</u>
Less, accumulated amortization	(395,081)	(380,985)	Total liabilities	<u>79,465,280</u>	<u>55,145,308</u>
Net other assets	<u>408,802</u>	<u>422,898</u>	Deferred inflows of resources:		
Total assets	<u>166,768,589</u>	<u>139,175,607</u>	Deferred pension related inflows	222,688	233,173
Deferred outflows of resources:			Total deferred inflows of resources	<u>222,688</u>	<u>233,173</u>
Deferred outflows related to pension	1,360,694	790,609	Net position:		
Losses on bond refundings	1,266,428	1,266,428	Net investment in capital assets	80,976,020	78,314,467
Less, accumulated amortization	(489,528)	(384,350)	Restricted for debt and capital projects	6,013,964	6,929,438
Total deferred outflows of resources	<u>2,137,594</u>	<u>1,672,687</u>	Restricted for pension	345,160	326,370
Total assets and deferred outflows	<u>\$ 168,906,183</u>	<u>\$ 140,848,294</u>	Unrestricted (deficit)	1,883,071	(100,462)
			Total net position	<u>89,218,215</u>	<u>85,469,813</u>
			Total liabilities, deferred inflows and net position	<u>\$ 168,906,183</u>	<u>\$ 140,848,294</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, 2017
(With comparative figures year ended June 30, 2016)

	Current Year	Prior Year
Operating Revenue (pledged as security for loans and revenue bonds)		
Water:		
Sales	\$ 5,373,604	\$ 5,129,429
Connection fees	93,133	121,848
Sewer:		
Service charges	9,813,793	10,140,422
Connection fees	3,750	3,066
Septage/grease services:		
Sales and permits	1,251,102	885,674
Pretreatment set-up fees	100,410	99,300
Reconnection fees	34,009	47,762
Penalties	168,572	191,671
Grant revenue	95,193	18,563
Miscellaneous income	413,257	227,715
Total operating revenue	17,346,823	16,865,450
Operating Expenses		
Administrative	551,170	562,851
Utility billing	768,383	698,083
Water treatment plant	1,503,062	1,414,384
Water distribution and maintenance	1,320,208	1,356,168
Wastewater treatment plant	3,236,055	3,026,918
Sewer collection and outfall lines	1,608,056	1,454,361
Septage and grease receiving station	493,145	371,645
Non-departmental and support services	1,600,000	1,600,000
Depreciation and amortization expense	4,579,200	4,414,469
Total operating expenses	15,659,279	14,898,879
Operating income	1,687,544	1,966,571
Non-Operating Revenue (Expenses)		
Interest income	10,258	10,264
Gains (losses) from sale, disposal of capital assets	13,537	4,423
Bond issue costs	—	(345,684)
Interest expense	(980,203)	(1,195,051)
Amortization of bond refinancing losses	(105,178)	(105,178)
Fiscal agent fees	(8,966)	(4,741)
Total non-operating revenue (expenses)	(1,070,552)	(1,635,967)
Income before contributions	616,992	330,604
Capital Contributions		
Capacity charges and other capital contributions	3,131,410	948,615
Change in net position	3,748,402	1,279,219
Net position, beginning of year	85,469,813	84,668,196
Cumulative effect of restatement (See Note 15)	—	(477,602)
Net position, end of year	\$ 89,218,215	\$ 85,469,813

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

YEAR ENDED JUNE 30, 2017
(With comparative actual figures year ended June 30, 2016)

	Current Year		Variance Positive (Negative)	Prior Year Actual
	Budget	Actual		
Departments				
<u>Administrative:</u>				
Salaries and wages	\$ 278,777	\$ 252,275	\$ 26,502	\$ 267,502
Overtime	1,026	437	589	29
Retirement, insurance and other benefits	101,567	108,856	(7,289)	89,806
Other post-employment benefits (OPEB)	—	6,795	(6,795)	6,872
Printing and office supplies	5,000	5,858	(858)	4,824
Postage	6,300	5,300	1,000	6,000
Memberships and dues	630	380	250	639
Travel	3,540	2,832	708	2,299
Automotive operating expenses	8,000	4,202	3,798	4,684
Telephone	6,500	4,490	2,010	4,906
Maintenance and service contracts	16,457	8,012	8,445	11,028
Machinery and equipment repairs	900	7,980	(7,080)	267
Safety supplies	3,500	1,683	1,817	2,998
Uniforms and clothing	550	22	528	334
Doctor and medical expenses	4,000	2,076	1,924	2,355
Advertising	1,000	—	1,000	—
Insurance – vehicle	2,300	1,337	963	1,469
Insurance – general	5,200	2,052	3,148	2,123
Employee training – continuing education	2,500	1,172	1,328	800
Professional services	43,000	37,233	5,767	42,783
Professional services – legal	55,000	12,377	42,623	20,619
Professional services – engineering	25,000	15,773	9,227	29,526
Professional services – consultant fees	43,000	63,400	(20,400)	53,811
Special contracts – CSX	—	100	(100)	—
Special contracts – copier	2,675	1,737	938	1,737
Special contracts – collection expense	—	—	—	—
Fiscal agent fees	—	—	—	—
Machines and equipment – non-capital	2,500	4,791	(2,291)	5,440
	<u>618,922</u>	<u>551,170</u>	<u>67,752</u>	<u>562,851</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	346,394	323,244	23,150	322,526
Overtime	27,356	18,397	8,959	15,962
Retirement, insurance and other benefits	167,023	192,807	(25,784)	161,747
Printing and office supplies	5,000	5,074	(74)	12,093
Postage	51,000	44,000	7,000	45,200
Memberships and dues	1,465	155	1,310	155
Travel	1,560	579	981	473
Automotive operating expenses	12,000	13,748	(1,748)	10,202
Telephone	9,000	7,297	1,703	5,928
Maintenance and service contracts	17,750	16,774	976	15,221
Equipment repairs	1,000	535	465	—
Machinery and equipment repairs	44,000	—	44,000	10,069
Hand tools and supplies	3,000	3,255	(255)	2,099
Safety supplies	1,750	1,402	348	752
Uniforms and clothing	1,750	2,032	(282)	1,671
Insurance – vehicle	3,800	3,342	458	2,814
Insurance – general	5,250	4,934	316	5,094
Employee training – continuing education	6,500	1,460	5,040	1,291
Special contracts – collection expense	85,000	91,039	(6,039)	84,724
Machines and equipment – non-capital	5,400	38,309	(32,909)	62
	795,998	768,383	27,615	698,083
<u>Water Treatment Plant:</u>				
Salaries and wages	461,945	432,904	29,041	462,597
Overtime	44,073	45,564	(1,491)	43,144
Retirement, insurance and other benefits	218,171	250,824	(32,653)	229,247
Other post-employment benefits (OPEB)	—	11,660	(11,660)	11,884
Printing and office supplies	700	822	(122)	618
Postage	350	369	(19)	275
Permit fees	24,000	23,768	232	23,269
Memberships and dues	887	860	27	850
Travel	2,600	2,882	(282)	938
Automotive operating expense	4,000	7,235	(3,235)	4,465
Electric and gas	345,000	303,686	41,314	302,896
Telephone	8,621	8,028	593	7,999
Lubrication supplies	950	870	80	1,040
Maintenance and service contracts	52,974	73,908	(20,934)	49,464
Machinery and equipment repairs	70,806	82,748	(11,942)	18,910
Building repairs	8,000	5,133	2,867	4,742
Small hand tools	900	2,411	(1,511)	824

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	851	(251)	455
Safety supplies	1,850	1,603	247	1,704
Uniforms and clothing	2,500	2,384	116	2,484
Cleaning and sanitation supplies	600	621	(21)	411
Chemicals	233,197	168,629	64,568	185,146
Laboratory supplies	29,000	28,522	478	28,501
Insurance – vehicle	2,300	3,040	(740)	2,324
Insurance – general	17,432	18,171	(739)	19,225
Employee training	2,750	1,681	1,069	1,125
Consultant lab tests	19,000	13,104	5,896	8,980
Machines & equipment	179,676	—	179,676	—
Machines & equipment – non-capital	11,095	10,784	311	867
	<u>1,743,977</u>	<u>1,503,062</u>	<u>240,915</u>	<u>1,414,384</u>
<u>Water Distribution and Maintenance:</u>				
Salaries and wages	537,620	494,518	43,102	494,750
Overtime	52,850	43,278	9,572	48,196
Retirement, insurance and other benefits	266,843	286,001	(19,158)	250,710
Other post-employment benefits (OPEB)		13,320	(13,320)	12,710
Printing and office supplies	3,000	2,383	617	2,709
Memberships and dues	1,387	1,069	318	1,137
Travel	6,200	6,438	(238)	3,920
Automotive operating expense	45,000	44,063	937	42,114
Electricity and gas	50,000	50,061	(61)	51,968
Telephone	10,000	7,968	2,032	8,512
Maintenance and service contracts	107,101	109,218	(2,117)	210,068
Machinery and equipment repairs	21,725	34,860	(13,135)	26,372
Building repairs	500	574	(74)	397
Small hand tools	8,000	7,168	832	7,329
Masonry supplies	7,000	7,904	(904)	5,564
Asphalt supplies	55,000	13,811	41,189	35,405
Radio supplies	250	—	250	—
Safety supplies	7,000	7,179	(179)	6,939
Uniforms and clothing	7,000	8,730	(1,730)	7,580
Chemicals	736	—	736	—
Utility repair supplies and meters	86,162	111,559	(25,397)	92,367
Insurance – vehicle	8,162	10,931	(2,769)	8,932
Insurance – general	13,000	12,723	277	12,678
Employee training	11,834	9,789	2,045	4,811
Water distribution equipment meters	15,000	36,538	(21,538)	15,016
Machines & equipment – capital	28,000	—	28,000	—
Machines & equipment – non-capital	900	125	775	5,984
	<u>1,350,270</u>	<u>1,320,208</u>	<u>30,062</u>	<u>1,356,168</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>Wastewater Treatment Plant:</u>				
Salaries and wages	611,606	594,206	17,400	584,128
Overtime	43,778	25,324	18,454	33,825
Retirement, insurance and other benefits	279,805	325,904	(46,099)	289,699
Other post-employment benefits (OPEB)	6,615	16,005	(9,390)	15,004
Printing and office supplies	800	746	54	999
Postage	300	300	—	270
Permit fees – DHEC	3,250	3,045	205	3,045
Memberships and dues	1,617	548	1,069	1,070
Travel	6,974	2,361	4,613	1,502
Automotive operating expense	37,000	60,097	(23,097)	41,282
Electric and gas	942,000	941,942	58	931,401
Telephone	28,060	27,705	355	24,933
Lubrication supplies	2,000	1,775	225	1,405
Maintenance and service contracts	141,975	96,096	45,879	118,579
Machinery and equipment repairs	152,607	268,774	(116,167)	295,240
Building repairs	500	247	253	925
Sludge disposal fees	260,000	398,172	(138,172)	311,942
Small hand tools	2,000	3,643	(1,643)	2,036
Electrical and lighting supplies	2,000	5,137	(3,137)	1,281
Radio supplies	200	—	200	—
Safety supplies	6,700	6,240	460	30,163
Uniforms and clothing	6,000	6,390	(390)	6,394
Cleaning and sanitation supplies	1,000	1,100	(100)	587
Water	474,000	—	474,000	36
Chemicals	150,996	232,576	(81,580)	173,583
Laboratory supplies	38,200	35,952	2,248	37,044
Insurance	8,162	10,090	(1,928)	9,298
Insurance – general	86,000	81,680	4,320	86,236
Employee training	7,795	1,817	5,978	2,375
Professional services – lab	25,900	24,396	1,504	21,357
Professional fees	25,000	32,296	(7,296)	1,500
Weather emergency	—	10,984	(10,984)	—
Machines and equipment – capital	53,458	—	53,458	—
Machines and equipment – non-capital	4,720	20,507	(15,787)	(221)
	<u>3,411,018</u>	<u>3,236,055</u>	<u>174,963</u>	<u>3,026,918</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	573,947	551,930	22,017	531,245
Overtime	67,047	57,362	9,685	67,804
Retirement, insurance and other benefits	286,477	324,704	(38,227)	280,314
Other post-employment benefits (OPEB)	—	14,866	(14,866)	13,648
Memberships and dues	1,250	1,471	(221)	1,800
Travel	3,640	5,165	(1,525)	2,330
Automotive operating expense	60,000	64,718	(4,718)	51,122
Electricity and gas	125,000	126,530	(1,530)	137,434
Telephone	33,000	33,117	(117)	32,959
Lubrication supplies	300	191	109	—
Maintenance and service contracts	16,908	8,508	8,400	9,140
Machinery and equipment repairs	201,555	209,285	(7,730)	150,887
Small hand tools	8,000	6,824	1,176	7,296
Cement and masonry materials	1,500	2,224	(724)	3,104
Asphalt and grading supplies	25,000	14,150	10,850	10,933
Radio supplies	250	—	250	—
Safety supplies	7,500	7,328	172	7,413
Uniforms and clothing	6,200	8,730	(2,530)	7,580
Cleaning and sanitation supplies	500	1,106	(606)	365
Chemicals	47,534	15,924	31,610	7,358
Utility repair supplies	85,000	84,181	819	85,611
Transmission line operations and maintenance	5,000	—	5,000	—
Insurance – vehicle	11,130	14,768	(3,638)	12,600
Insurance – general	15,000	16,857	(1,857)	16,457
Employee training	6,459	3,316	3,143	3,590
Professional services	23,150	—	23,150	—
Machines & equipment	900	11,240	(10,340)	13,371
Manhole rehabilitation	—	23,561	(23,561)	—
	1,612,247	1,608,056	4,191	1,454,361

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	186,479	146,645	39,834	142,283
Overtime	8,000	19,622	(11,622)	8,070
Retirement, insurance and other benefits	78,239	84,356	(6,117)	56,721
Electricity and gas	3,000	4,366	(1,366)	2,164
Telephone	4,000	2,213	1,787	1,939
Printing and office supplies	2,000	1,346	654	946
Postage	700	700	—	600
Memberships and dues	380	335	45	160
Travel	2,322	1,824	498	678
Auto operating	5,000	3,633	1,367	1,688
Chemicals	78,296	68,318	9,978	46,204
Sludge disposal fees	56,000	44,587	11,413	58,061
Lubrications	1,000	34	966	117
Hand tools and supplies	2,500	3,050	(550)	2,614
Electric/light supplies	500	48	452	275
Safety program and supplies	2,000	2,468	(468)	2,026
Uniforms and clothing	2,900	1,462	1,438	1,095
Janitorial supplies	500	663	(163)	423
Employee training	945	555	390	1,020
Professional services – lab testing	17,000	9,004	7,996	15,223
Lab supplies	750	42	708	—
Insurance – vehicle	1,500	971	529	612
Insurance – general	3,200	3,270	(70)	3,119
Building repairs	1,000	1,084	(84)	28
Equipment repairs	35,000	92,549	(57,549)	25,579
Machine and service contracts	1,440	—	1,440	—
Machines & equipment – non-capital	3,239	—	3,239	—
	<u>497,890</u>	<u>493,145</u>	<u>4,745</u>	<u>371,645</u>
<u>Non-departmental and support services:</u>				
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	—
	<u>1,800,000</u>	<u>1,600,000</u>	<u>200,000</u>	<u>1,600,000</u>
Depreciation	—	4,565,104	(4,565,104)	4,355,371
Amortization	—	14,096	(14,096)	59,098
Total depreciation & amortization	—	<u>4,579,200</u>	<u>(4,579,200)</u>	<u>4,414,469</u>
Total operating expenses	<u>\$ 11,830,322</u>	<u>\$ 15,659,279</u>	<u>\$ (3,828,957)</u>	<u>\$ 14,898,879</u>

CITY OF CAYCE, SOUTH CAROLINA

AGENCY FUND

CITY OF CAYCE, SOUTH CAROLINA

AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2017

	Balance, June 30, 2016	Additions	Deletions	Balance, June 30, 2017
Assets				
Cash and cash equivalents:				
Firemen's fund	\$ 121,732	\$ 48,696	\$ 51,605	\$ 118,823
Police fund	66,248	37,085	3,386	99,947
Total assets	<u>\$ 187,980</u>	<u>\$ 85,781</u>	<u>\$ 54,991</u>	<u>\$ 218,770</u>
Liabilities				
Amounts due to others:				
Firemen's fund	\$ 121,932	\$ 48,696	\$ 51,605	\$ 118,823
Police fund	66,248	37,085	3,386	99,947
Total liabilities	<u>\$ 187,980</u>	<u>\$ 85,781</u>	<u>\$ 54,991</u>	<u>\$ 218,770</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, 2017

General capital assets and construction-in-progress, June 30, 2016	\$ 24,005,732
Add, expenditures by General Fund and Capital Projects Fund:	
Land, buildings, other improvements, furniture and equipment	3,104,326
Deduct, surplus sales and other deletions by General Fund:	
Land, building, furniture and equipment	<u>(38,215)</u>
General capital assets and construction-in-progress, June 30, 2017	<u>\$ 27,071,843</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, 2017

	Due Dates	Interest Rates	Bonds and Notes				Outstanding June 30, 2017	Debt Service Requirements Next Fiscal Year	
			Outstanding July 1, 2016	Long-Term Borrowing	Matured	Paid		Principal	Interest
General Long-Term Debt									
Tax Increment Financing Revenue Bond, Series 2002	2003-2017	4.03%	\$ 491,714	\$ —	\$ (491,714)	\$ (491,714)	\$ —	\$ —	\$ —
Installment purchase contracts, monthly payments of principal and interest	various	1.33%	—	519,000	(95,222)	(95,222)	423,778	—	—
Total general long-term debt			<u>\$ 491,714</u>	<u>\$ 519,000</u>	<u>\$ (586,936)</u>	<u>\$ (586,936)</u>	<u>\$ 423,778</u>		
Water and Sewer Utility Fund Debt									
Clean Water State Revolving Fund Loan, Series 2002, interest and principal payable quarterly	2003-2023	2.25%	\$ 701,885	\$ —	\$ (90,159)	\$ (90,159)	\$ 611,726	\$ 92,204	\$ 12,990
Clean Water State Revolving Fund Loan, Series 2009, interest and principal payable quarterly	2009-2032	2.25%	27,823,273	—	(1,489,414)	(1,489,414)	26,333,859	1,523,210	579,720
Clean Water State Revolving Fund Loan, Series 2015, interest and principal payable quarterly*	2015-2035	2.00%	3,619,271	(138,151)	(145,755)	(145,755)	3,335,365	153,025	65,564
Water and Sewer System Revenue Bonds, Series 2016A&B, interest payable semi-annually, principal payable annually	2017-2027	3.00%-4.00%	12,970,000	—	(695,000)	(695,000)	12,275,000	1,675,000	337,772
Clean Water State Revolving Funds Loan, Series 2017, interest and principal payable quarterly	2018-2048	1.80%	—	24,560,378	—	—	24,560,378	310,312	220,347
Installment purchase contracts, monthly payments of principal and interest	2015-2019	1.47%	507,532	—	(144,902)	(144,902)	362,630	160,316	4,274
Total water and sewer utility fund debt			<u>\$ 45,621,961</u>	<u>\$24,422,227</u>	<u>\$ (2,565,230)</u>	<u>\$ (2,565,230)</u>	<u>\$ 67,478,958</u>	<u>\$ 3,914,067</u>	<u>\$1,220,667</u>

*SRF Series 2015, was reamortized during FY 2017 which, because the original loan amount was not fully drawn, reduced the total outstanding balance by \$138,151.

VICTIM'S RIGHTS ASSISTANCE

CITY OF CAYCE, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

YEAR ENDED JUNE 30, 2017

Court Fines and Assessments	
Court fines and assessments collected	\$ 472,245
Court fines and assessments remitted to State Treasurer	<u>(257,760)</u>
Total court fines and assessments retained by the City	<u>\$ 214,485</u>
Surcharges and Assessments retained by City	
Total surcharges collected	\$ 21,472
Total assessments	<u>8,715</u>
Total surcharges and assessments retained by City	<u>\$ 30,187</u>
Funds Allocated to Victims Services	
Carryover funds from prior year	\$ 21,233
Surcharges and assessments retained	30,187
Expenditures for victims services	<u>(51,420)</u>
Total unexpended victims rights assistance funds	<u>\$ —</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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities										
Net investment in capital assets	\$ 15,430,572	\$ 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
Restricted	2,503,787	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
Unrestricted (deficit)	(5,338,793)	(6,446,015)	(5,968,176)	(10,307,729)	(1,149,730)	(858,419)	(985,075)	(493,433)	(190,606)	(40,898)
Total governmental activities net position	<u>\$ 12,595,566</u>	<u>\$ 10,721,803</u>	<u>\$ 8,118,902</u>	<u>\$ (3,168,674)</u>	<u>\$ 4,855,615</u>	<u>\$ 4,619,047</u>	<u>\$ 3,772,105</u>	<u>\$ 5,852,396</u>	<u>\$ 5,838,870</u>	<u>\$ 5,879,172</u>
Business-type Activities										
Net investment in capital assets	\$ 80,976,020	\$ 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
Restricted	6,359,124	7,255,808	8,302,471	11,443,354	12,941,313	12,186,134	8,300,588	5,872,577	1,598,531	1,575,172
Unrestricted (deficit)	1,883,071	(100,462)	(2,830,540)	(1,725,791)	6,271,966	3,377,568	4,663,182	7,903,032	9,766,255	10,206,822
Total business type activities net position	<u>\$ 89,218,215</u>	<u>\$ 85,469,813</u>	<u>\$ 84,668,196</u>	<u>\$ 82,926,482</u>	<u>\$ 86,336,420</u>	<u>\$ 81,969,371</u>	<u>\$ 71,714,420</u>	<u>\$ 57,707,033</u>	<u>\$ 47,208,674</u>	<u>\$ 44,154,956</u>
Primary Government										
Net investment in capital assets	\$ 96,406,592	\$ 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
Restricted	8,862,911	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
Unrestricted (deficit)	(3,455,722)	(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
Total primary government net position	<u>\$ 101,813,781</u>	<u>\$ 96,669,218</u>	<u>\$ 92,787,098</u>	<u>\$ 79,757,808</u>	<u>\$ 91,192,035</u>	<u>\$ 86,588,418</u>	<u>\$ 75,486,525</u>	<u>\$ 63,559,429</u>	<u>\$ 53,047,544</u>	<u>\$ 50,034,128</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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities: ⁽¹⁾⁽³⁾										
General government	\$ 592,721	\$ 481,829	\$ 434,485	\$ 340,913	\$ 255,392	\$ 224,912	\$ 497,316	\$ 656,284	\$ 565,029	\$ 530,042
Information technology	108,495	84,776	85,962	92,887	106,544	73,396	—	—	—	—
Finance	73,568	117,820	56,868	61,747	70,355	82,275	101,476	127,862	194,352	190,399
Public safety	6,116,479	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
Public works	1,310,352	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
Planning and community development	924,506	790,776	675,085	575,489	628,271	595,472	3,297,107	609,701	591,283	441,026
Parks and museum	1,230,689	804,149	636,000	669,385	576,023	541,286	469,933	514,635	878,374	485,703
Garage	276,484	295,422	243,925	245,638	262,443	244,377	200,620	214,446	177,478	298,751
Depreciation and amortization (unallocated) ⁽⁷⁾	896,646	708,459	651,325	671,572	721,268	671,692	593,095	599,090	605,353	532,900
Interest	16,513	36,977	55,817	84,250	109,691	123,814	128,429	145,968	166,919	173,679
Total governmental activities	11,546,453	10,516,902	9,148,264	9,014,251	8,886,918	8,376,613	10,353,669	8,176,768	8,477,141	7,837,727
Business-type activities:										
Water and sewer utility ⁽⁷⁾	16,753,626	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
Total business-type activities	16,753,626	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
Total primary government expenses	\$ 28,300,079	\$ 27,066,435	\$ 24,016,373	\$ 23,642,190	\$ 21,388,037	\$ 20,109,614	\$ 21,226,954	\$ 18,252,208	\$ 17,735,657	\$ 16,590,207
Program Revenue										
Governmental activities:										
Fees for services ⁽⁴⁾	\$ 1,255,379	\$ 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
Operating grants and contributions ⁽²⁾	340,742	402,575	242,087	66,562	25,727	163,049	387,123	445,491	129,259	3,242
Capital grants and contributions	695,130	618,648	6,649,664	4,249	100,000	267,131	49,323	33,833	192,342	127,349
Total governmental activities	2,291,251	2,291,708	8,352,516	1,018,968	1,140,499	1,483,450	1,442,648	1,549,491	1,706,725	1,484,572
Business-type activities:										
Fees for services ⁽⁵⁾	17,251,630	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
Operating grants and contributions	95,193	—	—	—	—	—	—	—	—	—
Capital grants and contributions	3,131,410	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
Total business-type activities	20,478,233	17,814,065	16,575,373	15,800,070	21,822,364	21,961,995	24,834,588	20,141,725	12,593,836	11,924,494
Total primary government program revenue	\$ 22,769,484	\$ 20,105,773	\$ 24,927,889	\$ 16,819,038	\$ 22,962,863	\$ 23,445,445	\$ 26,277,236	\$ 21,691,216	\$ 14,300,561	\$ 13,409,066

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

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

— CONTINUED —

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Revenue and Other Changes										
<u>Governmental activities:</u>										
Property taxes	\$ 4,367,332	\$ 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
Accommodation and hospitality taxes	1,147,949	1,074,154	787,971	98,941	90,033	86,297	76,682	87,502	107,809	108,570
State shared and unallocated intergovernmental	458,807	425,994	410,874	370,738	400,669	326,500	363,225	397,125	452,427	479,420
Business licenses and other taxes	5,049,090	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
Unrestricted investment earnings	1,555	1,201	1,777	1,813	2,309	4,053	9,497	9,485	21,309	96,838
Gain from sale of assets	—	35,000	—	171,314	22,854	—	—	—	—	—
Other	104,232	638,436	390,922	422,976	514,157	520,318	63,069	46,291	17,875	52,940
Transfers	—	—	—	—	—	—	—	—	420,757	1,043,477
Total governmental activities	<u>11,128,965</u>	<u>10,828,095</u>	<u>12,083,324</u>	<u>8,893,146</u>	<u>7,991,320</u>	<u>8,780,611</u>	<u>6,830,730</u>	<u>6,640,803</u>	<u>6,730,114</u>	<u>7,427,553</u>
<u>Business-type activities:</u>										
Unrestricted investment earnings	10,258	10,264	11,223	14,426	20,799	26,801	41,837	61,639	135,795	388,896
Gain from sale of assets	13,537	4,423	23,227	—	—	(844)	—	—	—	—
Other	—	—	—	—	14,619	—	4,247	370,435	3,360	9,161
Transfers	—	—	—	—	—	—	—	—	(420,757)	(1,043,477)
Total business-type activities	<u>23,795</u>	<u>14,687</u>	<u>34,450</u>	<u>14,426</u>	<u>35,418</u>	<u>25,957</u>	<u>46,084</u>	<u>432,074</u>	<u>(281,602)</u>	<u>(645,420)</u>
Total primary government general revenue and other changes	<u>\$ 11,152,760</u>	<u>\$ 10,842,782</u>	<u>\$ 12,117,774</u>	<u>\$ 8,907,572</u>	<u>\$ 8,026,738</u>	<u>\$ 8,806,568</u>	<u>\$ 6,876,814</u>	<u>\$ 7,072,877</u>	<u>\$ 6,448,512</u>	<u>\$ 6,782,133</u>
Extraordinary Item – Fire	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (1,040,506)	\$ —	\$ —	\$ —	\$ —
Special Item – Wastewater Treatment Plant disposal/decommissioned	\$ —	\$ —	\$ —	\$ —	\$ (4,488,481)	\$ —	\$ —	\$ —	\$ —	\$ —
Changes in Net Position										
Governmental activities	\$ 1,873,763	\$ 2,602,901	\$ 11,287,576	\$ 897,863	\$ 244,901	\$ 846,942	\$ (2,080,291)	\$ 13,526	\$ (40,302)	\$ 1,074,398
Business-type activities	3,748,402	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
Total primary government changes in net position	<u>\$ 5,622,165</u>	<u>\$ 3,882,120</u>	<u>\$ 13,029,290</u>	<u>\$ 2,084,420</u>	<u>\$ 5,113,083</u>	<u>\$ 11,101,893</u>	<u>\$ 11,927,096</u>	<u>\$ 10,511,885</u>	<u>\$ 3,013,416</u>	<u>\$ 3,600,992</u>

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Function/Program										
Governmental Activities:										
General government (1)	\$ 59,539	\$ 30,000	\$ 149,968	\$ —	\$ —	\$ —	\$ 51,694	\$ 2,527	\$ —	\$ —
Information technology	—	—	—	—	—	—	—	—	—	—
Finance	—	—	—	—	—	—	—	—	—	—
Public safety	573,876	900,140	822,249	626,967	545,554	752,605	924,772	926,953	741,906	553,521
Public works	1,199,282	531,233	832,971	381,066	472,833	432,704	414,308	501,847	769,983	678,163
Planning and community development	121,179	212,815	8,467	6,200	121,286	27,757	31,120	51,550	51,556	—
Parks and museum	337,375	617,520	6,538,861	4,735	826	270,384	20,754	66,614	143,280	252,888
Garage	—	—	—	—	—	—	—	—	—	—
Total governmental activities	<u>2,291,251</u>	<u>2,291,708</u>	<u>8,352,516</u>	<u>1,018,968</u>	<u>1,140,499</u>	<u>1,483,450</u>	<u>1,442,648</u>	<u>1,549,491</u>	<u>1,706,725</u>	<u>1,484,572</u>
Business-type activities:										
Water and sewer utility	<u>20,478,233</u>	<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>
Total business-type activities	<u>20,478,233</u>	<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>
Total program revenue by function and program	<u>\$ 22,769,484</u>	<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>

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

CITY OF CAYCE, SOUTH CAROLINA

FUND BALANCES
GOVERNMENTAL FUNDS
(Modified accrual basis of accounting)

LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Nonspendable	\$ 150,444	\$ 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	25,000	—	—	—	—	—
Assigned	968,388	930,600	923,610	4,107	9,944	17,261	20,267	—	—	—
Unassigned	5,374,540	4,859,534	4,124,328	1,090,810	476,052	694,031	430,901	—	—	—
Reserved	—	—	—	—	—	—	—	187,280	194,005	195,913
Unreserved	—	—	—	—	—	—	—	(209,352)	(4,412)	(123,661)
Total general fund	<u>6,518,372</u>	<u>5,901,346</u>	<u>5,684,864</u>	<u>1,227,398</u>	<u>632,419</u>	<u>866,603</u>	<u>619,857</u>	<u>(22,072)</u>	<u>189,593</u>	<u>72,252</u>
All Other Governmental Funds										
Restricted, reported in:										
Special revenue funds	761,222	587,173	391,426	131,568	149,493	246,509	406,477	—	—	—
Debt service funds	550,615	996,764	1,133,993	752,375	794,432	497,847	620,592	—	—	—
Capital projects funds	447,405	735,245	428,440	754,698	655,607	717,567	173,606	—	—	—
Assigned, reported in:										
Special revenue funds	83,801	83,801	83,801	83,801	83,801	—	636	—	—	—
Reserved, reported in:										
Special revenue funds	—	—	—	—	—	—	—	82,207	82,673	82,651
Debt service funds	—	—	—	—	—	—	—	1,349,255	1,215,761	1,143,438
Capital projects funds	—	—	—	—	—	—	—	2,277,644	2,356,749	2,590,056
Unreserved, reported in:										
Special revenue funds	—	—	—	—	—	—	—	323,318	352,489	374,364
Capital projects funds	—	—	—	—	—	—	—	—	—	—
Total all other governmental funds	<u>1,843,043</u>	<u>2,402,983</u>	<u>2,037,660</u>	<u>1,722,442</u>	<u>1,683,333</u>	<u>1,461,923</u>	<u>1,201,311</u>	<u>4,032,424</u>	<u>4,007,672</u>	<u>4,190,509</u>
Total primary government	<u>\$ 8,361,415</u>	<u>\$ 8,304,329</u>	<u>\$ 7,722,524</u>	<u>\$ 2,949,840</u>	<u>\$ 2,315,752</u>	<u>\$ 2,328,526</u>	<u>\$ 1,821,168</u>	<u>\$ 4,010,352</u>	<u>\$ 4,197,265</u>	<u>\$ 4,262,761</u>

Note: The City implemented GASB Statement #54 in 2011 and prepared this schedule prospectively.

CITY OF CAYCE, SOUTH CAROLINA

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

LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenue										
Property taxes	\$ 4,236,423	\$ 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
Hospitality taxes	1,147,949	1,068,426	697,654	—	—	—	—	—	—	—
Licenses and permits	5,171,194	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
Fines and forfeitures	214,485	260,880	329,068	268,380	223,204	316,604	328,356	282,399	284,215	239,960
State shared revenue	454,835	425,994	497,025	470,411	504,646	447,544	489,425	541,999	613,976	625,855
Current services	1,035,625	796,448	848,100	534,410	692,536	658,095	620,316	601,501	668,994	636,283
Grants and other	985,667	1,658,789	1,953,891	502,037	697,009	970,574	504,317	494,349	366,262	327,625
Interest income	1,555	1,201	1,777	1,813	2,308	4,054	9,497	9,485	21,309	96,836
Total revenue	<u>13,247,733</u>	<u>13,079,669</u>	<u>15,073,455</u>	<u>9,753,181</u>	<u>9,131,773</u>	<u>10,264,043</u>	<u>8,249,194</u>	<u>8,126,120</u>	<u>8,090,362</u>	<u>7,845,431</u>
Expenditures¹										
Current:										
General government	489,207	510,972	418,861	335,743	257,965	237,577	243,093	322,933	334,079	410,300
Information technology	97,066	74,890	78,293	90,231	106,187	73,396	—	—	—	—
Finance	72,419	86,021	49,747	62,061	69,766	87,707	69,582	68,791	132,174	133,598
Public safety	5,815,970	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
Public works	1,253,360	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
Planning and community development/relations	897,323	840,806	618,430	569,700	625,823	603,295	3,253,279	498,344	496,265	390,710
Parks and museum	847,583	766,762	662,474	661,278	590,580	549,481	407,817	407,097	396,719	355,486
Garage	263,316	260,589	237,940	249,836	261,917	250,402	165,610	154,796	118,365	135,652
Non-department and support services	5,976	268	26,476	15,601	24,853	511,974	863,085	1,504,764	1,559,494	1,518,150
Debt service and other financing:										
Principal	491,714	603,207	672,857	666,678	664,914	685,536	573,730	581,740	580,340	882,569
Interest	28,590	36,997	55,817	89,405	109,691	123,814	128,430	145,968	166,919	176,465
Capital outlay	3,431,151	2,324,016	1,213,999	323,518	473,210	460,431	804,800	381,641	510,656	1,019,876
Total expenditures	<u>13,693,675</u>	<u>12,532,864</u>	<u>10,317,743</u>	<u>9,374,024</u>	<u>9,334,547</u>	<u>9,471,581</u>	<u>10,937,871</u>	<u>8,469,146</u>	<u>8,766,674</u>	<u>9,045,522</u>
Excess (deficiency) of revenue over expenditures	<u>(445,942)</u>	<u>546,805</u>	<u>4,755,712</u>	<u>379,157</u>	<u>(202,774)</u>	<u>792,462</u>	<u>(2,688,677)</u>	<u>(343,026)</u>	<u>(676,312)</u>	<u>(1,200,091)</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

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

—CONTINUED—

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Other Financing Sources (Uses)										
Proceeds from sales of assets	3,028	35,000	16,972	254,931	—	—	—	—	—	—
Installment purchase contracts	500,000	—	—	—	190,000	755,402	499,493	156,113	190,059	340,176
Transfers in	1,761,120	1,404,441	423,300	456,887	42,589	437,747	939,470	38,326	459,522	1,082,135
Transfers (out)	(1,761,120)	(1,404,441)	(423,300)	(456,887)	(42,589)	(437,747)	(939,470)	(38,326)	(38,765)	(38,658)
Total other financing sources (uses)	503,028	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	57,086	581,805	4,772,684	634,088	(12,774)	1,547,864	(2,189,184)	(186,913)	(65,496)	183,562
Extraordinary Item – Fire	—	—	—	—	—	(1,040,506)	—	—	—	—
Net change in fund balances	57,086	581,805	4,772,684	634,088	(12,774)	507,358	(2,189,184)	(186,913)	(65,496)	183,562
Fund balances, beginning of year	8,304,329	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
Fund balances, end of year	<u>\$ 8,361,415</u>	<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>
Debt service as a percentage of non- capital expenditures	0.9%	4.2%	4.3%	4.6%	4.9%	3.9%	2.1%	2.9%	3.1%	6.0%

(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						
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%	
2017	33,676,700	36,613,870	6,186,310	(23,992,750)	52,484,130	45.36	923,812,039	5.7%	

Source: Lexington County Auditor, Final Tax Year Assessments.

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

* Results due to reassessment year.

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

Fiscal Year	City Millage ⁽¹⁾	County Millage	School District Millage	All Other Districts	Total Millage
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
2017	45.360	77.298	225.960	22.663	371.281

Source: Lexington County Auditor, Final Millage Reports.

* Reassessment year effect on City Millage.

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

(1) Section 6-1-320 of Act 388 of the South Carolina Code of Laws establishes millage caps for local governing bodies equal to the increase in the average of the twelve monthly consumer price indexes for the most recent twelve-month period (January – December of the preceding calendar year), plus beginning in 2008, the percentage increase in the previous year in population growth as determined by the Office of Research and Statistics of the State Budget and Control Board.

CITY OF CAYCE, SOUTH CAROLINA

PRINCIPAL PROPERTY TAX PAYERS

COMPARISON OF 2017 TO 2008

Taxpayer	Type of Business	2017			2008		
		Assessment	Rank	Percentage of Total Assessed Valuation	Assessment	Rank	Percentage of Total Assessed Valuation
SCANA, Inc (SCE&G included)	Electric Utility	\$24,866,610	1	32.52%	\$3,599,530	2	9.27%
Owen Electric Steel Co. of S.C.	Manufacturer, Steel	5,402,740	2	7.06%	4,191,740	1	10.79%
OTARRE Point Realty Partners LLC	Real Estate	1,331,040	3	1.74%	—	—	—
SN Riverside LLC	Apartments	1,085,070	4	1.42%	—	—	—
PEP-USC LLC (Point West)	Apartments	735,750	5	0.96%	549,750	—	1.43%
Farm Bureau Insurance of S.C.	Insurance	614,600	6	0.80%	669,260	4	1.72%
Bell South Telecommunication, Inc.	Telecommunication	526,360	7	0.69%	1,402,510	3	3.61%
Dominion Carolina Gas Trans	Utility	500,890	8	0.65%	—	—	—
Granby Crossing, L.P.	Apartments	516,150	9	0.67%	406,200	7	1.05%
Parkland Partnership	Shopping Center	508,330	10	0.66%	473,230	6	1.22%
Martin Marietta Materials Inc	Rock Quarry	436,970	11	0.57%	—	—	—
PS Southeast TWO LLC	Mini Warehousing	342,010	12	0.45%	—	—	—
Cayce Commons Shopping Ctr	Shopping Center	286,280	13	0.37%	—	—	—
Cole CV Cayce SC LLC	Real Estate	270,000	14	0.35%	—	—	—
Southern First Bank National	Banking	261,040	15	0.34%	—	—	—
AVTX Edenwood Associates LLC	Real Estate	241,820	16	0.32%	—	—	—
WRH Edenwood LTD	Apartments	230,290	17	0.30%	172,310	13	0.44%
WED Properties LLC	Real Estate	214,780	18	0.28%	—	—	—
W.P. Hylton, LLC (Park Place 440)	Real Estate	210,000	19	0.27%	165,900	15	0.43%
Brickworks Associates LLC	Land Development	196,820	20	0.26%	—	—	—
Efron Family LLC	Real Estate	181,090	—	—	143,690	18	0.37%
Southeastern Concrete Products	Manufacturer, Concrete	180,350	—	—	278,140	9	0.72%
Virginia American Industries	Manufacturer, Tanks	169,980	—	—	202,590	10	0.52%
Cayce Crossing, L.P.	Shopping Center	148,350	—	—	174,710	12	0.45%
Time Warner Ent.- Adv.Newhouse	Telecommunication	132,040	—	—	138,700	19	0.36%
Love Chevrolet	Car Dealership	105,630	—	—	148,790	16	0.38%
Pilot Travel Centers, LLC	Gasoline Stations	94,270	—	—	127,200	20	0.33%
Indigo Associates, LTD	Real Estate	68,560	—	—	144,420	17	0.38%
EDR Cayce, LLC	Apartments	—	—	—	549,750	5	1.42%
University Commons	Apartments	—	—	—	332,760	8	0.86%
Small, Jr., Robert S.	Real Estate	—	—	—	196,470	11	0.51%
Cayce Country, LLC	Motel	—	—	—	167,550	14	0.43%
Total		\$ 39,857,820		50.70%			
Total Assessed Value (Includes FILOT)		\$ 76,476,880					
Total Assessed Value (Not Including FILOT)		\$ 52,484,130					

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				Total Collections Received in Fiscal Year for All Levies ³
		Current Amount	Delinquent Amounts	Total	Percentage of Levy	Total
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	1,746,280	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
2017	2,483,514	2,198,829	27,001	2,225,830	90%	2,246,633

- 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			
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
2017	—	—	423,778	12,275,000	54,841,328	362,630	67,902,736	19.8%	4,771

*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
2008	—	—	—
2009	—	—	—
2010	—	—	—
2011	—	—	—
2012	—	—	—
2013	—	—	—
2014	—	—	—
2015	—	—	—
2016	—	—	—
2017	—	—	—

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, 2017

<u>Political Subdivisions</u>	<u>Assessed Value</u>	<u>General Bonded Debt Outstanding</u>		
		<u>Debt Outstanding</u>	<u>Percentage Applicable to Cayce Taxpayers²</u>	<u>Cayce's Taxpayers Share of Debt¹</u>
Lexington County	\$ 1,251,249,380	\$ 38,631,159	5.98%	\$ 2,310,143
Lexington School District 2	298,259,170	135,896,000	25.07%	34,069,127
Lexington Recreation District	943,440,540	31,600,000	7.93%	2,505,880
Riverbanks Zoo	1,251,249,380	14,191,483	5.98%	848,651
Total Overlapping General Bonded Debt		<u>\$ 220,318,642</u>		<u>\$ 39,733,801</u>
<u>Direct City Debt Outstanding</u>				
Governmental Activities:				
Tax Increment Financing (TIF)				\$ —
Revenue Bonds				423,778
Installment Purchase Contracts				<u>423,778</u>
Business-type Activities:				
Water and Sewer System Revenue				\$ 12,275,000
Bonds				54,841,328
Clean Water State Revolving Fund Loans (SRF)				362,630
Installment purchase contracts				<u>67,478,958</u>
Total Direct & Overlapping Debt				<u>\$ 107,636,537</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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Assessed Valuation	\$52,484,130	\$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
Maximum General Obligation Debt limited to 8% of total assessed valuation (1)	4,198,730	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
Outstanding bonds chargeable to bond limit	—	—	—	—	—	—	—	—	—	—
Legal debt margin	<u>\$ 4,198,730</u>	<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>
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,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Gross Revenues	\$17,370,618	\$16,899,283	\$15,005,544	\$14,580,922	\$13,899,383	\$12,140,032	\$11,159,169	\$10,381,824	\$ 9,861,621	\$ 9,677,828
Capital Facility Charges	1,622,762	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
Expenses of Operating and Maintaining the System ⁽³⁾	(11,239,920)	(10,627,732)	(9,159,617)	(9,089,535)	(7,886,067)	(8,014,258)	(7,391,785)	(6,630,334)	(6,352,267)	(6,509,486)
Net Earnings/Net Revenues ⁽¹⁾	\$ 7,753,460	\$ 6,737,019	\$ 7,450,206	\$ 7,084,146	\$11,158,380	\$13,974,538	\$17,488,887	\$10,920,227	\$ 5,090,144	\$ 4,654,496
Combined Debt Service Requirements ⁽⁴⁾	3,395,483	\$ 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
Debt Service Coverage ⁽⁵⁾	174%	148%	156%	147%	229%	431%	646%	403%	180%	210%
Debt Service Coverage Without Capital Facility Charges ⁽⁵⁾	N/A	N/A	122%	114%	123%	127%	139%	138%	124%	143%

- 1) Effective 2016, the City's 2016 Master Bond Ordinance replaced the prior bond indentures of trust and requires Net Earnings (as defined in the ordinance and inclusive of Capital Facility Charges) to be at least 115% of the Annual Principal and Interest Requirements for all bonds. Previously, debt service coverages under the then effective indentures were based on Net Revenues computed both with and without Capital Facility Charges.
- 2) For 2014, gross revenues include debt service reserve account savings as allowed under the prior indenture of trust.
- 3) Expenses of operating and maintenance of the system are exclusive of depreciation, amortization and other non-cash items.
- 4) Includes annual principal and interest payments on revenue bonds and state revolving funds loans.
- 5) Under the 2016 Bond Ordinance, debt service coverage to be at least 115%. 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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Alterations	\$ 4,093,414	\$ 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
Additions	53,388	1,067,481	—	1,159,300	1,171,880	368,348	94,692	74,256	565,615	9,311,921
New Construction	935,740	8,158,486	205,910	9,812,273	1,084,624	78,420	105,830	62,060,078	42,184,048	62,749,070
Sub-total:	5,082,542	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
Signage	35,386	85,224	63,914	78,430	73,417	44,130	88,105	169,376	93,959	84,372
Commercial Totals	<u>\$ 5,117,928</u>	<u>\$12,974,583</u>	<u>\$ 2,294,182</u>	<u>\$12,483,527</u>	<u>\$ 6,685,441</u>	<u>\$ 1,074,862</u>	<u>\$ 1,774,391</u>	<u>\$63,749,011</u>	<u>\$47,871,203</u>	<u>\$73,270,254</u>

RESIDENTIAL PERMITS VALUES TEN FISCAL YEAR REPORT

Occurrence	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Alterations	\$ 2,040,385	\$ 1,722,156	\$ 1,227,438	\$ 959,069	\$ 1,558,973	\$ 976,387	\$ 804,757	\$ 2,236,743	\$ 882,040	\$ 926,205
Additions	239,353	132,485	311,499	258,552	297,543	192,946	226,930	225,550	201,607	826,408
Multi-Family	—	—	35,670,684	—	—	1,354,057	—	—	—	—
Single-Family	2,417,225	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
Residential Totals	<u>\$ 4,696,963</u>	<u>\$11,286,616</u>	<u>\$43,894,568</u>	<u>\$ 9,447,885</u>	<u>\$ 9,773,832</u>	<u>\$ 6,629,308</u>	<u>\$ 1,708,365</u>	<u>\$ 5,980,293</u>	<u>\$10,982,272</u>	<u>\$ 6,828,283</u>
Yearly Grand Total	<u>\$ 9,814,891</u>	<u>\$24,261,199</u>	<u>\$46,188,750</u>	<u>\$21,931,411</u>	<u>\$16,459,273</u>	<u>\$ 7,704,170</u>	<u>\$ 3,482,756</u>	<u>\$69,729,304</u>	<u>\$58,853,475</u>	<u>\$80,098,537</u>

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

Per Year 2010 Census¹	Cayce⁵	Lexington County⁴	South Carolina⁴
Total Population (2016 Estimate)	14,233	286,196	4,961,119
Per Capita Income (In 2016 Inflation Adjusted Dollars)	\$ 24,126	\$ 28,141	\$ 25,521
Median Household Income (In 2016 Inflation Adjusted Dollars)	\$ 45,599	\$ 55,412	\$ 46,898
Median Family Income (In 2016 Inflation Adjusted Dollars)	\$ 55,941	\$ 68,496	\$ 58,158
Total Personal Income (In 2016 Inflation Adjusted Dollars)	\$ 343,385,358	\$ 8,053,841,636	\$ 126,612,717,999

Population Estimates¹ (July 1, 2016)	Cayce	Lexington County	South Carolina
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
2016	14,233	286,196	4,961,119

Unemployment Rates² (Annual Average)	Cayce	Lexington County	South Carolina
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	5.1	6.4
2015	N/A	4.9	6.0
2016	N/A	4.0	4.8
2017 ³	N/A	3.5	4.3

Cayce's Income Demographics⁵	Households		Families	
	Number	Percentage	Number	Percentage
\$0 – \$10,000	364	6.4%	218	7.9%
10,000 – 14,999	339	6.0%	42	1.5%
15,000 – 24,999	816	14.4%	223	8.1%
25,000 – 34,999	765	13.5%	331	12.0%
35,000 – 49,999	878	15.5%	395	14.3%
50,000 – 74,999	1,161	20.5%	639	23.1%
75,000 – 99,999	706	12.5%	441	15.9%
100,000 – 149,999	442	7.8%	358	12.9%
150,000 – 199,999	63	1.1%	41	1.5%
200,000 and over	129	2.3%	77	2.8%
Totals	5,663	100.0%	2,765	100.0%

Sources: ¹ U.S. Bureau of the Census. Census 2010. 2016 latest estimates.

² S.C. Department of Employment and Workforce.

³ Six month average from January 1, 2017 through June 30, 2017.

⁴ State demographic information for all categories, updated as of July 1, 2016.

⁵ Income demographics for the City are based on estimates from the Bureau of the Census, American Community Survey, latest year 2016.

N/A = Not Available

CITY OF CAYCE, SOUTH CAROLINA

PRINCIPAL EMPLOYERS
(Ten Largest)

JUNE 30, 2017

(With comparative data from that first reported in CAFR, June 30, 2008)

Taxpayer		2017			2008		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
SCANA, Inc	Electric Utility	1,810	1	21.2%	1,000	1	12.9%
SMI Steel	Manufacturer, Steel	425	2	5.0%	389	2	5.0%
Lexington School District 2	Public School System	271	3	3.2%	-	-	0.0%
Bi-Lo, LLC	Grocer	189	4	2.2%	150	4	1.9%
Farm Bureau Insurance of S.C.	Insurance	160	5	1.9%	175	3	2.3%
CINTAS	Uniform Provider	107	6	1.3%	-	-	0.0%
Krispy Kreme Doughnut Co.	Retail	62	7	0.7%	51	8	0.7%
Genuine Parts Co.	Parts Distributor	51	8	0.6%	72	6	0.9%
Love Automotive Co.	Car Dealership	45	9	0.5%	125	5	1.6%
Southeastern Concrete	Manufacturer, Concrete	45	10	0.5%	35	10	0.1%
Total		<u>3,165</u>		<u>37.02%</u>	<u>1,997</u>		<u>25.53%</u>
Approximate number employed within the City limits		<u>8,500</u>			<u>7,725</u>		

Note: Information obtained from Business License applications and phone calls to businesses.
Information does not include the 205 City of Cayce's employees.

CITY OF CAYCE, SOUTH CAROLINA

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Employees by Function/Program										
<u>Governmental Activities</u>										
<u>General government:</u>										
Legislative	5	5	5	5	5	5	5	5	5	5
Administrative	6	6	6	5	4	4	5	5	5	5
Recorder's court	3	3	3	2	2	1	1	1	1	1
IT	1	1	1	1	1	N/A	N/A	N/A	N/A	N/A
<u>Finance:</u>										
Accounting	3	3	3	3	3	3	4	4	4	4
<u>Public safety:</u>										
Animal control	1	1	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	8	9	9	9	9
Traffic/Victim's Advocate	37	39	41	38	38	39	47	48	47	45
Fire	16	15	15	12	9	9				
Parks	4	4	2	N/A						
<u>Planning and community development:</u>										
Administrative	7	5	4	4	6	5	5	5	5	5
<u>Public works:</u>										
Public buildings	1	1	1	1	1	1	1	1	1	1
Sanitation	17	15	17	17	17	17	16	16	16	16
Garage	5	5	5	5	5	5	5	5	4	4
<u>Parks and museum:</u>										
Museum	3	2	2	2	2	2	2	2	2	2
Parks	12	12	10	10	9	9	8	8	8	8
Subtotals	<u>138</u>	<u>134</u>	<u>134</u>	<u>124</u>	<u>122</u>	<u>119</u>	<u>119</u>	<u>120</u>	<u>118</u>	<u>116</u>
<u>Business-type Activities</u>										
<u>Water and sewer utility:</u>										
Administrative	4	4	4	12	8	8	7	7	6	6
Water billing*	9	8	8	N/A						
Water treatment plant	10	10	10	9	10	10	10	10	10	10
Water distribution and maintenance	13	13	13	13	14	14	14	14	13	12
Sewer collection and outfall lines	14	13	13	12	12	12	10	9	9	9
Wastewater treatment plant	13	12	12	12	12	12	11	11	11	10
Wastewater Pre-treatment Plant**	4	3	3	1						
Subtotals	<u>67</u>	<u>63</u>	<u>63</u>	<u>59</u>	<u>56</u>	<u>56</u>	<u>52</u>	<u>51</u>	<u>49</u>	<u>47</u>
Total	<u>205</u>	<u>197</u>	<u>197</u>	<u>183</u>	<u>178</u>	<u>175</u>	<u>171</u>	<u>171</u>	<u>167</u>	<u>163</u>

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

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

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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Function/Program										
<u>Governmental Activities</u>										
General government:										
Area in Square Miles	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2
Population of City ¹	14,233	13,625	13,496	13,366	13,240	13,152	13,089	13,065	12,646	12,556
Public safety:										
Number of stations	4	4	4	6	6	6	6	6	6	6
Number of Police Officers	5	1	1	2	2	2	2	2	1	1
Number of Firefighters	8	6	6	12	9	9	3	4	7	7
Number of Public Safety Officers*	56	57	54	48	49	49	49	48	44	39
Dispatchers and Victim's Advocate	8	8	8	8	9	8	9	9	9	9
Number of arrests	850	700	685	1,121	887	728	830	523	992	898
Number of emergency incidents	6,192	5,800	8,470	6,800	2,968	5,295	9,388	10,494	8,781	2,403
Planning and community development:										
Permits issues	442	452	744	300	917	276	239	341	376	349
Estimated cost of construction	9,814,891	24,261,198	46,188,750	21,931,411	16,459,273	7,704,170	3,482,756	69,729,305	58,853,475	80,098,537
Public works:										
Active vehicles in vehicle replacement plan	179	168	156	146	152	149	130	122	122	120
Refuse collected (average tons per day)	36.0	24.5	25.0	23.19	44.4	35.3	48.0	47.8	17.58	13.43
Recyclables collected (average tons per day)	3.5	2.5	2.0	1.26	1.18	1.06	1.05	1.04	1.14	1.40
Parks and museum:										
Number of parks	9	9	9	9	9	9	8	8	8	6
Number of playgrounds	6	6	5	5	5	5	5	5	4	3
Museum complex	1	1	1	1	1	1	1	1	1	1

— CONTINUED —

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

— CONTINUED —

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>Business-type activities</u>										
Water and sewer utility:										
Number of water customers – end of period*	7,776	7,760	8,436	8,245	8,222	8,490	8,337	7,329	7,248	7,230
Number of sewer customers – end of period*	12,583	11,625	12,146	11,595	11,893	12,150	10,812	10,757	10,651	10,629
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	3,004,000	3,000,160	2,730,000	2,790,000	2,730,000	3,070,000	3,090,000	3,050,000	3,000,000	3,310,000
Peak average filtration flow – water GPD	3,660,000	3,721,000	3,620,000	3,740,000	3,750,000	4,300,000	3,790,000	3,440,000	3,300,000	3,300,000
Peak daily filtration flow – water GPD	4,663,000	4,408,000	4,232,400	4,771,900	4,020,000	4,389,000	4,130,000	4,410,000	5,199,000	5,393,000
Wastewater plant treatment capacity per day – gallons	25,000,000	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
Average daily treated flow – wastewater GPD	9,652,000	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
Peak average treated flow – wastewater GPD	11,462,000	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
Peak daily treated flow – wastewater GPD	21,547,000	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
Number of miles of water mains owned by City	219.3	217.7	216.3	215.9	214.8	214.0	210.5	207	128	124
Number of miles of sewage collection lines owned by City	272.9	270.1	268.5	266.3	265.7	265	260	260	156	156

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

Source: City of Cayce Finance and Utility Departments.

CITY OF CAYCE, SOUTH CAROLINA