

CITY OF CAYCE, SOUTH CAROLINA



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

CITY OF CAYCE, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2018

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, 2018

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CITY OF CAYCE, SOUTH CAROLINA

INTRODUCTORY SECTION

CITY OF CAYCE, SOUTH CAROLINA

Mayor
Elise Partin

Mayor Pro-Tem
Tara S. Almond

Council Members
Phil Carter
Eva Corley
James E. Jenkins

City Manager
Tracy Hegler



December 17, 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, 2018 (FY 2018). The report contains a comprehensive analysis of the City's financial position and activities for the period. This report is presented in three sections: 1) Introductory Section consisting of this transmittal letter, a listing of City officials, and the organization structure; 2) Financial Section, which consists of the independent auditor's report, management's discussion and analysis, basic financial statements, notes to the financial statements, required supplemental information along with detailed combining and individual fund statements; 3) Statistical Section, which contains pertinent financial and general information indicating trends for comparative fiscal periods.

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

In accordance with Section 5-13-30 of the South Carolina Code of Laws, the City of Cayce's financial statements have been audited by the firm of Robert E. Milhous, C.P.A., P.A. and Associates. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The auditor's report in the Financial Section provides a discussion of the audit, procedures and their opinion. The independent auditor has rendered an unmodified opinion on the City of Cayce's financial statements for the year ended June 30, 2018 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, 2018.

Profile of the Government

The City of Cayce (the "City" or "Cayce") was incorporated in 1914 and is located along the Congaree River in Lexington and Richland counties in the central midlands of South Carolina. The City serves a population of approximately 14,086 and is empowered to levy a property tax on both real and personal property located within its corporate limits. It is also empowered by State Statute to extend its corporate limits by voluntary annexation, which occurs periodically when deemed appropriate by the City Council.

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

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

The annual budget serves as the foundation for the City's financial planning and control. The South Carolina General Statutes require all governmental units to adopt a balanced budget by July 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, 2018, elected officials were as follows:

MAYOR

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

MEMBERS OF COUNCIL

District 1

Tara Almond
almondcaycecouncil@gmail.com
Telephone: 803-309-1564

District 2

James "Skip" Jenkins
skip_jenkins@hotmail.com
Telephone: 803-796-9049

District 3

Eva Corley
eacorley22@gmail.com
Telephone: 803-479-0097

District 4

Phil Carter
phillipacarter@yahoo.com
Telephone: 803-518-9384

Factors Affecting Financial Condition

Accounting standards require management to prepare a narrative overview and analysis to accompany the basic financial statements. This narrative, entitled Management's Discussion and Analysis (the "MD&A"), is a part of the Financial Section of this report, contains a discussion of the City's current financial condition and activities for the year ended June 30, 2018, 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 has been undergoing repairs. This is being funded through The City of Cayce and FEMA matching funds, and was completed in February 2018. The FEMA matching funds have not been received, but we do expect them in the next fiscal year.

The Congaree River has always played a dominant role of strategic importance in Cayce's development from the early days when barge and boat traffic from the low country were a part of everyday commerce on the river. Cayce became an outpost for this trade. The Cayce Riverwalk Park includes a public nature park along the river with amenities such as lighted boardwalks and concrete walkways, picnic shelters, park benches, 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. In July 2017, the City issued an \$8,000,000 Tax Increment Financing (TIF) Revenue Bond to obtain funds to develop a portion of the City. This will enhance economic development to include the demolition and redevelopment of parcels along Knox Abbott Drive, electric utility improvements and street-scaping projects. Expanding the Cayce Riverwalk Park and connecting it with local commercial businesses, along with expanding and upgrading the regional wastewater treatment plant, has positioned the City to participate in the continued economic growth that is occurring in the Columbia Metropolitan area.

Economic development on the 12th Street Extension corridor continues at a good pace. Construction of the SCANA Corporate Headquarters on Saxe Gotha Drive has now been complete for seven 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 2017 will continue to add to the City's tax base and enhance the master plan. The townhome project known as Otarre Point was completed in 2017, adding 299 upscale townhomes, and construction was completed last year on a 100 unit Marriott Hotel. An approximately 60 acre tract of land, sometimes referred to as Otarre Center, is still currently under contract to be sold. The proposed development includes approximately 300,000 square feet of retail space of an outlet shopping mall. A development of this type and size will serve as a catalyst for the rapid development of the surrounding area and supporting corridors.

Construction was completed last fiscal year on Knox Abbott for a 224 unit upscale apartment complex called The Tremont. The Wal-Mart grocery store was opened in June 2017. 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, with several units already sold. In December 2018 the Steel Hands Brewery will open. This will be an on premises brewery that will manufacture their own brand of beer to sell to the public and to other commercial businesses in the area.

The Southern First Bank building at the corner of Knox Abbott Dr. and Axtell Dr. was the first development in the proposed "The Brickworks" project that is being developed and built by Brickworks Associates, LLC. New construction associated with this project could total \$40 million and include 300,000 square feet of office, retail, and residential construction that will extend to the Congaree River and tie into the Cayce Riverwalk. An upscale apartment complex similar to The Tremont called Brickworks Apartments is now under construction with the first 2 buildings expected to be finished in May 2019. When all apartments are finished there will be 186 units available. The City started the Knox Abbott Streetscape Project in May 2018 and expects to finish in March 2019. This should enhance the Knox Abbott corridor.

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 received approval for another 15,000 GPD of sewer service capacity to accommodate their expansion.

Lexington School District 2 will be finishing the Brookland Cayce High School Arena in the next fiscal year. 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 will finish construction on a new Career and Technology Education Center (CATE) in October 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 Road 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 last fiscal year. The City partnered with the River Alliance, Department of Natural Resources, S C Parks Recreation and Tourism, Lexington County and SCANA Corp 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, 2017. 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

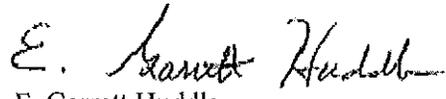
By June 30th of each year, the City enacts, through passage of an ordinance, a legal budget along with the establishment of property tax levy (millage) for the upcoming fiscal year. Annually, the City gathers information about assessed values of real and personal property located within the City limits. The total assessments are then applied to the applicable tax rates in order to determine estimated tax revenues. The City's 2017-2018 budget appropriated General fund expenditures based on estimated revenues for the fiscal year. The Water and Sewer Utility Fund (an Enterprise Fund) provides for budgeted expenses based on estimated revenues generated from rates charged for providing utility-related services to its customers. Annually, the City Council reviews its utility rates through a comprehensive assessment and analysis of its rate structure. The City operates its other funds under informal budgets established and monitored by the City Manager. Procedures associated with the development and passage of the annual budget is more fully described in the Notes to the Budgetary Comparison of the Required Supplementary Information section of this report.

The budgetary process and significant accounting policies of the City were consistent with the previous year and are more fully described in Note 1 to the financial statements. The City continues to budget actuarial effects associated with GASB #68, *Accounting and Financial Reporting for Pensions*; however, they are presently unfunded. The City implemented GASB Statement #75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, which became effective for the year ended June 30, 2018. Under GASB #75, the City will be required to obtain biennial actuarial valuations. Disclosures related to actuarial valuations and accounting treatment of the benefit in effect at June 30, 2018 are described in *Note 9*.

Acknowledgements

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

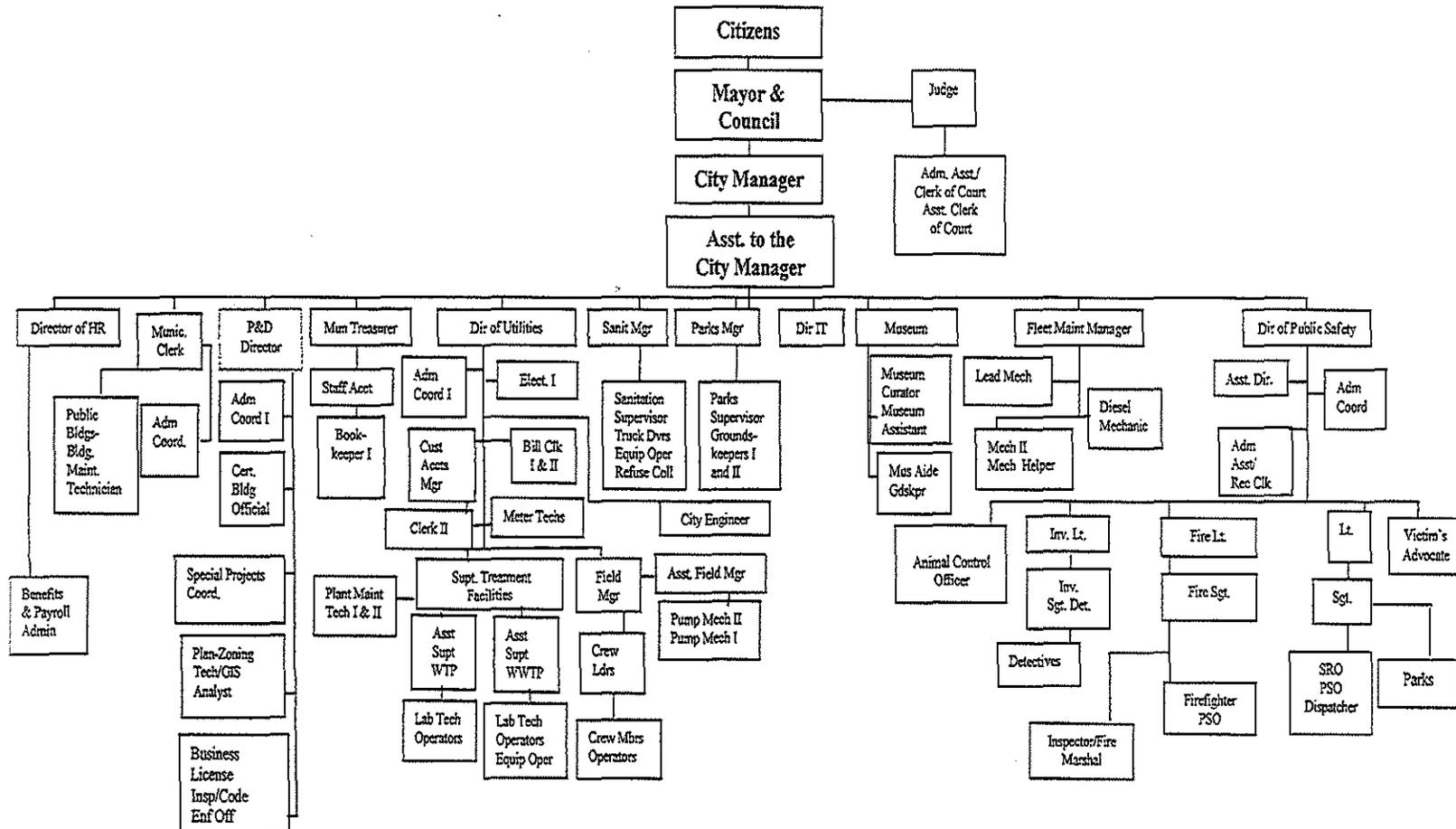
Respectfully submitted,

A handwritten signature in black ink, reading "E. Garrett Huddle". The signature is written in a cursive style with a large, stylized "E" and "H".

E. Garrett Huddle
City Treasurer

Organizational Chart

111A





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, 2017

Christopher P. Morrill

Executive Director/CEO

CITY OF CAYCE, SOUTH CAROLINA

FINANCIAL SECTION

CITY OF CAYCE, SOUTH CAROLINA

REPORT OF INDEPENDENT AUDITOR

CITY OF CAYCE, SOUTH CAROLINA

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

A Professional Association Of

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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Columbia
Phone: (803) 772-5300

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

REPORT OF INDEPENDENT AUDITOR

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Cayce, South Carolina (the "City"), as of and for the year ended June 30, 2018, 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, 2018, 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 Governmental Activities, the Business-type activities and the Proprietary Fund financial statements have been restated as a result of the City implementing GASB Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” (OPEB) which replaced the requirement of GASB Statement No. 45 as amended and GASB Statement No. 57 for OPEB. 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 2017 audited financial statements, and in my report dated January 19, 2018, I expressed an unmodified opinion on those individual fund financial statements and schedules.

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

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

December 17, 2018
Columbia, South Carolina

CITY OF CAYCE, SOUTH CAROLINA

**City of Cayce, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2018**

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, 2018. 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, 2018 were \$212.2 million and exceeded total liabilities and deferred inflows by \$101.8 million. Of the total net position at June 30, 2018, there was a \$14.6 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 \$4.4 million for the year ended June 30, 2018. The Governmental Activities resulted in a net increase of \$1.8 million, while the Business-type Activities contributed a positive net change in net position of \$2.6 million, which was substantially funded by capacity charges and other capital contributions recognized during the year.

The City continues to comply with the new accounting principles – Governmental Accounting Standards Board Statement (GASB) No. 68, *Accounting and Financial Reporting for Pensions*, which required the reporting of a Government-wide liabilities of \$19.6 million (plus deferred inflows of \$1.2 million and less deferred outflows of \$5.3 million) at June 30, 2018. The City restated its beginning net position to comply with the new accounting principle GASB No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, for OPEB. This resulted in a net increase in the City's liabilities for OPEB of \$131,533 as of July 1, 2017, (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*.

Overview of the Financial Statements (continued)

Government-Wide Financial Statements (continued)

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., revenues receivable and earned but unused vacation leave). Both of the Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (i.e., *governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (i.e., *business-type activities*). The “governmental activities” of the City include general government, finance, planning and community development, public safety, public works, parks and museum, garage, and support services. The “business-type” activities of the City include a Water and Sewer Utility Enterprise Fund. The Government-wide financial statements can be found immediately following the discussion and analysis.

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

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

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, total assets plus deferred outflows of resources less liabilities, less deferred inflows of resources results in net position of \$106.3 million at the close of June 30, 2018.

Below is a 'condensed' Statement of Net Position at June 30, 2018, which depicts the major components of the City's assets, deferred outflows, liabilities and net position (with comparative amounts for June 30, 2017).

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Assets and Deferred Outflows						
Cash and cash equivalents:						
Unrestricted	\$ 6,151,517	\$ 5,152,592	\$ 2,867,166	\$ 3,200,543	\$ 9,018,683	\$ 8,353,135
Restricted	10,585,009	2,623,728	16,975,812	32,486,290	27,560,821	35,110,018
Other current assets	2,063,481	1,643,685	2,833,689	2,820,924	4,897,170	4,464,609
Other assets, net of accumulated amortization	85,000	95,000	472,787	408,802	557,787	503,802
Capital assets, net of accumulated depreciation	18,495,708	15,859,932	145,008,676	127,755,138	163,504,384	143,615,070
Total assets	37,380,715	25,374,937	168,158,130	166,671,697	205,538,845	192,046,634
Deferred outflows of resources:						
Deferred outflows related to OPEB	451,658	—	152,131	—	603,789	—
Deferred outflows related to pensions	3,580,530	2,724,706	1,755,521	1,360,694	5,336,051	4,085,400
Losses on bond refundings	—	—	671,722	776,900	671,722	776,900
Total deferred outflows of resources	4,032,188	2,724,706	2,579,374	2,137,594	6,611,562	4,862,300
Total assets and deferred outflows	41,412,903	28,099,643	170,737,504	168,809,291	212,150,407	196,908,934
Liabilities, Deferred Inflows and Net Position						
Current liabilities	2,230,986	825,223	1,084,190	700,640	3,315,176	1,525,863
Current liabilities payable from restricted assets	290,000	160,950	6,497,985	5,817,138	6,787,985	5,978,088
Non-current liabilities	24,074,148	13,982,210	70,446,474	72,850,610	94,520,622	86,832,820
Total liabilities	26,595,134	14,968,383	78,028,649	79,368,388	104,623,783	94,336,771
Deferred inflows of resources:						
Deferred inflows related to pensions	851,041	535,694	380,124	222,688	1,231,165	758,382
Total deferred inflows of resources	851,041	535,694	380,124	222,688	1,231,165	758,382
Total liabilities, deferred inflows of resources	27,446,175	15,504,077	78,408,773	79,591,076	105,854,948	95,095,153
Net position:						
Net investment in capital assets	16,595,971	15,430,572	84,289,609	80,976,020	100,885,580	96,406,592
Restricted	10,489,686	2,503,787	9,501,428	9,802,563	19,991,114	12,306,350
Unrestricted (deficit)	(13,118,929)	(5,338,793)	(1,462,306)	(1,560,368)	(14,581,235)	(6,899,161)
Total net position	\$ 13,966,728	\$ 12,595,566	\$ 92,328,731	\$ 89,218,215	\$ 106,295,459	\$ 101,813,781

Total net position equaled \$106.3 million at June 30, 2018 (\$101.8 million at June 30, 2017), of which \$14.0 million (\$12.6 million in 2017) represents net position of the City's Governmental Activities, and \$92.3 million in 2018 (\$89.2 million in 2017 after restatement), represents Business-type Activities after restatements.

Government-Wide Financial Analysis (continued)

By far the largest portion of the City's net position (\$100.9 million, or 94.9%) reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Also a portion of the City's total net position, \$20.0 million, or 18.8% represents resources that are subject to external restrictions on how they may be used, which includes resources for the City's redevelopment district plan and related debt service, law enforcement, and pensions (see Note 7 for further detail information). The remaining is a deficit in *unrestricted net position* (totaling \$14.6 million in 2018), which if positive, may be used to meet the government's ongoing obligations to citizens and creditors. This deficit is a result of recording the net pension liability balance of \$19.6 million (plus deferred inflows of \$1.2 million, less deferred outflows of \$5.3 million) in accordance with GASB #68 and recording the total other post-employment benefit liability of \$3.3 million (less deferred outflows of \$0.6 million) in accordance with GASB #75.

Unrestricted net position in Governmental Activities resulted in a deficit totaling \$13.2 million in 2018 (as compared to a deficit of \$5.3 million in 2017) primarily resulting from recording net pension liabilities in accordance with GASB #68, total other post-employment benefit (OPEB) liability in accordance with GASB #75, and the issuance of Tax Increment Financing bonds in the amount of \$8.0 million.

Business-type Activities resulted in an unrestricted deficit of \$1.5 million in 2018 (as compared to \$1.6 million in 2017). This is primarily due to increases in the net pension liabilities and long-term debt related to future improvements to the Water and Sewer Utility and their respective infrastructures.

Government-Wide Financial Analysis (continued)

The City's components of changes in net position (condensed from the Statement of Activities) for FY 2018 and FY 2017, are illustrated in the following table:

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenue						
Program Revenue:						
Charges for services	\$ 1,229,471	\$ 1,255,379	\$ 17,431,831	\$ 17,251,630	\$ 18,661,302	\$ 18,507,009
Operating grants and contributions	1,327,406	340,742	—	95,193	1,327,406	435,935
Capital grants and contributions	139,354	695,130	2,888,039	3,131,410	3,027,393	3,826,540
General revenue:						—
Property taxes	4,436,724	4,367,332	—	—	4,436,724	4,367,332
Accommodation and hospitality taxes	1,268,973	1,147,949	—	—	1,268,973	1,147,949
State shared and unallocated intergovernmental	408,982	458,807	—	—	408,982	458,807
Licenses and other	5,302,089	5,049,090	—	—	5,302,089	5,049,090
Other	488,807	105,787	21,927	23,795	510,734	129,582
Total revenue	<u>14,601,806</u>	<u>13,420,216</u>	<u>20,341,797</u>	<u>20,502,028</u>	<u>34,943,603</u>	<u>33,922,244</u>
Expenses						
General government	370,008	592,721	—	—	370,008	592,721
Information technology	115,260	108,495	—	—	115,260	108,495
Finance	83,901	73,568	—	—	83,901	73,568
Public safety	6,869,407	6,116,479	—	—	6,869,407	6,116,479
Public works	1,663,974	1,310,352	—	—	1,663,974	1,310,352
Planning and development	1,267,474	924,506	—	—	1,267,474	924,506
Parks and museum	903,950	1,230,689	—	—	903,950	1,230,689
Garage	266,391	276,484	—	—	266,391	276,484
Depreciation and amortization (unallocated)	1,032,413	896,646	—	—	1,032,413	896,646
Interest	266,732	16,513	—	—	266,732	16,513
Water and sewer utility	—	—	17,753,948	16,753,626	17,753,948	16,753,626
Total expenses	<u>12,839,510</u>	<u>11,546,453</u>	<u>17,753,948</u>	<u>16,753,626</u>	<u>30,593,458</u>	<u>28,300,079</u>
Changes in net position	1,762,296	1,873,763	2,587,849	3,748,402	4,350,145	5,622,165
Beginning net position	12,204,432	10,721,803	89,740,882	85,469,813	101,945,314	96,191,616
Cumulative effect of restatement	—	(391,134)	—	522,667	—	131,533
Ending net position	<u>\$ 13,966,728</u>	<u>\$ 12,204,432</u>	<u>\$ 92,328,731</u>	<u>\$ 89,740,882</u>	<u>\$ 106,295,459</u>	<u>\$ 101,945,314</u>

Government-Wide Financial Analysis (continued)

Net changes in net position in Governmental Activities had a total increase of \$1.7 million in 2018 compared to an increase of \$1.9 million in 2017. Changes in net position in Business-type Activities resulted in an increase of \$2.6 million in 2018 compared to a \$3.8 million increase in 2017, primarily due to fewer capital contributions received from developers (deeded infrastructure plus impact/capacity fees, and increases in pension expense.

Key Governmental Activities revenue highlights are as follows: Total Program Revenue equaled \$2.7 million in 2018 (as compared to \$2.3 million in 2017). General Revenues totaled \$11.9 million in 2018 and \$11.1 million in 2017 due to increases in capital grants and contributions, and in taxes and business licenses revenue. Most functional expense categories saw increases in 2018, as compared to 2017, primarily due to increases in salary/wages and related benefits costs due to the implementation of GASB #75 which changed the reporting for other post-employment benefits (OPEB). General government expenses decreased due to decreases in legal-related costs, and Public Safety expenses increased due to increased personnel and related expenses. Planning and Development expenses continued to increase due to the NPDES phase II project expenses.

Governmental Activities expenses totaled \$12.8 million in 2018 and \$11.5 million in 2017 and most departments increased due to the implementation of GASB #75 on reporting OPEB liabilities in addition to normal department increases.

Key Business-type Activity revenue highlights are as follows: Total Program Revenue for services totaled \$20.7 million in 2018 (compared to \$20.5 million in 2017) resulting in an increase of \$0.2 million. Expenses of operation and maintenance increased by \$1.0 million (or 6.0%) due to the normal increases in the water and wastewater treatment plants, septage and grease center costs to operate, and increases in pension related expenses.

Expenses and Program Revenues – Governmental Activities – Governmental activities expenses (totaling \$12.8 million in 2018) are funded in part by program-specific revenues of fees for services, grants and contributions. As shown below, Governmental Activities were overall funded by 20.9% ‘program revenues’, leaving 79.1% 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	\$ (370,008)	\$ —	\$ (370,008)	0.0%	100.0%
Information technology	(115,260)	—	(115,260)	0.0%	100.0%
Finance	(83,901)	—	(83,901)	0.0%	100.0%
Public safety	(6,869,407)	1,010,363	(5,859,044)	14.7%	85.3%
Public works	(1,663,974)	1,497,301	(166,673)	89.9%	10.1%
Planning and development	(1,267,474)	73,338	(1,194,136)	5.7%	94.3%
Parks and museum	(903,950)	115,229	(788,721)	12.7%	87.3%
Garage	(266,391)	—	(266,391)	0.0%	100.0%
Depreciation and amortization	(1,032,413)	—	(1,032,413)	0.0%	100.0%
Interest	(266,732)	—	(266,732)	0.0%	100.0%
Totals	\$ (12,839,510)	\$ 2,696,231	\$ (10,143,279)	20.9%	79.1%

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 2018.

General Revenues by Source – Governmental Activities

As shown in a table on the preceding page, General Revenues funded the City's Governmental Activities by 79.1% in the following categories.

	<u>2018</u>	<u>2017</u>
Property taxes	\$ 4,436,724	\$ 4,367,332
Accommodation and hospitality taxes	1,268,973	1,147,949
State shared revenue	408,982	458,807
Licenses and related fees	5,302,089	5,049,090
Miscellaneous	488,807	105,787
Total	<u>\$11,905,575</u>	<u>\$11,128,965</u>

Overall, the City experienced a 6.9% increase in General Revenues (or \$776,610 more in 2018 than 2017) primarily due to prior-period business licenses and related fees collected/settled in 2018 and the combination of sales of equipment and legal recovery on a previous fire loss.

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 \$17.6 million in 2018 (as compared to \$17.3 million in 2017) and includes water sales and connection fees of \$5.4 million and \$10.4 million from sewer services and \$1.2 million in septage and grease treatment services. Operating expenses totaled \$17.8 million in 2018 (compared to \$16.5 million in 2017) resulting in an increase of 5.6% primarily due to increases in pension expense. Operating income at year ended June 30, 2018, totaled \$895,327 (as compared to \$1,687,544 in 2017). Capacity charges, consisting primarily of system enhancement, capacity (impact) fees, and capital contributions from developers totaled \$2.9 million in 2018 (as compared to \$3.1 million in 2017), or a 7.8% decrease. Both the water and sewer customers accounts increased during 2018, water from 7,776 in 2017 to 7,822 in 2018, while sewer customers grew from 12,583 in 2017 to 12,714 in 2018. The increases in customers resulted primarily from new development both in-city and outside-city. Consumption and revenue will not be significantly affected. As stated earlier, the change in net position of the Water and Sewer Utility Fund was primarily a result of increased charges for sewer, septage and grease pretreatment services, an increase in interest costs, decreases in capital charges and other contributions, and increases in pension expenses.

General Fund Financial Analysis and Budgetary Highlights

Of the City's Governmental Funds, the City's General Fund is the primary (and major) fund. As compared to 2017, actual General Fund revenues for 2018 increased by \$1,470,852 (or 13.8%), due to increases in property taxes and licenses, and grants. Actual General Fund expenditures, net of Utility Fund overhead allocations and capital outlay, totaled \$12,347,121 in 2018 compared to \$11,359,112 in 2017. The General Fund's 'final' budgeted revenues totaled \$13,761,966 and actual revenues achieved equaled \$12,163,842, or \$1.6 million less than budget primarily due to increased Park repair expenses exceeding final approved grant amounts. The City had actual General Fund expenditures before Other Financing Sources (Uses) of \$12,347,121 compared to a 'final' budget of \$15,043,738 for a favorable budget to actual variance of \$2.7 million for the fiscal year ended June 30, 2018.

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

With continued pressures of state-mandated property tax millage 'caps', the City's final budget, before adjusting for fund balance appropriations, reflected a deficiency of estimated revenues over its appropriated expenditures before Other Financing Sources and Uses totaling \$1.3 million. The General Fund's other financing sources and uses budget included \$1.3 million in 2018 from the General Fund's portion of State Accommodations and Hospitality Tax plus an installment purchase contract.

The General Fund also allocates \$1.8 million in overhead and indirect costs to the Water and Sewer Utility Fund. As a final result, actual expenditures were below budget. The General Fund had a positive increase in fund balance of \$1,147,600 for the year ended June 30, 2018.

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 2018 compared to 2017 actual amounts achieved.

General Fund	2018		Variances Favorable (Non- favorable)	2017
	Final Budget	Actual		Actual
Revenue				
Property taxes	\$ 3,261,070	\$ 3,420,752	\$ 159,682	\$ 3,225,201
Licenses and permits	5,387,772	5,387,772	—	5,171,194
Fines and forfeitures	265,200	181,171	(84,029)	214,485
State shared revenue	370,500	391,055	20,555	387,193
Current services	1,063,324	1,028,901	(34,423)	1,035,625
Grants and other	3,412,900	1,751,469	(1,661,431)	658,094
Interest income	1,200	2,722	1,522	1,198
Total revenue	13,761,966	12,163,842	(1,598,124)	10,692,990
Expenditures				
<i>Current (net of Utility Fund overhead allocations and capital outlay):</i>				
General government	1,208,873	448,499	760,374	489,206
Information technology	219,522	105,329	114,193	97,066
Finance	316,124	56,895	259,229	72,419
Public safety	6,743,163	6,304,196	438,967	5,815,970
Public works	1,538,496	1,283,275	255,221	1,253,360
Community relations	166,118	170,325	(4,207)	188,549
Planning and development	685,105	780,893	(95,788)	547,412
Parks and museum	945,441	839,029	106,412	847,583
Garage	405,565	234,362	171,203	263,316
Non-departmental and support services	85,455	31,055	54,400	5,976
Debt service	230,671	112,470	118,201	16,834
Capital outlay	2,499,205	1,980,793	518,412	1,761,421
Total expenditures	15,043,738	12,347,121	2,696,617	11,359,112
Excess (deficiency) of revenue over (under) expenditures	(1,281,772)	(183,279)	1,098,493	(666,122)
Other financing sources and (uses)	1,281,772	1,330,879	49,107	1,283,148
Net change in fund balance	\$ —	\$ 1,147,600	\$ 1,147,600	\$ 617,026

General Fund Financial Analysis and Budgetary Highlights (continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – As of June 30, 2018, the City’s capital assets for its Governmental Activities totaled \$30.2 million, less accumulated depreciation of \$11.7 million for a net carrying value of \$18.5 million. For its Business-type Activities, total capital assets equaled \$193.3 million, less accumulated depreciation of \$48.3 million for a net carrying value of \$145.0 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 \$8,308,591 as a result of a new \$8.0 million Tax Increment Financing (TIF) Bond and a new \$374,000 installment purchase note. In 2017, 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 \$53,072,889, revenue bonds totaling \$10,600,000, and installment purchase contracts payable totaling \$1,330,951 at June 30, 2018. Additional information on the City’s long-term debt can be found in *Note 6* of this report.

While proceeds of the TIF Bonds has been used in Governmental Activities operations, the bonds are secured, additionally, as a junior-lien of the Water and Sewer Utility.

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF CAYCE, SOUTH CAROLINA

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows			
Current assets:			
Cash and cash equivalents	\$ 6,151,517	\$ 2,867,166	\$ 9,018,683
Accounts receivable, net	1,918,516	2,665,536	4,584,052
Note receivable – current portion	—	26,566	26,566
Internal balances, net	79,880	(79,880)	—
Inventories and prepaid items	65,085	221,467	286,552
Total current assets	8,214,998	5,700,855	13,915,853
Non-current assets:			
Restricted cash and cash equivalents	10,537,587	16,975,812	27,513,399
Prepaid bond deposits	47,422	—	47,422
Capital assets not subject to depreciation	10,110,353	25,559,104	35,669,457
Capital assets, net of depreciation	8,385,355	119,449,572	127,834,927
Note receivable	—	78,082	78,082
Other assets, net	85,000	394,705	479,705
Total non-current assets	29,165,717	162,457,275	191,622,992
Total assets	37,380,715	168,158,130	205,538,845
Deferred outflows of resources:			
Deferred outflows related to OPEB	451,658	152,131	603,789
Deferred outflows related to pensions	3,580,530	1,755,521	5,336,051
Losses on bond refundings, net	—	671,722	671,722
Total deferred outflows of resources	4,032,188	2,579,374	6,611,562
Total assets and deferred outflows of resources	\$ 41,412,903	\$ 170,737,504	\$ 212,150,407
Liabilities, Deferred Inflows and Net Position			
Current liabilities:			
Accounts payable	\$ 413,321	\$ 340,038	\$ 753,359
Accrued expenses and other liabilities	345,273	167,035	512,308
Accrued compensated absences – current portion	127,613	76,109	203,722
Construction contracts and retainages payable	1,026,412	5,677	1,032,089
Accrued interest payable	12,049	464	12,513
Unearned revenue, deposits and prepayments	83,770	41,995	125,765
Installment purchase contracts payable – current portion	222,548	452,872	675,420
Current liabilities payable from restricted assets	290,000	6,497,985	6,787,985
Total current liabilities	2,520,986	7,582,175	10,103,161

— 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	232,398	71,510	303,908
Installment purchase contract payable	371,043	878,079	1,249,122
Unearned revenue – future capacity charges and credits	—	1,404,862	1,404,862
SRF loans and revenue bonds payable	7,839,462	60,791,544	68,631,006
Net pension liabilities	12,849,887	6,739,829	19,589,716
Total other post-employment benefit (OPEB) liability	2,781,358	560,650	3,342,008
Total long-term liabilities	24,074,148	70,446,474	94,520,622
Total liabilities	26,595,134	78,028,649	104,623,783
Deferred inflows of resources:			
Deferred inflows related to pensions	851,041	380,124	1,231,165
Total deferred inflows of resources	851,041	380,124	1,231,165
Total liabilities and deferred inflows of resources	27,446,175	78,408,773	105,854,948
Net position:			
Net investment in capital assets	16,595,971	84,289,609	100,885,580
Restricted for:			
Debt service	937,261	1,231,943	2,169,204
Capital projects and redevelopment plan	7,849,728	7,826,889	15,676,617
Tourism	751,178	—	751,178
Law enforcement	17,885	—	17,885
Pensions and employee benefits	933,634	442,596	1,376,230
Unrestricted (deficit)	(13,118,929)	(1,462,306)	(14,581,235)
Total net position	13,966,728	92,328,731	106,295,459
Total liabilities, deferred inflows and net position	\$ 41,412,903	\$ 170,737,504	\$ 212,150,407

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

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	\$ (370,008)	\$ —	\$ —	\$ —	\$ (370,008)	\$ —	\$ (370,008)
Information technology	(115,260)	—	—	—	(115,260)	—	(115,260)
Finance	(83,901)	—	—	—	(83,901)	—	(83,901)
Public safety	(6,869,407)	482,373	513,523	14,467	(5,859,044)	—	(5,859,044)
Public works	(1,663,974)	680,393	806,908	10,000	(166,673)	—	(166,673)
Planning and community development	(1,267,474)	66,363	6,975	—	(1,194,136)	—	(1,194,136)
Parks and museum	(903,950)	342	—	114,887	(788,721)	—	(788,721)
Garage	(266,391)	—	—	—	(266,391)	—	(266,391)
Depreciation and amortization (unallocated)	(1,032,413)	—	—	—	(1,032,413)	—	(1,032,413)
Interest	(266,732)	—	—	—	(266,732)	—	(266,732)
Total governmental activities	(12,839,510)	1,229,471	1,327,406	139,354	(10,143,279)	—	(10,143,279)
<u>Business-type activities:</u>							
Water and sewer utility	(17,753,948)	17,431,831	—	2,888,039	—	2,565,922	2,565,922
Total business-type activities	(17,753,948)	17,431,831	—	2,888,039	—	2,565,922	2,565,922
Total primary government	\$ (30,593,458)	\$ 18,661,302	\$ 1,327,406	\$ 3,027,393	(10,143,279)	2,565,922	(7,577,357)
General Revenue							
<u>General Revenue:</u>							
Property taxes					4,436,724	—	4,436,724
Accommodation and hospitality taxes					1,268,973	—	1,268,973
State shared and unallocated intergovernmental (unrestricted)					408,982	—	408,982
Business licenses, taxes, and penalties					5,302,089	—	5,302,089
Unrestricted investment earnings					3,470	16,528	19,998
Gain on sale of property and other					485,337	5,399	490,736
Total general revenue					11,905,575	21,927	11,927,502
Changes in net position							
Net position – beginning of year					1,762,296	2,587,849	4,350,145
Net position – beginning of year					12,595,566	89,218,215	101,813,781
Cumulative effect of restatement (See Note 15)					(391,134)	522,667	131,533
Net position – end of year					\$ 13,966,728	\$ 92,328,731	\$ 106,295,459

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2018

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 6,067,716	\$ —	\$ 83,801	\$ 6,151,517
Receivables, net	1,429,113	—	94,885	1,523,998
Due from other funds	112,689	—	4,632	117,321
Inventories	59,686	—	—	59,686
Prepaid items	5,399	—	—	5,399
Restricted assets:				
Cash and cash equivalents	961,086	7,841,434	1,735,067	10,537,587
Prepaid bond deposits	—	—	47,422	47,422
Total assets	\$ 8,635,689	\$ 7,841,434	\$ 1,965,807	\$ 18,442,930
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 287,595	\$ —	\$ 125,726	\$ 413,321
Accrued liabilities	335,683	—	—	335,683
Construction and retainage payable	248,008	772,868	5,536	1,026,412
Other liabilities	9,590	—	—	9,590
Deposits and prepayments	83,771	—	—	83,771
Due to other funds	5,070	—	32,371	37,441
Total liabilities	969,717	772,868	163,633	1,906,218
Fund balances:				
Nonspendable in:				
Inventories and prepaid items	65,085	—	47,422	112,507
Restricted for:				
Debt service	—	—	901,888	901,888
Tourism	—	—	751,178	751,178
Capital projects and redevelopment plan	8,294	7,068,566	—	7,076,860
Law enforcement	—	—	17,885	17,885
Victims Rights Assistance	—	—	—	—
Employee benefits	4,326	—	—	4,326
	12,620	7,068,566	1,670,951	8,752,137
Committed for:				
UST program	25,000	—	—	25,000
Assigned for:				
Christmas in Cayce	12,829	—	—	12,829
Congaree Blue Grass Festival Museum	9,777	—	—	9,777
History park	948,466	—	83,801	83,801
	971,072	—	83,801	1,054,873
Unassigned	6,592,195	—	—	6,592,195
Total fund balances	7,665,972	7,068,566	1,802,174	16,536,712
Total liabilities and fund balances	\$ 8,635,689	\$ 7,841,434	\$ 1,965,807	\$ 18,442,930

— 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	\$ 16,536,712
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in these funds.	18,495,708
Other assets not available to pay for current period expenditures and, therefore, are not reported in the funds.	479,518
Certain deferred outflows related to pensions are not available to pay for current expenditures and, therefore, are not reported in the funds.	4,032,188
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in these funds.	(24,726,357)
Certain deferred inflows related to pensions are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(851,041)</u>
Net position, end of year – Governmental Activities	<u>\$ 13,966,728</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, 2018

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenue				
Property taxes	\$ 3,420,752	\$ —	\$ 929,607	\$ 4,350,359
Accommodation and hospitality taxes	—	—	1,251,922	1,251,922
Licenses and permits	5,387,772	—	—	5,387,772
Fines and forfeitures	181,171	—	—	181,171
State shared revenue	391,055	—	17,927	408,982
Current services	1,028,901	—	—	1,028,901
Grants and other	1,751,469	105,355	8,617	1,865,441
Interest income	2,722	—	748	3,470
Total revenue	<u>12,163,842</u>	<u>105,355</u>	<u>2,208,821</u>	<u>14,478,018</u>
Expenditures				
Current:				
General government	448,499	—	—	448,499
Information technology	105,329	—	—	105,329
Finance	56,895	—	—	56,895
Public safety	6,304,196	—	—	6,304,196
Public works	1,283,275	2,299	—	1,285,574
Community relations	170,325	—	—	170,325
Planning and community development	780,893	—	265,107	1,046,000
Parks and museum	839,029	—	—	839,029
Garage	234,362	—	—	234,362
Non-departmental and support services	31,055	—	—	31,055
Debt service	112,470	—	535,862	648,332
Debt issue costs	—	310,868	—	310,868
Capital outlay	1,980,793	1,607,302	89,405	3,677,500
Total expenditures	<u>12,347,121</u>	<u>1,920,469</u>	<u>890,374</u>	<u>15,157,964</u>
Excess (deficiency) of revenue over expenditures	<u>(183,279)</u>	<u>(1,815,114)</u>	<u>1,318,447</u>	<u>(679,946)</u>
Other Financing Sources (Uses)				
TIF bond issue	—	8,436,275	—	8,436,275
Installment purchase contract	374,000	—	—	374,000
Proceeds from sales of assets	44,968	—	—	44,968
Transfers in	911,911	—	—	911,911
Transfers (out)	—	—	(911,911)	(911,911)
Total other financing sources (uses)	<u>1,330,879</u>	<u>8,436,275</u>	<u>(911,911)</u>	<u>8,855,243</u>
Net change in fund balances	1,147,600	6,621,161	406,536	8,175,297
Fund balances, beginning of year	<u>6,518,372</u>	<u>447,405</u>	<u>1,395,638</u>	<u>8,361,415</u>
Fund balances, end of year	<u>\$ 7,665,972</u>	<u>\$ 7,068,566</u>	<u>\$ 1,802,174</u>	<u>\$ 16,536,712</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	\$ 8,175,297
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.	2,636,775
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, etc.) is to decrease net position.	(999)
Revenues in the Statement of Activities do not provide current financial resources are reported as revenues in these funds.	71,319
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.	(818,821)
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>(8,301,275)</u>
Change in net position — Governmental Activities	<u>\$ 1,762,296</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

JUNE 30, 2018

	Business-type Activities – Enterprise Fund Water and Sewer Utility
Assets and Deferred Outflows	
Current assets:	
Cash and cash equivalents	\$ 2,867,166
Receivables, net:	
Water and sewer accounts, net	2,496,485
Other accounts	169,051
Note receivable – current portion	26,566
Prepaid expense	13,716
Inventories	207,751
Total current assets	<u>5,780,735</u>
Non-current assets:	
Restricted cash and cash equivalents	16,975,812
Capital assets not subject to depreciation	25,559,104
Capital assets, net of depreciation	119,449,572
Note receivable	78,082
Other assets, net	394,705
Total non-current assets	<u>162,457,275</u>
Total assets	<u>168,238,010</u>
Deferred outflows of resources:	
Deferred outflows related to other post-employment benefits (OPEB)	152,131
Deferred outflows related to pension	1,755,521
Losses on bond refundings, net	671,722
	<u>2,579,374</u>
Total assets and deferred outflows	<u>\$ 170,817,384</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	\$ 340,038
Accrued payroll and related taxes	165,447
Accrued compensated absences – current portion	76,109
Installment purchase contract payable – current portion	452,872
Construction contract payable	5,677
Accrued interest	12,503
Other liabilities	1,588
Due to other funds (internal balances)	79,880
Customer prepayments	41,995
Current liabilities payable from restricted assets	6,497,985
Total current liabilities	<u>7,662,055</u>
Long-term (non-current) liabilities:	
Accrued compensated absences	71,510
Unearned revenue – future capacity charges and credits	1,404,862
Installment purchase contract payable	878,079
SRF loans payable	50,954,399
Revenue bonds payable	9,837,145
Net pension liability	6,739,829
Total other post-employment benefit (OPEB) liability	560,650
Total long-term liabilities	<u>70,446,474</u>
Total liabilities	<u>78,108,529</u>
Deferred inflows of resources:	
Deferred inflows related to pension	380,124
	<u>380,124</u>
Net position:	
Net investment in capital assets	84,289,609
Restricted for:	
Debt and capital projects	9,058,832
Pension and employee benefits	442,596
Unrestricted (deficit)	(1,462,306)
Total net position	<u>92,328,731</u>
Total liabilities, deferred inflows and net position	<u>\$ 170,817,384</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, 2018

	<u>Business-type Activities – Enterprise Fund Water and Sewer Utility</u>
Operating Revenue (pledged as security for loans and revenue bonds)	
Water:	
Sales	\$ 5,354,532
Connection fees	117,961
Sewer:	
Service charges	10,398,261
Connection fees	—
Septage/grease services:	
Sales and permits	1,112,055
Pretreatment set-up fees	99,805
Re-connection fees	39,005
Penalties	160,246
Miscellaneous income	149,966
Total operating revenue	<u>17,431,831</u>
Operating Expenses	
Administrative	643,649
Utility billing	805,541
Water treatment plant	1,691,511
Water distribution and maintenance	1,418,235
Wastewater treatment plant	3,313,995
Sewer collection and outfall lines	1,606,901
Septage and grease receiving station	600,684
Non-departmental and support services	1,800,000
Depreciation and amortization expense	4,655,988
Total operating expenses	<u>16,536,504</u>
Operating income	<u>895,327</u>
Non-Operating Revenue (Expenses)	
Interest income	16,528
Gains from sale, disposal of equipment	5,399
Interest expense	(1,103,300)
Amortization of bond refinancing losses	(105,178)
Fiscal agent fees	(8,966)
Total non-operating revenue (expenses)	<u>(1,195,517)</u>
Income (loss) before contributions	(300,190)
Capital Contributions	
Capacity charges and other capital contributions	<u>2,888,039</u>
Change in net position	2,587,849
Net position, beginning of year	89,218,215
Cumulative effect of restatement (<i>See Note 15</i>)	522,667
Net position, end of year	<u>\$ 92,328,731</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2018

	<u>Business-type Activities— Enterprise Fund Water and Sewer Utility</u>
Cash Flows from Operating Activities	
Cash received from:	
Usage fees	\$ 16,905,031
Tap fees	117,961
Service and miscellaneous charges	449,022
Cash paid to (for):	
Employee salaries and related costs	(4,397,023)
Water treatment and distribution costs	(1,697,116)
Sewer treatment and collection costs	(3,272,753)
Septage and grease treatment and disposal costs	(552,037)
Other administrative and billing costs	(159,576)
Indirect (overhead) and support costs	(1,800,000)
Net cash provided by (used in) operating activities	<u>5,593,509</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of capital assets	5,399
Acquisition and construction of capital assets	(19,059,706)
Interest and fiscal agent fees paid on capital related debt	(1,155,171)
Proceeds from installment purchase agreement	1,200,000
Principal payments on bonds and notes	(3,152,450)
Return of 2002 Springdale escrowed funds	(52,614)
Capacity charges and other capital contributions	760,650
Net cash provided by (used in) capital and related financing activities	<u>(21,453,892)</u>
Cash Flows from Investing Activities	
Interest received	16,528
Net cash provided by investing activities	<u>16,528</u>
Net increase (decrease) in cash and cash equivalents	(15,843,855)
Cash and cash equivalents, beginning of year (of which \$32,486,290 is restricted)	<u>35,686,833</u>
Cash and cash equivalents, end of year (of which \$16,795,812 is restricted)	<u>\$ 19,842,978</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	\$ 895,327
Adjustments to reconcile operating income to net cash provided by operations:	
Depreciation and amortization expense	4,655,988
Changes in certain assets and liabilities:	
(Increase) decrease in accounts receivable	61,619
(Increase) decrease in inventory and prepaid items	(30,806)
Increase (decrease) in accounts payable/accrued liabilities	115,622
Increase (decrease) in amounts due to/from others	(17,012)
Increase (decrease) in customer deposits and prepayments	(21,436)
Increase (decrease) in total OPEB liability	614,256
Increase (decrease) in net pension liabilities	(309,375)
Increase (decrease) in OPEB related deferred outflows	(394,827)
(Increase) decrease in pension related deferred outflows	(152,131)
Increase (decrease) in pension related deferred inflows	157,436
Increase (decrease) in accrued compensated absences	18,848
Net cash provided by (used in) operating activities	<u>\$ 5,593,509</u>
Supplemental disclosure of non-cash capital and related financing activities	
Contributed property by developers	\$ 2,022,741
Amortization of revenue bond refinancing losses	\$ 105,178
Amortization of revenue bond premium/discount	\$ 49,474

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 228,880
Total assets	<u>\$ 228,880</u>
Liabilities	
Amounts due to others	\$ 228,880
Total liabilities	<u>\$ 228,880</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2018.

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, 2018, 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 \$13,243,738, plus \$1,800,000 Utility Fund indirect costs and overhead allocated to the General Fund departments, and other financing sources (uses) of \$1,281,772. 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 \$13,292,404 (including operation and maintenance, capital improvements, debt service principal amounts and coverages). Actual operating expenses totaled \$16,536,504 (including a charge of \$4,655,988 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, 2018.

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

Cash and Cash Equivalents and Investments

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

Short-Term Interfund Receivables/Payables

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

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

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

Accounts Receivable and Allowance for Doubtful Accounts

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

Inventory and Prepaid Items

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

Restricted Assets

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

Other Assets

Other assets consists of purchases of intangible assets, or 'contractual rights' to use capital asset resources. The Business-type Activities contract rights result from the purchase of expanded wastewater collection lines owned by a third-party (Red Bank Line) where the City uses the additional line capacity. The purchase price (cost) totaling \$563,864 is being amortized over the life of the contract (40 years). Amortization expense for the year ended June 30, 2018 totaled \$14,097. 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, 2018. 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, 2018, 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.

Total OPEB Liability

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

CITY OF CAYCE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

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

Total OPEB Liability (continued)

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

Net Position and Fund Balances

In the Government-wide financial statements, the difference between the City's total assets and deferred inflows, less total liabilities and deferred outflows represents net position. Net position for both the governmental and proprietary fund types displays three components – net investment in capital assets; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the assets available for future operations. In the Fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor the constraints on the specific purposes for which amounts in those funds can be spent. "Nonspendable" fund balances include those amounts that cannot be spent because they are either not in a spendable form or legally or contractually required to be maintained intact.

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

Property Taxes

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

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

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

Property Taxes (continued)

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

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

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

Program and General Revenue

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

Interfund Activities

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

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

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

Deferred Inflows/Outflows of Resources

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

At June 30, 2018, the City reported ‘deferred outflows of resources’ consisting of debt refunding losses (resulting from the difference between the new refunding debt (reacquisition price) and the net carrying amount of the old refunded debt), pension related, and OPEB related outflows. The debt funding losses amount is being amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

The City reported ‘deferred inflows of resources’ related to pensions at June 30, 2018.

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, 2018, the City had the following cash and investment balances:

Cash on hand	\$ 1,830
Carrying amount of deposits	27,620,099
Carrying amount of investments	1,685,107
Funds held in trust by State	<u>7,501,348</u>
Total	<u>\$ 36,808,384</u>
 Statement of Net Position balances:	
Cash and cash equivalents	\$ 9,018,683
Cash and cash equivalents – restricted	27,513,399
Prepaid bond deposits	47,422
Cash and cash equivalents – fiduciary	<u>228,880</u>
Total	<u>\$ 36,808,384</u>
 Investments are categorized as follows:	
Money Market Funds	<u>\$ 1,685,107</u>

Deposits

Custodial credit risk of deposits is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At June 30, 2018, the carrying amount of the City’s cash deposits with financial institutions was \$27,620,099 and the financial institution’s balances totaled \$29,037,179. Of this balance, \$1,261,300 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, 2018, 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, 2018, the City had the following investments subject to interest rate risk:

	<u>Fair Value</u>	<u>Maturity</u>
Money Market Funds	\$ 1,685,107	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, 2018, 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, 2018, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities
Property taxes	\$ 2,084,081	\$ —
Hospitality taxes	93,610	—
Sanitation and fire hydrant fees	62,499	—
Water and sewer accounts	—	2,304,675
WWTP contract ‘true-up’ due – prior year	—	226,810
Franchise fees	32,525	—
Grants receivable (federal and state)	1,166,306	115,856
State shared revenue and other	67,565	—
Accommodations taxes	49,942	—
ABC permits	1,275	—
Other	139,672	53,195
Gross receivables	3,697,475	2,700,536
Less, allowance for uncollectible	(1,778,959)	(35,000)
Net total receivables	\$ 1,918,516	\$ 2,665,536

During 2018, the City executed a long term note receivable with a developer. The note was for \$106,875 in capacity fees. It is payable monthly in the amount of \$2,227 with final payment due March 21, 2022. At June 30, 2018, the balance was \$104,648.

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, 2018, were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 112,689	\$ 5,070
Accommodations Tax Fund	—	30,772
Hospitality Tax Fund	2,206	1,599
Debt Service Fund	2,426	—
Water and Sewer Fund	—	79,880
	\$ 117,321	\$ 117,321

Net internal balances shown on the Statement of Net Position between Governmental and Business-type Activities totaled \$79,880 at June 30, 2018.

5. Capital Assets

A summary of the changes in the City's capital assets during the year ended June 30, 2018, are as follows:

A. Governmental Activities:

	Balance June 30, 2017	Additions	Retirements	Transfers	Balance June 30, 2018
Capital assets not being depreciated:					
Land and rights-of-way	\$ 8,219,715	\$ —	\$ —	\$ 637,292	\$ 8,857,007
Construction in progress	1,673,093	2,732,015	—	(3,151,762)	1,253,346
Total capital assets not being depreciated	9,892,808	2,732,015	—	(2,514,470)	10,110,353
Capital assets being depreciated:					
Land improvements	6,261,079	—	—	2,249,510	8,510,589
Buildings and improvements	2,087,184	18,698	—	264,960	2,370,842
Furniture, vehicles, equipment	8,830,772	940,287	(553,560)	—	9,217,499
Totals capital assets being depreciated	17,179,035	958,985	(553,560)	2,514,470	20,098,930
Less, accumulated depreciation for:					
Land improvements	(3,260,342)	(434,781)	—	—	(3,695,123)
Buildings and improvements	(1,274,813)	(79,967)	—	—	(1,354,780)
Furniture, vehicles, equipment	(6,676,756)	(539,477)	552,561	—	(6,663,672)
Total accumulated depreciation	(11,211,911)	(1,054,225)	552,561	—	(11,713,575)
Total capital assets being depreciated, net	5,967,124	(95,240)	(999)	2,514,470	8,385,355
Net capital assets – Governmental Activities	\$ 15,859,932	\$ 2,636,775	\$ (999)	\$ —	\$ 18,495,708

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

5. Capital Assets (Continued)

B. Business-Type Activities:

	Balance June 30, 2017	Additions	Retirements	Transfers	Balance June 30, 2018
Capital assets not being depreciated:					
Land and rights-of-way	\$ 330,568	\$ —	\$ —	\$ —	\$ 330,568
Construction in progress	7,140,616	19,116,194	—	(1,028,274)	25,228,536
Total capital assets not being depreciated	<u>7,471,184</u>	<u>19,116,194</u>	<u>—</u>	<u>(1,028,274)</u>	<u>25,559,104</u>
Capital assets being depreciated:					
Water plant and distribution system	42,665,859	824,126	—	—	43,489,985
Wastewater plant and collection system	112,671,611	1,198,615	—	1,028,274	114,898,500
Septage & grease facility	1,532,900	—	—	—	1,532,900
Furniture, vehicles, equipment	7,089,977	805,968	(38,800)	—	7,857,145
Total capital assets being depreciated	<u>163,960,347</u>	<u>2,828,709</u>	<u>(38,800)</u>	<u>1,028,274</u>	<u>167,778,530</u>
Less, accumulated depreciation for:					
Water plant and distribution system	(17,631,762)	(1,193,918)	—	—	(18,825,680)
Wastewater plant and collection system	(21,522,092)	(2,895,378)	—	—	(24,417,470)
Septage & grease facility	(161,522)	(51,050)	—	—	(212,572)
Furniture, vehicles, equipment	(4,361,017)	(551,019)	38,800	—	(4,873,236)
Total accumulated depreciation	<u>(43,676,393)</u>	<u>(4,691,365)</u>	<u>38,800</u>	<u>—</u>	<u>(48,328,958)</u>
Total capital assets being depreciated, net	<u>120,283,954</u>	<u>(1,862,656)</u>	<u>—</u>	<u>1,028,274</u>	<u>119,449,572</u>
Net capital assets – Business-type Activities	<u>\$127,755,138</u>	<u>\$ 17,253,538</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$145,008,676</u>

For the year ended June 30, 2018, 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 \$79,688 was capitalized as part of the construction for Business-type Activities at during the fiscal year 2018.

CITY OF CAYCE, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt

Long-term debt of the City at June 30, 2018, consisted of the following:

A. Governmental Activities

Tax Increment Finance (TIF) Junior Lien Bonds, Series 2017, \$8,000,000, dated August 1, 2017, principal and interest (3.0% – 4.0%) payable semi-annually, final payment due June, 2037.	\$ 7,715,000
Installment purchase contract – (vehicles) \$519,000, dated September 13, 2016, interest at 1.33% per annum (payable monthly with principal) final payment due September 2020.	295,329
Installment purchase contract – (vehicles) \$374,000, dated August 14, 2017, interest at 1.78% per annum (payable monthly with principal) due on August 2021.	298,262
	8,308,591
Less, current portions (due within one year):	
TIF Junior lien bonds (Series 2017)	(290,000)
Installment purchase contracts payable	(222,548)
Add, bond premium:	
Series 2017 bond premium (\$436,275 net of \$21,813 accumulated amortization)	414,462
Total long-term debt – Governmental Activities	\$ 8,210,505

Series 2017 TIF ‘Junior Lien’ Bonds

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

Installment Purchase Contracts

During FY 2016-2017, the City entered into an installment purchase contract totaling \$519,000 for acquiring certain vehicles and equipment used in the Governmental Activities operation. At June 30, 2018, total outstanding balance totaled \$295,329.

During FY 2017-2018, the City entered into an installment lease-purchase contract totaling \$374,000, dated August 14, 2017, for certain equipment and vehicles. The Note is collateralized by certain equipment and vehicles used in the Governmental Activities operation. At June 30, 2018, total outstanding balance totaled \$298,262.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (continued)

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.	\$ 519,522
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.	24,810,649
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.	3,182,340
Water and Sewer System Refunding Revenue Bonds, Series 2016A (taxable), \$8,470,000, dated March 29, 2016, principal and interest (.95% – 3.22% per annum) payable semi-annually, final payment due July 1, 2024.	6,100,000
Water and Sewer System Refunding Revenue Bonds, Series 2016B (non-taxable), \$4,500,000, dated March 29, 2016, principal and interest (3.00% – 4.00% per annum) payable semi-annually, final payment due July 1, 2028.	4,500,000
Clean Water State Revolving Funds (SRF) Loan, Series 2017, \$24,560,378, dated February 9, 2017, principal and interest (1.80% per annum) payable quarterly, final payment due December 2048.	24,560,378
Installment purchase contract – (Utility Department Vehicles), \$639,000, dated September 4, 2015, interest at 1.47% per annum, due September 2019.	202,313
Installment purchase contract – (Water Meters) \$1,200,000, dated March 27, 2018, interest at 2.63% Per annum, due March 2022	1,128,638
	<u>65,003,840</u>
Add/Subtract:	
Series 2016A Bond discount (\$44,769 net of \$15,545 accumulated amortization)	(29,224)
Series 2016B Bond premium (\$660,846 net of \$149,477 accumulated amortization)	511,369
Current portion, State Revolving Fund Loans (Series' 2002, 2009, 2015, and 2017)	(2,118,490)
Current portion, Revenue bonds (Series 2016A)	(1,245,000)
Current portion, Installment purchase contracts payable	<u>(452,872)</u>
Total long-term debt – Business-type Activities	<u>\$ 61,669,623</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, 2018, total funds available in the trust account equaled \$5,490,327, and the outstanding principal and interest due on the Series 2007A bonds equaled \$7,193,156. 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.

CITY OF CAYCE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

B. Business-Type Activities (continued)

Bond Refunding Gains or Losses

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, 2018, accumulated amortization totaled \$594,706 and amortization expense of the bond refunding loss equaled \$105,178.

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.

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

6. Long-Term Debt (Continued)

B. Business-Type Activities (continued)

Installment Purchase Contracts

During FY 2015-2016, the City entered into an installment lease-purchase contract totaling \$639,000, dated July 27, 2015, and is collateralized by certain equipment used in the Business-type Activities (Water and Sewer Utility Fund) operations. At June 30, 2018, the total outstanding balance was \$202,313.

During FY 2017-2018, the City entered into an installment lease-purchase contract totaling \$1,200,000, dated March 27, 2018, for water meters. The Note is collateralized by certain equipment used in the Business-type Activities (Water and Sewer Utility Fund) operations. At June 30, 2018, total outstanding balance was \$1,128,638.

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, 2018, were as follows:

	<u>Date of Issue</u>	<u>Outstanding 6/30/17</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding 6/30/18</u>
Governmental Activities:					
TIF Revenue Bonds – Series 2017	8/1/17	\$ —	\$ 8,000,000	\$ (285,000)	\$ 7,715,000
Installment purchase contracts	Various	\$ 423,778	\$ 374,000	\$ (204,187)	\$ 593,591
Accrued compensated absences	—	\$ 336,080	\$ 199,901	\$ (175,970)	\$ 360,011
Business-type Activities:					
Clean Water State Revolving Funds Loan – Series 2002	12/01/02	\$ 611,726	\$ —	\$ (92,204)	\$ 519,522
Clean Water State Revolving Funds Loan – Series 2009	9/15/09	\$ 26,333,859	\$ —	\$ (1,523,210)	\$ 24,810,649
Clean Water State Revolving Funds Loan – Series 2015	1/29/15	\$ 3,335,365	\$ —	\$ (153,025)	\$ 3,182,340
Water and Sewer System Refunding Revenue Bonds – Series 2016A (Taxable)	3/29/16	\$ 7,775,000	\$ —	\$ (1,675,000)	\$ 6,100,000
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 contracts	Various	\$ 362,630	\$ 1,200,000	\$ (231,679)	\$ 1,330,951
Accrued compensated absences	—	\$ 128,771	\$ 65,127	\$ (46,279)	\$ 147,619

Accrued compensated absences due within one year for the Governmental Activities total \$127,613 and for Business-type Activities total \$76,109 at June 30, 2018.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

D. Annual Requirements for Long-Term Debt

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
Governmental Activities:			
TIF Bond, Series 2017			
2019 (due within one year)	\$ 290,000	\$ 279,063	\$ 569,063
2020	300,000	270,363	570,363
2021	310,000	261,363	571,363
2022	315,000	252,063	567,063
2023	325,000	242,613	567,613
2024-2028	1,835,000	1,006,665	2,841,665
2029-2033	2,240,000	608,865	2,848,865
2034-2037	2,100,000	179,423	2,279,423
	<u>\$ 7,715,000</u>	<u>\$ 3,100,418</u>	<u>\$ 10,815,418</u>
Installment Purchase Contract:			
2019 (due within one year)	\$ 222,547	\$ 7,694	\$ 230,241
2020	225,947	4,294	230,241
2021	128,977	1,286	130,263
2022	16,120	36	16,156
	<u>\$ 593,591</u>	<u>\$ 13,310</u>	<u>\$ 606,901</u>
Business-type Activities:			
SRF Loan, Series 2002			
2019 (due within one year)	\$ 94,296	\$ 10,898	\$ 105,194
2020	96,436	8,758	105,194
2021	98,624	6,570	105,194
2022	100,862	4,332	105,194
2023	103,151	2,043	105,194
2024	26,153	145	26,298
	<u>\$ 519,522</u>	<u>\$ 32,746</u>	<u>\$ 552,268</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

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

<u>Business-type Activities (cont.):</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
SRF Loan, Series 2009			
2019 (due within one year)	\$ 1,557,773	\$ 545,157	\$ 2,102,930
2020	1,593,119	509,811	2,102,930
2021	1,629,268	473,662	2,102,930
2022	1,666,237	436,693	2,102,930
2023	1,704,045	398,885	2,102,930
2024-2028	9,118,059	1,396,591	10,514,650
2029-2032	7,542,148	343,838	7,885,986
	<u>\$ 24,810,649</u>	<u>\$ 4,104,637</u>	<u>\$ 28,915,286</u>
SRF Loan, Series 2015			
2019 (due within one year)	\$ 156,109	\$ 62,480	\$ 218,589
2020	159,254	59,335	218,589
2021	162,463	56,126	218,589
2022	165,737	52,852	218,589
2023	169,077	49,512	218,589
2024-2028	897,882	195,063	1,092,945
2029-2033	992,066	100,879	1,092,945
2034-2038	479,752	12,080	491,832
	<u>\$ 3,182,340</u>	<u>\$ 588,327</u>	<u>\$ 3,770,667</u>
Revenue Bonds, Series 2016A			
2019 (due within one year)	\$ 1,245,000	\$ 138,241	\$ 1,383,241
2020	765,000	120,133	885,133
2021	780,000	103,708	883,708
2022	800,000	84,933	884,933
2023	820,000	63,658	883,658
2024-2025	1,690,000	50,825	1,740,825
	<u>\$ 6,100,000</u>	<u>\$ 561,498</u>	<u>\$ 6,661,498</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

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

	Principal	Interest	Total Requirements
Business-type Activities (cont.):			
Revenue Bonds, Series 2016B			
2019 (due within one year)	\$ —	\$ 177,850	\$ 177,850
2020	—	177,850	177,850
2021	—	177,850	177,850
2022	—	177,850	177,850
2023	—	177,850	177,850
2024-2028	3,390,000	679,575	4,069,575
2029	1,110,000	22,200	1,132,200
	<u>\$ 4,500,000</u>	<u>\$ 1,591,025</u>	<u>\$ 6,091,025</u>
SRF Loan, Series 2017			
2019 (due within one year)	\$ 310,312	\$ 220,347	\$ 530,659
2020	629,046	432,271	1,061,317
2021	640,446	420,872	1,061,318
2022	652,052	409,265	1,061,317
2023	663,868	397,449	1,061,317
2024-2028	3,504,219	1,802,366	5,306,585
2029-2033	3,833,453	1,473,132	5,306,585
2034-2038	4,193,617	1,112,968	5,306,585
2039-2043	4,587,624	718,961	5,306,585
2044-2048	5,018,644	287,941	5,306,585
2049	527,097	3,567	530,664
	<u>\$ 24,560,378</u>	<u>\$ 7,279,139</u>	<u>\$ 31,839,517</u>
Installment Purchase Contract			
2019 (due within one year)	\$ 452,872	\$ 28,104	\$ 480,975
2020	337,532	18,578	356,110
2021	305,838	10,547	316,385
2022	234,709	2,579	237,289
	<u>\$ 1,330,951</u>	<u>\$ 59,808</u>	<u>\$ 1,390,759</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, 2018.

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	\$ 18,495,708	\$ 145,008,676
Less, TIF, bonds, revenue bonds, loans, and installment purchase contracts payable	(8,723,053)	(65,485,985)
Add, back unspent portion of debt proceeds	7,849,728	7,501,348
Less, construction and retainages payable	(1,026,412)	(2,734,430)
Total net investment in capital assets	\$ 16,595,971	\$ 84,289,609

CITY OF CAYCE, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Net Position (continued)

	Governmental Activities	Business-type Activities
<u>Restricted:</u>		
Restricted assets:		
Debt service	\$ 1,075,036	\$ 1,637,685
Project and construction funds	7,849,728	6,743,420
Cayce WWTP facility renewal and replacement fund	—	1,083,469
Accommodations and hospitality taxes (for tourism)	734,342	—
Pensions and employee benefits	933,634	442,596
Law enforcement	17,885	—
ABC permit activities (for tourism)	54,743	—
Victim’s Rights Assistance	—	—
Less, liabilities payable from restricted assets:		
Debt service related	(137,775)	(405,742)
Tourism related	(37,907)	—
Total restricted net position	\$ 10,489,686	\$ 9,501,428

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, 2018, 2017, and 2016, were approximately \$9,353,977, \$9,058,566, and \$8,359,967, respectively. State statutes also determine the levels of contributions required by both employers and employees.

For the year ended June 30, 2018, SCRS contribution rates were 9.00% and 13.56% for non-public safety employees and the employer, respectively. PORS contribution rates were 9.75% and 16.24% for public safety employees and the employer, respectively. Effective July 1, 2018, for non-public safety employees, the employee contribution rate will be 9.00% and the employer required contribution will be 14.56%, which includes .15% of group life coverage. Effective July 1, 2018, for public safety employees, the employee contribution rate will be 9.75% and the employer contribution rate will be 17.24%, 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, 2018, 2017, and 2016, as shown in the following table.

	SCRS			PORS		
	2018	2017	2016	2018	2017	2016
Wages:						
Pensionable	\$ 6,017,697	\$ 5,897,743	\$ 5,443,028	\$ 3,336,280	\$ 3,160,823	\$ 2,916,939
Contribution rates:						
Employees	9.00%	8.66%	8.16%	9.75%	9.24%	8.74%
Employer	13.56%	11.56%	11.06%	16.24%	14.24%	13.74%
Contributions:						
Employees	\$ 539,513	\$ 510,745	\$ 444,152	\$ 325,288	\$ 292,061	\$ 254,942
Employer	\$ 811,322	\$ 667,638	\$ 635,004	\$ 528,467	\$ 422,067	\$ 406,098

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, 2018, the City reported a liability of \$19,589,716 for the measurement period June 30, 2017 for its proportionate share of the net pension liabilities, of which \$13,159,611 was for SCRS and \$6,430,105 was for PORS. The net pension liabilities were measured by PEBA as of June 30, 2017 and the total pension liabilities used to calculate the net pension liability was determined by an actuarial valuation of data as of July 1, 2016 and rolled forward to June 30, 2017. 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, 2017, PEBA reported the City's proportion of the collective net pension liability was 0.058457% for SCRS and 0.234710% for PORS.

For the year ended June 30, 2018, the City recognized pension expense of \$2,382,188 of which \$1,559,932 was for SCRS (\$753,653 in Governmental Activities and \$806,279 in the Business-type Activities) and \$822,256 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, 2017, follows:

	SCRS	PORS	Total
Pension expense:			
Service cost	\$ 470,027	\$ 391,220	\$ 861,247
Interest on total pension liability	1,939,633	1,110,316	3,049,949
Changes in plan benefits	—	—	—
Plan administrative costs	7,874	5,044	12,918
Plan member contributions	(483,172)	(300,054)	(783,226)
Expected return on plan assets	(1,028,945)	(677,219)	(1,706,164)
Recognition of deferred outflows/inflows:			
Plan performance	90,685	42,052	132,737
Assumption changes	250,685	171,764	422,449
Investment experience	84,551	53,072	137,623
Proportion changes	266,081	28,265	254,346
Other	2,513	(2,204)	309
Total pension expense	1,559,932	822,256	2,382,188
PEBA employer contribution	(681,823)	(450,099)	(1,131,922)
Changes in deferred items (net of amortization):			
Outflow – Plan performance	(65,790)	(28,776)	(94,566)
Outflow – Assumption changes	770,354	610,276	1,380,630
Outflow – Investment experience	(356,361)	(238,087)	(594,448)
Outflow – Allocated proportion change	207,979	85,065	293,044
Inflow – Plan performance	5,744	—	5,744
Inflow – Assumption changes	—	—	—
Inflow – Investment experience	(286,370)	(190,854)	(477,224)
Inflow – Allocated proportion change	—	16,768	16,768
	275,556	254,392	529,948
Total change in net pension liability	\$ 1,153,665	\$ 626,549	\$ 1,780,214

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, 2018, 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	\$ 58,666	\$ 57,338	\$ 116,004
Changes of assumptions	770,354	610,276	1,380,630
Net difference between projected and actual earnings on pension plan investments	1,061,652	673,401	1,735,053
Changes in proportion and differences between City contributions and proportionate share of contributions	528,850	145,390	674,240
City contributions subsequent to the measurement date	831,273	530,741	1,362,014
Employer differences	64,922	3,188	68,110
Total	\$ 3,315,717	\$ 2,020,334	\$ 5,336,051

	Deferred Inflows of Resources Related to Pensions		
	SCRS	PORS	Total
Differences between expected and actual plan performance	\$ 7,294	\$ —	\$ 7,294
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on pension plan investments	694,297	444,270	1,138,567
Changes in proportion and differences between City contributions and proportionate share of contributions	—	30,117	30,117
Employer differences	12,338	42,849	55,187
Total	\$ 713,929	\$ 517,236	\$ 1,231,165

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 \$1,362,014 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		
Fiscal year ended June 30:	SCRS	PORS	Total
2019	\$ 950,677	\$ 518,540	\$ 1,469,217
2020	875,096	483,421	1,358,517
2021	621,585	371,102	992,687
2022	37,086	116,530	153,616
	\$ 2,484,444	\$ 1,489,593	\$ 3,974,037

	Deferred Inflows of Resources Related to Pensions		
Fiscal year ended June 30:	SCRS	PORS	Total
2019	\$ 332,427	\$ 241,298	\$ 573,725
2020	132,169	106,628	238,797
2021	127,505	86,601	214,106
2022	121,828	82,709	204,537
	\$ 713,929	\$ 517,236	\$ 1,231,165

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

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 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

*After the July 1, 2016 actuarial report was issued, the state legislative changed the statutory investment return rate to 7.25% effective July 1, 2017. A roll forward adjustment was made by the actuary for this assumption revision June 30, 2017 plan year report used for the June 30, 2018 actuarial report.

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, 2017 valuation were based on the results of an actuarial experience study on data through July 1, 2015.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the June 30, 2017, actuarial valuations, was based upon the 30 year capital market outlook at the end of the beginning of 2017, 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, 2017. 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 Systems, 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 below. Due to the Act effective July 1, 2017, the rates in this table were actuarially adjusted to 7.25 percent assumed annual investment rate of return comprised of a 5.00 percent real rate of return and a 2.25 percent inflation component.

<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	45.0%		
Global Public Equity	31.0%	6.72%	2.08%
Private Equity	9.0%	9.60%	0.86%
Equity Options Strategies	5.0%	5.91%	0.30%
Real Estate	8.0%		
Real Estate (private)	5.0%	4.32%	0.22%
Real Estate (REITs)	2.0%	6.33%	0.13%
Infrastructure	1.0%	6.26%	0.06%
Opportunistic	17.0%		
GTAA/Rik Parity	10.0%	4.16%	0.42%
Hedge Funds (non-PA)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.92%	0.24%
Emerging Markets Debt	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	2.0%	0.92%	0.02%
Total expected real return	<u>100.0%</u>		<u>5.32%</u>
Inflation for actuarial purposes			<u>2.25%</u>
Total expected nominal return			<u>7.57%</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities at June 30, 2017, was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

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

	City's proportionate share of the net pension liabilities to changes in the discount rate		
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCRS	\$ 16,960,931	\$ 13,159,611	\$ 10,853,103
PORS	\$ 8,681,865	\$ 6,430,105	\$ 4,656,424

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

GASB Statement No. 75

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

Plan Description

In addition to the pension benefits described in *Note 8*, the City’s single employer defined benefit OPEB plan, *City of Cayce Postretirement Health Plan* (herein after referred to as “OPEB plan” or “Program”), provides, if elected, other post-employment benefits for any employee who was hired prior to July 1, 2009 and who qualifies under the South Carolina Retirement System’s regular service retirement and who has 15 years of service with the City. The Program is a single employer defined benefit OPEB plan administered by the City (through the Mayor and City Council). “Section 2-123” of the City Code published in 1996, adopted and effective May 14, 1996, grants the authority to establish and amend the benefit terms and financing requirements (funding policy) to the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The program does not issue separate stand-alone financial statements and is not included in the financial statements of another entity.

Benefits Provided

The plan offers retired employees’ premium payments for the employee group health insurance plan (including dental) at no cost. The City’s medical policy premium rates are based upon age and range from \$847.58 to \$1,419.08 for the retiree and from \$881.50 to \$1,475.83 for the spouse for the Program year ended June 30, 2018. The retiree paid nothing for retiree only coverage and paid the full premium rate for spouse coverage. The program covers the retired employee until the earlier of (1) the retired employee reaches age 65, or (2) the retired employee qualifies for health insurance under another plan. The spouse coverage ceases upon the death of the retiree. The plan also provides all retirees with \$15,000 of life insurance benefits which costs \$43.20 per year, all of which is contributed by the employer.

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, 2018, the City had 9 retired employees with an average age of 58.6 years covered by the program with monthly premium costs averaging \$791.37 per participant. Total expenses funded by the City for the year ended June 30, 2018 were \$91,123; all which have been funded by the General Fund and none have been funded by the Proprietary Fund. For prior fiscal years 2017 and 2016, total funding expenses were \$59,370 and \$43,573 respectively.

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

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

Expected Future Cash Flows

Fiscal Year	Estimated Benefit Payments
2019	\$ 140,597
2020	164,106
2021	172,697
2022	203,528
2023	195,601
2024	161,472
2025	192,956
2026	216,299
2027	250,314
2028	266,544

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

Employees covered by benefit terms

At the valuation date of June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Inactive employees entitled to but not yet receiving benefit payments	—
Active employees	54
	63

The plan was closed to new entrants at June 30, 2018. However, effective July 1, 2018, the City joined the State of South Carolina health plan and the plan was reopened to all current employees and inactive employees receiving benefits.

Total OPEB Liability

The City's total OPEB liability of \$3,342,007 (of which \$2,781,358 was for the General Fund and \$560,650 was for the Proprietary Fund) was valued as of June 30, 2017, and was determined by an actuarial valuation as of that date completed in May 2018.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Actuarial Assumptions and other inputs

The total OPEB liability in the July 1, 2017 actuarial valuation, measured as of May 2018, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index as of May 23, 2018.

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

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Changes since the last actuarial valuation: In the actuarial valuation dated July 1, 2015, the Level Dollar Amount Open amortization method was used. The amortization was changed to a discount rate of 3.40% to comply with GASB Statement No.75. Starting per capita costs were updated using the most recent premiums (as of July 1, 2017). The health care trend rates were reset based on recent experience (as of May 2018). Decrements were changed to those in the most recent South Carolina Retirement System and Police Officers Retirement System Pension valuation reports (as of May 2018).

Changes in the Total OPEB Liability

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

Total other post-employment benefit (OPEB) liability – beginning of year, as restated ⁽¹⁾	\$ 2,581,139
Changes in total OPEB Liability:	
Service cost	127,074
Interest	85,250
Changes of benefit terms	—
Differences between expected and actual experience	63,702
Changes in assumptions or other inputs	524,476
Contributions – employer	—
Contributions – active and inactive employees	—
Net investment income	—
Benefit payments ⁽²⁾	(147,565)
Other changes	107,931
Net changes	760,868
Total other post-employment benefit (OPEB) liability – end of year	\$ 3,342,007

⁽¹⁾ Fiscal year 2015 results calculated two years later in accordance with GASB 75.

⁽²⁾ Includes the Implicit Rate Subsidy.

There were no changes of benefit terms during the period.

Changes of assumptions and other inputs reflect a change in the discount rate from 4.50 percent in 2015 to 3.40 percent as of July 1, 2017.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Sensitivity Analysis

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

City's Total OPEB Liability sensitivity to changes in the discount rate			
	1% Increase (4.40%)	Valuation Rate (3.40%)	1% Decrease (2.40%)
Total OPEB liability	\$ 3,098,781	\$ 3,342,007	\$ 3,603,667

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

City's Health Care Trend sensitivity to changes in the discount rate			
	1% Increase	Valuation Rate	1% Decrease
Health care trend	\$ 3,728,750	\$ 3,342,007	\$ 3,006,514

The City's total other post-employment benefit (OPEB) liability under GASB No. 75 was \$3,342,007 and \$2,524,698 (restated from \$2,656,231), for the fiscal years 2018 and 2017, respectively.

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.

OPEB Expense

For the measurement year ended June 30, 2018, the City recognized OPEB expense of \$304,645 (of which \$243,483 was for the General Fund and \$61,162 was for the Proprietary Fund) as follows:

Service cost	\$ 122,896
Interest on service cost	4,178
Total	127,074
Interest cost	85,250
Difference between expected and actual experience	8,448
Changes of assumptions and other inputs	83,872
Total OPEB expense	\$ 304,645

CITY OF CAYCE, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB Related	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	\$ 55,253	\$ —
Changes of assumptions	548,535	—
Net difference between projected and actual earnings on OPEB Investments	—	—
Total	\$ 603,788	\$ —

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

Fiscal Year Ending June 30, :	OPEB Related Future Deferred	
	Outflows of Resources	Inflows of Resources
2019	\$ 92,321	\$ —
2020	92,321	—
2021	92,321	—
2022	92,321	—
2023	92,321	—
Thereafter	142,183	—
Total	\$ 603,788	\$ —

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 \$110,292 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, 2018, 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, 2018, were as follows:

Contributed property by developers	\$ 2,022,741
Grant	121,875
Capacity charges	<u>743,423</u>
Total capacity charges to customers under agreement and other capital contributions recognized	<u>\$ 2,888,039</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	\$ 30,209,283
Less, accumulated depreciation	<u>(11,713,575)</u>
Net amount reported	<u><u>\$ 18,495,708</u></u>

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

State shared (local government fund) and accommodation tax revenue	\$ 117,507
Contractual rights for animal services, net of amortization	85,000
Property taxes revenue	<u>277,011</u>
Net amount reported	<u><u>\$ 479,518</u></u>

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

Deferred outflows related to other post-employment benefits (OPEB)	\$ 451,658
Deferred outflows related to pensions	3,580,530
Net amount reported	<u><u>\$ 4,032,188</u></u>

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

Installment purchase contracts	\$ (593,591)
TIF revenue bond	(8,129,461)
Accrued compensated absences	(360,011)
Accrued interest payable	(12,049)
Total other post-employment benefits (OPEB) liability	(2,781,358)
Net pension liabilities	<u>(12,849,887)</u>
Net amount reported	<u><u>\$ (24,726,357)</u></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.

	<u><u>\$ (851,041)</u></u>
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CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

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

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

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

Capital outlay expenditures	\$ 3,677,500
Donated equipment	13,500
Depreciation expense	<u>(1,054,225)</u>
Net amount reported	<u><u>\$ 2,636,775</u></u>

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

Loss on disposition of assets	<u><u>\$ (999)</u></u>
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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	\$ 103,426
Business licenses and other receivables	<u>(32,107)</u>
	<u><u>\$ 71,319</u></u>

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

Change in accrued compensated absence	\$ (23,931)
Change in accrued interest	(12,049)
Animal control service agreement expense	(5,000)
Pension expenses	(625,481)
Other post-employment benefits (OPEB)	<u>(152,360)</u>
Net amount reported	<u><u>\$ (818,821)</u></u>

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

Proceeds from Tax Increment Financing (TIF) bonds	\$ (8,436,275)
Proceeds of Installment purchase contract	(374,000)
Principal repayments – Installment purchase contracts	202,186
Principal repayments – TIF Bonds	285,000
Amortization expense	<u>21,814</u>
Net amount reported	<u><u>\$ (8,301,275)</u></u>

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

14. Subsequent Events

Effective July 1, 2018, the City joined the state health plan which required the City to modify its other post-employment health care policy (plan) to match the State of South Carolina plan. The City has not determined the effect of this change as of the date of this report.

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

15. Restatement for Accounting Principle Change

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

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

	<u>Governmental Activities</u>	<u>Business-type Activities and Proprietary Fund</u>
Net Position, as previously reported	\$ 12,595,566	\$ 89,218,215
Cumulative effect of change in accounting principle on the OPEB liability	<u>(391,134)</u>	<u>522,667</u>
Net Position as restated, June 30, 2017	<u>\$ 12,204,432</u>	<u>\$ 89,740,882</u>

There was no cumulative effect on deferred outflows or deferred inflows.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CAYCE, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

YEAR ENDED JUNE 30, 2018
 (With comparative actual amounts for year ended June 30, 2017)

	2018			Variance Positive (Negative)	2017
	Budget		Actual		Actual
	Original	Final			
Revenue					
Property taxes	\$ 3,261,070	\$ 3,261,070	\$ 3,420,752	\$ 159,682	\$ 3,225,201
Licenses and permits	4,934,650	5,387,772	5,387,772	—	5,171,194
Fines and forfeitures	265,200	265,200	181,171	(84,029)	214,485
State shared revenue	370,500	370,500	391,055	20,555	387,193
Current services	1,063,324	1,063,324	1,028,901	(34,423)	1,035,625
Grants and other	2,840,641	3,412,900	1,751,469	(1,661,431)	658,094
Interest income	1,200	1,200	2,722	1,522	1,198
Total revenue	12,736,585	13,761,966	12,163,842	(1,598,124)	10,692,990
Expenditures					
General Government					
Legislative	133,917	133,917	136,673	(2,756)	123,787
Administrative	747,645	750,145	697,882	52,263	664,801
Recorder's Court	236,736	236,736	199,865	36,871	195,882
Legal	88,075	88,075	80,205	7,870	96,847
Total	1,206,373	1,208,873	1,114,625	94,248	1,081,317
Less, Utility Fund overhead	—	—	(666,126)	666,126	(592,111)
Net general government	1,206,373	1,208,873	448,499	760,374	489,206
Information Technology					
IT support	232,021	232,021	241,956	(9,935)	207,402
Less, Utility Fund overhead	—	—	(124,128)	124,128	(110,336)
Less capital outlay	—	(12,499)	(12,499)	—	—
Net information technology	232,021	219,522	105,329	114,193	97,066
Finance					
Finance and accounting	294,764	294,764	289,123	5,641	276,754
Tax collection	21,360	21,360	22,069	(709)	21,707
Total	316,124	316,124	311,192	4,932	298,461
Less, Utility Fund overhead	—	—	(254,297)	254,297	(226,042)
Net finance	316,124	316,124	56,895	259,229	72,419
Public Safety					
Administrative	546,580	546,580	536,600	9,980	595,336
Police – Detectives	782,767	782,767	764,943	17,824	699,786
Police – Traffic	3,685,429	3,685,429	3,353,625	331,804	2,926,622
Fire	1,320,772	1,320,772	1,354,754	(33,982)	1,185,000
Animal services	80,885	80,885	73,016	7,869	62,813
Parks	280,907	280,908	265,238	15,670	256,380
Dispatch	670,935	670,935	381,236	289,699	521,353
Total	7,368,275	7,368,276	6,729,412	638,864	6,247,290
Less, Utility Fund overhead	—	—	(101,871)	101,871	(90,553)
Less, capital outlay	(600,827)	(625,113)	(323,345)	(301,768)	(340,767)
Net public safety	6,767,448	6,743,163	6,304,196	438,967	5,815,970

CITY OF CAYCE, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND
— CONTINUED —

Expenditures (Continued)	2018			Variance Positive (Negative)	2017
	Budget		Actual		Actual
	Original	Final			
Public Works					
Street lighting	300,000	300,000	321,765	(21,765)	316,371
Sanitation	1,278,659	1,278,659	1,064,232	214,427	1,046,743
Public buildings	116,866	117,595	110,751	6,844	432,942
Total	1,695,525	1,696,254	1,496,748	199,506	1,796,056
Less, Utility Fund overhead	—	—	(206,215)	206,215	(183,302)
Less, capital outlay	(150,500)	(157,758)	(7,258)	(150,500)	(359,394)
Net public works	1,545,025	1,538,496	1,283,275	255,221	1,253,360
Community Relations					
Promotions and events	109,280	166,118	170,325	(4,207)	188,549
Total community relations	109,280	116,118	170,325	(4,207)	188,549
Planning and Development					
Planning and zoning	685,105	702,440	798,228	(95,788)	558,612
Less, capital outlay	—	(17,335)	(17,335)	—	(11,200)
Total planning and development	685,105	685,105	780,893	(95,788)	547,412
Parks and Museum					
Parks	917,792	1,935,542	1,843,940	91,602	1,178,309
Museum	221,879	221,879	189,309	32,570	184,033
Total	1,139,671	2,157,421	2,033,249	124,172	1,362,342
Less, capital outlay	(183,310)	(1,211,980)	(1,194,220)	(17,760)	(514,759)
Net parks and museum	956,361	945,441	839,029	106,412	847,583
Garage					
Garage	506,085	506,085	401,135	104,950	381,345
Less, Utility Fund overhead	—	—	(114,445)	114,445	(101,729)
Less, capital outlay	(100,520)	(100,520)	(52,328)	(48,192)	(16,300)
Net garage	405,565	405,565	234,362	171,203	263,316
Non-departmental and Support Services					
Non-departmental and support services	85,455	459,455	464,931	(5,476)	578,370
Less, Utility Fund overhead	—	—	(60,068)	60,068	(53,394)
Less, capital outlay	—	(374,000)	(373,808)	(192)	(519,000)
Net support services	85,455	85,455	31,055	54,400	5,976

CITY OF CAYCE, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2018			Variance Positive (Negative)	2017
	Budget		Actual		Actual
	Original	Final			
Expenditures (Continued)					
Debt Service					
Principal retirement	219,307	219,307	196,562	22,745	95,222
Interest and fiscal charges	11,364	11,364	9,445	1,919	4,756
Total debt service	230,671	230,671	206,007	24,664	99,978
Less, overhead allocated – Utility Fund	—	—	(93,537)	93,537	(83,144)
Net debt service	230,671	230,671	112,470	118,201	16,834
Capital Outlay	1,035,157	2,499,205	1,980,793	518,412	1,761,420
Total expenditures	13,574,585	15,043,738	12,347,121	2,696,617	11,359,112
Excess (deficiency) of revenue over expenditures	(838,000)	(1,281,772)	(183,279)	1,098,493	(666,122)
Other Financing Sources (Uses)					
Installment purchase contract	—	374,000	374,000	—	519,000
Proceeds from sale of assets	10,000	10,000	44,968	34,968	3,028
Transfers in:					
Accommodations Tax Fund	48,000	117,772	117,772	—	121,000
Hospitality tax	780,000	780,000	780,000	—	640,120
Home Grant	—	—	11,509	11,509	—
Community Development	—	—	2,630	2,630	—
Total other financing sources (uses)	838,000	1,281,772	1,330,879	49,107	1,283,148
Net change in fund balance	—	—	1,147,600	1,147,600	617,026
Fund balance, beginning of year	6,518,372	6,518,372	6,518,372	—	5,901,346
Fund balance, end of year	<u>\$ 6,518,372</u>	<u>\$ 6,518,372</u>	<u>\$ 7,665,972</u>	<u>\$ 1,147,600</u>	<u>\$ 6,518,372</u>

See Notes to Budgetary Comparison Schedule

CITY OF CAYCE, SOUTH CAROLINA

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

LAST TEN FISCAL YEARS ^{(1) (3)}

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	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Service Cost	\$ 127,074	N/A								
Interest	85,250	N/A								
Changes in benefit terms	—	N/A								
Differences between expected and actual experience	63,702	N/A								
Changes in assumptions or other inputs	524,476	N/A								
Contributions – employer	—	N/A								
Contributions – active and inactive employees	—	N/A								
Net investment income	—	N/A								
Benefit payments ⁽²⁾	(147,565)	N/A								
Other changes	107,931	N/A								
Net changes in total OPEB liability	760,868	N/A								
Total OPEB liability – beginning	2,581,139	N/A								
Total OPEB liability – ending	\$ 3,342,007	N/A								
Covered – employee payroll ⁽³⁾	\$ 2,581,289	N/A								
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	N/A								
Total OPEB liability as a percentage of covered – employee payroll	129.47%	N/A								

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

⁽²⁾ Includes the Implicit Rate Subsidy.

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

N/A – Not available

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
City's proportion of the net pension liability	N/A	0.058457%	0.056208%	0.054751%	0.053510%	N/A	N/A	N/A	N/A	N/A
City's proportion share of the net pension liability	N/A	\$ 123159,611	\$ 12,005,946	\$ 10,383,791	\$ 9,212,648	\$ 9,597,785	N/A	N/A	N/A	N/A
City's covered payroll (pensionable)	\$ 6,017,697	\$ 5,897,743	\$ 5,443,028	\$ 5,133,635	\$ 4,849,702	\$ 4,933,520	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	223.1%	220.6%	202.3%	190.0%	194.5%	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	53.3%	52.9%	57.0%	59.9%	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⁾

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution ⁽²⁾	\$ 811,322	\$ 667,638	\$ 635,004	\$ 557,599	\$ 514,069	\$ 486,663	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution ⁽²⁾	\$ 811,332	\$ 667,638	\$ 635,004	\$ 557,599	\$ 514,069	\$ 486,663	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A	N/A	N/A	N/A
City's covered payroll (pensionable)	\$ 6,017,697	\$ 5,897,743	\$ 5,443,028	\$ 5,133,635	\$ 4,849,702	\$ 4,933,520	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	13.5%	11.3%	11.7%	10.9%	10.6%	9.9%	N/A	N/A	N/A	N/A

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

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

⁽³⁾ 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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
City' s proportion of the net pension liability (asset)	N/A	0.234710%	0.228800%	0.225160%	0.228990%	N/A	N/A	N/A	N/A	N/A
City' s proportion share of the net pension liability (asset)	N/A	\$ 6,430,105	\$ 5,803,556	\$ 4,907,354	\$ 4,383,771	\$ 4,746,817	N/A	N/A	N/A	N/A
City' s covered payroll (pensionable)	\$ 3,336,280	\$ 3,160,823	\$ 2,916,939	\$ 2,789,410	\$ 2,762,383	\$ 2,267,964	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	203..4%	199.6%	175.9%	158.7%	209.0%	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	60.9%	60.4%	64.6%	67.5%	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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution ⁽²⁾	\$ 528,467	\$ 422,067	\$ 406,098	\$ 374,067	\$ 354,690	\$ 321,072	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution ⁽²⁾	\$ 528,467	\$ 422,067	\$ 406,098	\$ 374,067	\$ 354,690	\$ 321,072	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A	N/A	N/A	N/A
City's covered payroll (pensionable)	\$ 3,336,280	\$ 3,160,823	\$ 2,916,939	\$ 2,789,410	\$ 2,762,383	\$ 2,267,964	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	15.8%	13.4%	13.9%	13.4%	12.8%	14.2%	N/A	N/A	N/A	N/A

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

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

⁽³⁾ N/A – Not available

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2018

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 \$13,243,738, plus \$1,800,000 Utility Fund overhead allocations, which have been netted against departmental expenditures in the comparison schedule, and other financing sources (uses) of \$1,281,772.

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: The assumed investment rate of return was decreased from 7.50% to 7.25% for the measurement year ended June 30, 2017. This change was made subsequent to the completion of the actuarial study. Therefore, the actuarial report was rolled back to a 7.25% rate of return for reporting purposes.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

— CONTINUED —

C. Other Post-Employment Benefits:

1. Changes in benefit terms:
2. Changes of assumptions – The discount rate was changed to 3.40% from 4.50% for the valuation effective July 1, 2017.
3. Discount rate – Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018	3.40%
2017	4.50%
2016	N/A
2015	N/A
2014	N/A
2013	N/A
2012	N/A
2011	N/A
2010	N/A
2009	N/A
2008	N/A

CITY OF CAYCE, SOUTH CAROLINA

OTHER FINANCIAL INFORMATION

CITY OF CAYCE, SOUTH CAROLINA

COMBINING 'NON-MAJOR' GOVERNMENTAL
FINANCIAL STATEMENTS

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

JUNE 30, 2018
 (With comparative total figures, year ended June 30, 2017)

	2018		2017	
	Total Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	Actual
Assets				
Cash and cash equivalents:				
Unrestricted	\$ 83,801	\$ —	\$ 83,801	\$ 83,801
Restricted	709,879	1,025,188	1,735,067	1,196,797
Property taxes receivable	—	—	—	12,007
Hospitality taxes receivable	93,610	—	93,610	97,156
Other receivables	1,275	—	1,275	6,750
Due from other funds	2,206	2,426	4,632	—
Prepaid bond deposits	—	47,422	47,422	—
Total assets	\$ 890,771	\$ 1,075,036	\$ 1,965,807	\$ 1,396,511
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ —	\$ 125,726	\$ 125,726	\$ 813
Construction and retainages payable	5,536	—	5,536	—
Due to other funds	32,371	—	32,371	60
Total liabilities	37,907	125,726	163,633	873
Fund balance:				
Nonspendable in:				
Prepaid items	—	47,422	47,422	—
Restricted for:				
Debt service	—	901,888	901,888	550,615
Tourism and community development	696,435	—	696,435	674,263
ABC permit activities	54,743	—	54,743	70,291
Law enforcement	17,885	—	17,885	16,668
Total restricted	769,063	901,888	1,670,951	1,311,837
Assigned for:				
Museum	83,801	—	83,801	83,801
Total fund balances	852,864	949,310	1,802,174	1,395,638
Total liabilities and fund balances	\$ 890,771	\$ 1,075,036	\$ 1,965,807	\$ 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, 2018
 (With comparative total figures, year ended June 30, 2017)

	2018			2017
	Total Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	Actuals
Revenue				
Property taxes	\$ —	\$ 929,607	\$ 929,607	\$ 1,011,222
Accommodation and hospitality taxes	1,251,922	—	1,251,922	1,147,949
Grants and other	8,617	—	8,617	13,030
State shared revenue	13,725	4,202	17,927	67,642
Interest income	—	748	748	357
Total revenue	<u>1,274,264</u>	<u>934,557</u>	<u>2,208,821</u>	<u>2,240,200</u>
Expenditures				
Planning and community development:				
Tourism related	354,476	—	354,476	247,692
Less, capital outlay	(89,405)	—	(89,405)	(86,348)
Net tourism related	<u>265,071</u>	<u>—</u>	<u>265,071</u>	<u>161,344</u>
Housing	36	—	36	18
Debt service:				
Principal	—	285,000	285,000	491,713
Interest and fiscal charges	—	250,862	250,862	11,757
Capital outlay	89,405	—	89,405	86,348
Total expenditures	<u>354,512</u>	<u>535,862</u>	<u>890,374</u>	<u>751,180</u>
Excess (deficiency) of revenue over expenditures	919,752	398,695	1,318,447	1,489,020
Other Financing Sources (Uses)				
Transfers in (out)	(911,911)	—	(911,911)	(1,761,120)
Net change in fund balances	7,841	398,695	406,536	(272,100)
Fund balances, beginning of year	845,023	550,615	1,395,638	1,667,738
Fund balances, end of year	<u>\$ 852,864</u>	<u>\$ 949,310</u>	<u>\$ 1,802,174</u>	<u>\$ 1,395,638</u>

CITY OF CAYCE, SOUTH CAROLINA

INDIVIDUAL FUND
FINANCIAL STATEMENTS

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
BALANCE SHEET

JUNE 30, 2018
(With comparative figures June 30, 2017)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Cash and cash equivalents:		
Unrestricted	\$ 6,067,716	\$ 5,068,791
Restricted	961,086	954,944
Property taxes receivable	1,545,893	1,483,370
Grants receivables	1,166,306	899,715
Other receivables	234,696	927,887
Less, allowance for uncollectible accounts	(1,517,782)	(1,451,022)
Due from other funds	112,689	98,330
Prepaid items:		
Prepaid service contracts – restricted	—	92,848
Prepaid construction – restricted	5,399	—
Inventory – supplies (at cost)	59,686	57,596
Total assets	<u>\$ 8,635,689</u>	<u>\$ 7,232,744</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 287,595	\$ 183,932
Accrued salaries and wages	335,683	271,148
Construction and retainage payable	248,008	155,368
Other liabilities	9,590	18,075
Deposits and prepayments	83,771	84,471
Due to other funds	5,070	1,378
Total liabilities	<u>969,717</u>	<u>714,372</u>
 Fund balance:		
Nonspendable in:		
Inventories and prepaid items	<u>65,085</u>	<u>150,444</u>
Restricted for:		
Capital projects	8,294	—
Victims Rights Assistance	—	—
Employee benefits	4,326	—
	<u>12,620</u>	<u>—</u>
Committed for:		
UST program	<u>25,000</u>	<u>25,000</u>
Assigned for:		
Christmas in Cayce	12,829	11,187
Congaree Bluegrass Festival	9,777	8,735
History Park	948,466	948,466
	<u>971,072</u>	<u>968,388</u>
Unassigned	<u>6,592,195</u>	<u>5,374,540</u>
Total fund balance	<u>7,665,972</u>	<u>6,518,372</u>
 Total liabilities and fund balance	<u>\$ 8,635,689</u>	<u>\$ 7,232,744</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018
(With comparative actual amounts year ended June 30, 2017)

	Current Year			Prior Year
	Final Budget	Actual	Variance Pos. (Neg.)	Actual
Revenue				
Property taxes	\$ 3,261,070	\$ 3,420,752	\$ 159,682	\$ 3,225,201
Licenses and permits	5,387,772	5,387,772	—	5,171,194
Fines and forfeitures	265,200	181,171	(84,029)	214,485
State shared revenue	370,500	391,055	20,555	387,193
Current services	1,063,324	1,028,901	(34,423)	1,035,625
Grants and other	3,412,900	1,751,469	(1,661,431)	658,094
Interest income	1,200	2,722	1,522	1,198
Total revenue	13,761,966	12,163,842	(1,598,124)	10,692,990
Expenditures				
<i>Current (net of Utility Fund overhead allocations and capital outlay):</i>				
Legislative	133,917	77,248	56,669	70,966
Administrative	750,145	125,856	624,289	156,334
Recorder's court	236,736	199,865	36,871	195,882
Legal	88,075	45,530	42,545	66,025
Information technology	219,522	105,329	114,193	97,066
Finance and accounting	294,764	34,826	259,938	50,712
Tax collector	21,360	22,069	(709)	21,707
Public safety:				
Administrative	546,580	478,332	68,248	543,542
Detectives	782,767	764,943	17,824	662,201
Police	3,399,391	3,098,515	300,876	2,816,323
Fire	1,253,249	1,279,819	(26,570)	1,178,411
Animal services	80,885	73,016	7,869	62,813
Parks	270,664	254,994	15,670	249,874
Dispatch	409,627	354,577	55,050	302,806
Street lighting	300,000	321,765	(21,765)	303,871
Sanitation	1,128,159	1,064,232	63,927	1,012,298
Public buildings	110,337	(102,722)	213,059	(62,809)
Community relations	166,118	170,325	(4,207)	188,549
Planning and development	685,105	780,893	(95,788)	547,412
Museum	210,959	178,389	32,570	184,033
Parks	734,482	660,640	73,842	663,550
Garage	405,565	234,362	171,203	263,316
Non-departmental and support services	85,455	31,055	54,400	5,976
Debt service	230,671	112,470	118,201	16,834
Capital outlay	2,499,205	1,980,793	518,412	1,761,420
Total expenditures	15,043,738	12,347,121	2,696,617	11,359,112
Excess (deficiency) of revenue over expenditures	(1,281,772)	(183,279)	1,098,493	(666,122)
Other Financing Sources (uses)				
Installment purchase contract	374,000	374,000	—	519,000
Proceeds from sale of assets	10,000	44,968	34,968	3,028
Transfers in:				
Accommodation tax	117,772	117,772	—	121,000
Hospitality tax	780,000	780,000	—	640,120
Home Grant	—	11,509	11,509	—
Community Development	—	2,630	2,630	—
Total other financing sources (uses)	1,281,772	1,330,879	49,107	1,283,148
Net change in fund balance	—	1,147,600	1,147,600	617,026
Fund balance, beginning of year	6,518,372	6,518,372	—	5,901,346
Fund balance, end of year	\$ 6,518,372	\$ 7,665,972	\$ 1,147,600	\$ 6,518,372

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE — BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018

Revenue	<u>Final Budget</u>	<u>Actual</u>
Property taxes:		
Property tax – current (Lexington County)	\$ 2,233,070	\$ 2,141,830
Property tax – current (Richland County)	100,000	103,502
Penalties – current	4,000	2,997
Property tax – delinquent	40,000	106,685
Penalties – delinquent	6,000	13,575
Other property tax collections	128,000	285,303
Fees in lieu of taxes	750,000	766,860
	<u>3,261,070</u>	<u>3,420,752</u>
Licenses and permits:		
Business licenses – current	5,261,572	5,113,235
Business licenses – prior year	3,000	4,725
Penalties – business licenses	17,000	17,808
Building permits	76,000	195,432
Electrical permits	10,000	14,480
Plumbing permits	7,000	12,223
Rental registration fees	7,000	20,673
Gas permits	500	1,279
Garage sale permits	700	615
Miscellaneous permits	5,000	7,302
	<u>5,387,772</u>	<u>5,387,772</u>
Fines and forfeitures:		
Criminal fines	60,000	37,728
Traffic fines	170,000	119,166
Parking fines	200	—
Victims assistance	35,000	24,277
	<u>265,200</u>	<u>181,171</u>
State shared and other revenue:		
Local government fund	270,000	282,973
Merchants inventory tax	71,500	71,566
Local option sales tax	17,500	15,750
County municipal revenue fund	11,500	20,766
	<u>370,500</u>	<u>391,055</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	185,000	224,235
Special fire protection fees	1,000	3,978
911 fees	110,000	44,912
Animal control fees	—	—
Special services – SRO officers	100,500	76,968
Duplication services	5,000	5,831
Residential sanitation	661,824	672,977
	<u>1,063,324</u>	<u>1,028,901</u>
Grants and Other:		
Miscellaneous	63,230	122,917
Legal settlement	—	71,941
PEBA pension funding credit	—	56,640
Sale of plastic bags	5,000	5,040
Donated revenue – Christmas in Cayce	—	1,950
Donated revenue – Congaree Bluegrass Festival	—	5,025
Admission and rents	200	342
LRADAC/AET agreements	33,000	31,129
Recycling revenue	3,000	2,912
Grant revenue:		
FEMA Riverwalk grant	611,279	803,996
SCMIT grant	10,000	5,369
Recycling grant	13,000	—
State grant revenue	302,983	10,000
Department of Justice grant	116,000	96,155
Department of Public Safety grant	13,250	13,250
Public safety traffic safety and DUI grants	335,985	335,958
Other federal grants	106,000	9,532
Utility Fund fees	1,800,000	179,313
	<u>3,412,900</u>	<u>1,751,469</u>
Interest income	1,200	2,722
Total revenue	<u>13,761,966</u>	<u>12,163,842</u>
Other Financing Sources		
Installment purchase contract	374,000	374,000
Proceeds from sale of assets	10,000	44,968
Transfers in:		
Accommodations tax – General Fund portion	117,772	117,772
Hospitality tax – General Fund portion	780,000	780,000
Home Grant	—	11,509
Community Development	—	2,630
Total other financing sources	<u>1,281,772</u>	<u>1,330,879</u>
Total revenue and other financing sources	<u>\$ 15,043,738</u>	<u>\$ 13,494,721</u>

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018

	<u>Final Budget</u>	<u>Actual</u>
Departments		
Legislative:		
Salaries and wages	\$ 81,092	\$ 79,500
Retirement, insurance and other benefits	19,628	21,216
Printing and office supplies	1,000	965
Postage	300	300
Memberships and dues	2,882	1,096
Travel	10,650	14,488
Telephone	2,000	1,712
Advertising	250	1,176
Employee training	7,580	9,261
Awards	6,035	5,927
City election expense	—	—
City events/special meetings	1,500	225
Other	1,000	807
Total legislative	<u>133,917</u>	<u>136,673</u>
Less, overhead allocation -- Utility Fund	—	(59,425)
Net legislative	<u>133,917</u>	<u>77,248</u>
Administrative:		
Salaries and wages	505,088	464,301
Retirement, insurance and other benefits	168,894	158,434
Printing and office supplies	6,000	6,576
Postage	1,000	1,000
Publications	400	440
Memberships and dues	3,832	4,476
Travel	12,993	18,033
Automotive operating	13,100	2,941
Telephone	8,860	7,269
Safety supplies	4,700	4,319
Advertising expense	1,000	1,198
Insurance -- vehicles	3,000	2,057
Insurance -- general	4,800	3,478
Employee training	7,428	10,590
Professional services -- human resources	3,300	3,240
Service contracts	4,000	7,737
Other	1,750	1,793
Total administrative	<u>750,145</u>	<u>697,882</u>
Less, overhead allocation -- Utility Fund	—	(572,026)
Net administrative	<u>750,145</u>	<u>125,856</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	143,033	127,962
Overtime	1,200	218
Retirement, insurance and other benefits	50,653	42,655
Juror fees	2,000	588
Printing and office supplies	4,200	4,156
Postage	7,200	7,200
Memberships and dues	635	115
Travel	4,129	1,352
Employee training	2,225	175
Telephone	5,061	1,580
Insurance – general	1,700	1,515
Machinery and equipment – non-capital	3,500	1,191
Special contracts	10,000	10,212
Special department supplies	1,200	946
Total recorder's court	<u>236,736</u>	<u>199,865</u>
Legal:		
Printing and office supplies	75	278
Postage	500	500
Professional services	65,000	63,796
Professional services – Prosecutor fees	10,000	10,450
Professional services – Public Defender fees	10,000	3,368
Codification of City code	2,500	1,813
Total legal	<u>88,075</u>	<u>80,205</u>
Less, overhead allocation – Utility Fund	—	(34,675)
Net legal	<u>88,075</u>	<u>45,530</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	90,766	89,552
Retirement, insurance and other benefits	29,798	30,929
Printing and office supplies	1,000	997
Postage	140	140
Publications	100	—
Memberships and dues	1,475	310
Travel	2,145	1,204
Automotive operating	—	59
Telephone	3,596	1,921
Service contracts	2,745	15,855
Equipment repairs	1,500	2,317
Software and licenses	30,820	37,867
Employee training	2,400	765
Insurance – general	1,000	509
Website maintenance	10,400	10,431
Professional services	8,000	7,125
Computer network equipment – non-capital	7,782	6,323
Machines and equipment – capital outlay	12,499	12,499
Machinery and equipment – non-capital	24,855	22,221
Other	1,000	932
Total IT	<u>232,021</u>	<u>241,956</u>
Less, overhead allocation – Utility Fund	—	(124,128)
Less, capital outlay	(12,499)	(12,499)
Net IT	<u>219,522</u>	<u>105,329</u>
Finance and Accounting:		
Salaries and wages	177,614	178,922
Retirement, insurance and other benefits	69,715	67,977
Printing and office supplies	5,000	2,894
Postage	760	760
Memberships and dues	650	815
Travel	875	65
Telephone	2,600	1,580
Service contracts	6,600	8,556
Insurance – general	2,500	2,251
Employee training	450	305
Professional services	28,000	24,998
Total finance and accounting	<u>294,764</u>	<u>289,123</u>
Less, overhead allocation – Utility Fund	—	(254,297)
Net finance and accounting	<u>294,764</u>	<u>34,826</u>
Tax Collector:		
Printing and office supplies	50	—
Postage	60	60
Professional services	21,250	22,009
Total tax collector	<u>21,360</u>	<u>22,069</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	245,108	252,827
Retirement, insurance and other benefits	108,496	114,392
Printing and office supplies	10,000	13,080
Postage	3,000	3,000
Memberships and dues	1,000	967
Travel	4,000	2,595
Automotive operating	4,000	3,223
Electric and gas	41,000	40,022
Telephone	70,000	58,620
Maintenance and service contracts	19,150	19,145
Building repairs	—	6,184
Uniforms	2,000	1,789
Janitorial supplies	600	677
Medical supplies and physician expense	6,000	8,130
Advertising	1,000	951
Insurance – vehicles	1,800	1,175
Insurance – general	5,600	4,121
Employee training	1,500	1,503
Community relations	750	747
Special contracts	5,125	3,372
Explorer Scouts	1,500	80
Critical incident management	14,451	—
Total public safety – administrative	<u>546,080</u>	<u>536,600</u>
Less, overhead allocation – Utility Fund	—	(58,268)
Net public safety – administrative	<u>546,080</u>	<u>478,332</u>
Public Safety – police/detectives:		
Salaries and wages	442,012	454,786
Overtime	16,000	20,968
Retirement, insurance and other benefits	233,696	219,268
Memberships and dues	650	865
Travel	6,574	4,336
Automotive operating	32,000	16,442
Maintenance and service contracts	8,000	8,837
Machinery and equipment repairs	400	376
Radio supplies	450	450
Uniforms and clothing	7,500	8,760
Insurance – vehicles	8,880	8,226
Insurance – general	11,000	8,563
Employee training	4,405	4,267
Specialized department supplies	6,700	7,687
Machinery and equipment – non-capital	4,500	1,112
Total public safety – police/detectives	<u>782,767</u>	<u>764,943</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	1,752,245	1,606,003
Overtime	137,000	139,474
Retirement, insurance and other benefits	1,007,360	855,852
Memberships and dues	1,150	2,874
Travel	1,200	1,592
SCMIT/DOJ vest grant expense	10,000	—
Automotive operating	150,000	170,570
Maintenance and service contracts	42,000	55,239
Machinery and equipment repairs	5,000	4,917
Building repairs – dog pound	—	123
SLED equipment	2,185	2,352
Small hand tools	500	319
Radio supplies	500	653
Safety supplies	2,600	2,021
Uniforms and clothing	40,000	38,587
Jail detention	600	510
Insurance – vehicles	39,326	26,736
Insurance – general	63,700	43,181
Employee training	14,143	23,305
Professional services – HR	—	120
Victim’s assistance	88,382	81,524
Department of Juvenile Justice fees	3,500	4,210
Specialized department supplies	28,000	25,390
Machinery and equipment – non-capital	10,000	49,154
Machinery and equipment – capital outlay	286,038	218,919
Total public safety – police/traffic	<u>3,685,429</u>	<u>3,353,625</u>
Less, overhead allocation – Utility Fund	—	(36,191)
Less, capital outlay	<u>(286,038)</u>	<u>(218,919)</u>
Net public safety – police/traffic	<u>3,399,391</u>	<u>3,098,515</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	659,722	683,694
Overtime	30,000	40,592
Fire department overtime – responses	30,000	40,591
Retirement, insurance and other benefits	375,052	359,291
Memberships and dues	1,155	1,460
Travel	8,200	6,045
Automotive operating	40,000	47,139
Maintenance and service contracts	11,000	6,858
Machinery and equipment repairs	4,500	3,430
Building repairs	5,000	4,505
Small hand tools	2,000	1,403
Radio supplies	500	—
Safety supplies	3,500	2,443
Uniforms and clothing	20,000	14,574
Janitorial supplies	800	198
Medical supplies and physician expense	11,800	5,662
Air pack and fire extinguisher	6,460	2,118
Insurance – vehicles	9,000	7,932
Insurance – general	20,500	15,752
Employee training	7,900	6,787
Specialized department supplies	3,500	6,528
Machinery and equipment – non-capital	2,660	30,229
Machinery and equipment – capital outlay	67,523	67,523
Total public safety –fire	<u>1,320,772</u>	<u>1,354,754</u>
Less, overhead allocation – Utility Fund	—	(7,412)
Less, capital outlay	<u>(67,523)</u>	<u>(67,523)</u>
Net public safety – fire	<u>1,253,249</u>	<u>1,279,819</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	35,836	36,503
Overtime	1,250	558
Retirement, insurance and other benefits	21,501	17,999
Printing and office supplies	150	1
Memberships and dues	400	105
Travel	250	—
Automotive operating	6,000	3,251
Electric and gas	4,500	4,818
Maintenance and service contracts	4,358	3,871
Machinery and equipment repairs	1,500	991
Building repairs – dog pound	500	—
Radio supplies	100	112
Uniforms and clothing	600	600
Janitorial supplies	150	—
Insurance – vehicles	740	1,175
Insurance – general	2,000	1,313
Employee training	250	150
Specialized department supplies	500	1,395
Animal control supplies	300	174
Total public safety – animal services	<u>80,885</u>	<u>73,016</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 – parks:		
Salaries and wages	143,138	142,723
Overtime	10,000	8,839
Retirement, insurance and other benefits	84,056	83,594
Printing and office supplies	100	4
Travel	—	—
Memberships and dues	140	320
Automotive operating	4,000	4,370
Electric and gas	500	—
Maintenance and service contracts	1,500	251
Machinery and equipment repairs	15,000	2,772
Radio supplies	250	229
Uniforms and clothing	3,500	3,710
Janitorial supplies	100	—
Insurance – vehicles	1,484	1,175
Insurance – general	2,700	3,451
Specialized department supplies	1,000	681
Machinery and equipment – non-capital	3,196	2,875
Machinery and equipment – capital outlay	10,244	10,244
Total public safety – parks	<u>280,908</u>	<u>265,238</u>
Less, capital outlay	<u>(10,244)</u>	<u>(10,244)</u>
Net public safety – parks	<u>270,664</u>	<u>254,994</u>
Public Safety – dispatch		
Salaries and wages	221,190	189,216
Overtime	11,000	22,484
Retirement, insurance and other benefits	119,017	91,394
Printing office supplies	2,000	121
Memberships and dues	120	360
Telephone	13,500	31,051
Maintenance and service contracts	25,000	—
Machinery and equipment repairs	2,500	1,713
Radio supplies	1,200	—
Uniforms and clothing	3,800	1,405
Insurance – general	6,000	5,319
Employee training	2,800	895
Specialized department supplies	1,500	1,223
Machinery and equipment – non-capital	—	9,396
Machinery and equipment – capital outlay	261,308	26,659
Total public safety – dispatch	<u>670,935</u>	<u>381,236</u>
Less, capital outlay	<u>(261,308)</u>	<u>(26,659)</u>
Net public safety – dispatch	<u>409,627</u>	<u>354,577</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	300,000	321,765
Total street lighting	<u>300,000</u>	<u>321,765</u>
Sanitation:		
Salaries and wages	581,655	564,991
Overtime	550	160
Retirement, insurance and other benefits	346,749	307,582
Printing and office supplies	700	226
Postage	1,000	1,000
Memberships and dues	340	690
Travel expense	566	29
Automotive operating	120,000	115,974
Telephone	8,672	5,044
Maintenance and service contracts	1,800	1,584
Equipment repairs	5,000	2,302
Building repairs	2,250	1,050
Waste disposal and tipping fees	250	—
Small hand tools	6,000	4,022
Safety supplies	7,000	4,095
Uniforms and clothing	10,500	9,682
Cleaning and sanitation supplies	550	—
Medical supplies and physician expense	1,000	1,083
Insurance – vehicles	10,500	7,639
Insurance – general	10,542	8,538
Employee training	285	320
Contract labor	250	17,138
Special supply – garbage bags	4,500	3,258
Special supply – recycle bins and leaf bags	3,000	3,320
Machinery and equipment – non-capital	4,500	4,505
Machinery and equipment – capital outlay	150,500	—
Total sanitation	<u>1,278,659</u>	<u>1,064,232</u>
Less, capital outlay	(150,500)	—
Net sanitation	<u>1,128,159</u>	<u>1,064,232</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Public Buildings:		
Salaries and wages	33,834	34,126
Overtime	700	547
Retirement, insurance and other benefits	19,513	19,749
Electric and gas	32,000	23,619
Telephone	500	394
Maintenance and service contracts	6,602	5,932
Equipment repairs	2,229	2,038
Building repairs	—	7,897
Paint supplies	100	314
Electric/light supplies	500	554
Uniforms	300	438
Janitorial supplies	4,000	4,619
Vehicle related	1,000	201
Insurance – vehicle	1,000	1,175
Insurance – general	1,300	965
Copy machine/contract	5,325	—
Machinery and equipment – non-capital	1,334	652
Capital Outlay:	—	—
Public Safety building renovations	7,258	7,258
Other	100	273
Total public buildings	<u>117,595</u>	<u>110,751</u>
Less, overhead allocation – Utility Fund	—	(206,215)
Less, capital outlay	<u>(7,258)</u>	<u>(7,258)</u>
Net public buildings	<u>110,337</u>	<u>(102,722)</u>
Community Relations:		
Central Midlands Council of Governments	9,400	9,396
Central Midlands Regional Transportation Association	25,080	24,041
Municipal Association of SC	5,500	5,402
Lexington County Municipal Association	500	1,000
River Alliance	10,000	10,000
Professional services	30,000	30,000
Christmas decorations and citizen's drop-in	5,300	4,469
Employee/family Christmas party	3,000	3,022
Community programs	6,500	6,600
City newsletter	14,000	19,557
Christmas in Cayce festival	20,809	20,809
Congaree Bluegrass festival	36,029	36,029
Total community relations	<u>166,118</u>	<u>170,325</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	405,889	382,402
Retirement, insurance and other benefits	161,596	156,263
Printing and office supplies	3,950	6,471
Postage	800	800
Memberships and dues	2,581	2,104
Travel	6,100	4,257
Automotive operating	12,000	4,938
Telephone	13,000	8,000
Building repairs	500	—
Small hand tools	500	703
Uniforms	1,750	803
Advertising	1,000	628
Insurance – vehicles	2,250	1,763
Insurance – general	2,700	2,860
Employee training	6,889	8,068
NPDES phase II project	40,000	31,864
Professional services – other	14,180	29,070
Special contract – copier	2,600	1,686
Special department supplies	5,620	4,990
Julius Felder sidewalk project – non-capital	—	132,083
Machinery and equipment – non-capital	1,200	1,140
Capital outlay:		
Knox Abbott road streetscape	17,335	17,335
Total planning and development	<u>702,440</u>	<u>798,228</u>
Less, capital outlay	<u>(17,335)</u>	<u>(17,335)</u>
Net planning and development	<u>685,105</u>	<u>780,893</u>
Museum:		
Salaries and wages	122,375	120,987
Retirement, insurance and other benefits	49,104	27,752
Printing and office supplies	600	1,118
Postage	150	150
Memberships and dues	200	—
Travel	1,000	375
Electric and gas	6,500	5,084
Telephone	5,000	5,047
Service contracts	1,200	1,846
Equipment repairs	500	199
Building repairs	19,080	10,605
Insurance – general	2,000	1,760
Specialized department supplies	3,250	3,466
Capital outlay	10,920	10,920
Total museum	<u>221,879</u>	<u>189,309</u>
Less, capital outlay	<u>(10,920)</u>	<u>(10,920)</u>
Net museum	<u>210,959</u>	<u>178,389</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	383,397	356,079
Overtime	1,500	436
Retirement, insurance and other benefits	209,577	184,539
Memberships and dues	610	885
Printing and office supplies	600	301
Postage	140	140
Telephone	5,762	6,044
Travel	912	29
Automotive operating	28,000	17,965
Electric and gas	16,000	23,455
Service contracts	5,280	3,142
Advertising	500	—
Machinery and equipment repairs	12,000	8,673
Building repairs	7,250	3,180
Small hand tools	2,500	2,146
Signs and sign supplies	1,000	842
Safety supplies	4,800	4,352
Uniforms and clothing	7,000	7,885
Cleaning supplies	3,000	2,515
Chemicals	1,200	1,157
Medical supplies and physician expense	850	945
Insurance – vehicles	10,866	11,165
Insurance – general	9,878	9,039
Employee training	1,260	832
Specialized department supplies	4,000	3,606
Park expansion	15,000	9,722
Machinery and equipment – non-capital	1,600	1,566
Capital Outlay:		
Riverwalk Flooding projects	1,017,750	1,017,750
Machinery and equipment	183,310	165,550
Total parks	<u>1,935,542</u>	<u>1,843,940</u>
Less, capital outlay	<u>(1,201,060)</u>	<u>(1,183,300)</u>
Net parks	<u>734,482</u>	<u>660,640</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	226,496	208,621
Retirement, insurance and other benefits	114,132	91,971
Printing and office supplies	400	342
Travel	750	685
Automotive operating	6,500	4,514
Electric and gas	6,000	5,585
Telephone	3,487	2,874
Maintenance and service contracts	5,000	3,146
Machinery and equipment repairs	8,000	7,900
Building repairs	10,000	822
Small hand tools	6,000	5,270
Electrical supplies	100	—
Uniforms and clothing	2,700	2,442
Insurance – vehicles	2,000	1,469
Insurance – general	4,000	2,952
Employee training	1,000	408
Specialized department supplies	9,000	9,806
Machinery and equipment – capital outlay	100,520	52,328
Total garage	<u>506,085</u>	<u>401,135</u>
Less, overhead allocation– Utility Fund	—	(114,445)
Less, capital outlay	<u>(100,520)</u>	<u>(52,328)</u>
Net garage	<u>405,565</u>	<u>234,362</u>

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

— CONTINUED —

	Final Budget	Actual
Departments (Continued)		
Non-departmental and Support Services:		
Retiree insurance expense	85,455	91,123
Capital outlay – vehicles	374,000	373,808
Total non-departmental and support services	459,455	464,931
Less, overhead allocation – Utility Fund	—	(60,068)
Less, capital outlay	(374,000)	(373,808)
Net non-departmental and support services	85,455	31,055
Debt Service:		
Note and lease payments	219,307	196,562
Interest and fiscal agent charges	11,364	9,445
Total debt service	230,671	206,007
Less, overhead allocation – Utility Fund	—	(93,537)
Net debt services	230,671	112,470
Capital Outlay	2,499,205	1,980,793
Total expenditures	\$ 15,043,738	\$ 12,347,121

CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2018

(With comparative total figures at June 30, 2017)

	Accom-	Hospitality	Community	ABC	Home	Law	Museum	Totals	
	modations	Tax	Development	Permit	Grant	Enforcement	Fund	2018	2017
	Tax			Fund		Grant Fund			
Assets									
Cash and cash equivalents:									
Unrestricted	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 83,801	\$ 83,801	\$ 83,801
Restricted	60,449	578,077	—	53,468	—	17,885	—	709,879	658,189
Hospitality taxes receivable	—	97,156	—	—	—	—	—	97,156	97,156
Other receivables	—	—	—	1,275	—	—	—	1,275	6,750
Due from other funds	—	2,206	—	—	—	—	—	2,206	—
Total assets	\$ 60,449	\$ 677,439	\$ —	\$ 54,743	\$ —	\$ 17,885	\$ 83,801	\$ 894,317	\$ 845,896
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 813
Construction contracts payable	—	5,536	—	—	—	—	—	5,536	—
Due to other funds	30,772	1,599	—	—	—	—	—	32,371	60
Total liabilities	30,772	7,135	—	—	—	—	—	37,907	873
Fund balance:									
Restricted for:									
Tourism and community development	29,677	670,304	—	—	—	—	—	699,981	674,263
ABC permit activities	—	—	—	54,743	—	—	—	54,743	70,291
Law enforcement	—	—	—	—	—	17,885	—	17,885	16,668
Total restricted	29,677	670,304	—	54,743	—	17,885	—	772,609	761,222
Assigned for:									
Museum improvement	—	—	—	—	—	—	83,801	83,801	83,801
Total fund balances	29,677	670,304	—	54,743	—	17,885	83,801	856,410	845,023
Total liabilities and fund balances	\$ 60,449	\$ 677,439	\$ —	\$ 54,743	\$ —	\$ 17,885	\$ 83,801	\$ 894,317	\$ 845,896

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018
 (With comparative total figures year ended June 30, 2017)

	Accom-	Hospitality	Community	ABC	Home	Law	Museum	Totals	
	modations	Tax	Development	Permit	Grant	Enforcement	Fund	2018	2017
	Tax			Fund		Grant Fund			
Revenue									
Accommodations and hospitality taxes	\$ 123,586	\$ 1,131,882	\$ —	\$ —	\$ —	\$ —	\$ —	\$1,255,468	\$1,147,949
Federal and state grants	—	—	—	—	—	1,217	—	1,217	3,575
State shared revenue	—	—	—	13,725	—	—	—	13,725	21,900
Other	—	7,400	—	—	—	—	—	7,400	9,455
Total revenue	123,586	1,139,282	—	13,725	—	1,217	—	1,277,810	1,182,879
Expenditures									
Planning and community development:									
Tourism related	60,770	264,433	—	29,273	—	—	—	354,476	247,692
Less, capital outlay	—	(78,706)	—	(10,699)	—	—	—	(89,405)	(86,348)
Net tourism related	60,770	185,727	—	18,574	—	—	—	265,071	161,344
Housing	—	—	—	—	36	—	—	36	18
Capital outlay	—	78,706	—	10,699	—	—	—	89,405	86,348
Total expenditures	60,770	264,433	—	29,273	36	—	—	354,512	247,710
Excess (deficiency) of revenue over expenditures	62,816	874,849	—	(15,548)	(36)	1,217	—	923,298	935,169
Other Financing Sources (Uses)									
Transfers in (out)	(84,772)	(813,000)	(2,630)	—	(11,509)	—	—	(911,911)	(761,120)
Net change in fund balances	(21,956)	61,849	(2,630)	(15,548)	(11,545)	1,217	—	11,387	174,049
Fund balances, beginning of year	51,633	608,455	2,630	70,291	11,545	16,668	83,801	845,023	670,974
Fund balances, end of year	\$ 29,677	\$ 670,304	\$ —	\$ 54,743	\$ —	\$ 17,885	\$ 83,801	\$ 856,410	\$ 845,023

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND
BALANCE SHEET

JUNE 30, 2018
(With comparative amounts for June 30, 2017)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Restricted cash and cash equivalents	\$ 1,025,188	\$ 538,608
Property taxes receivable	—	12,007
Prepaid bond deposits	47,422	—
Due from other funds	2,426	—
Total assets	<u>\$ 1,075,036</u>	<u>\$ 550,615</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 125,726	\$ —
Fund balance:		
Nonspendable in prepaid items	47,422	—
Restricted for debt service	901,888	550,615
Total fund balance	<u>949,310</u>	<u>550,615</u>
Total liabilities and fund balance	<u>\$ 1,075,036</u>	<u>\$ 550,615</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018
(With comparative figures year ended June 30, 2017)

	<u>Current Year</u>	<u>Prior Year</u>
Revenue		
Current property taxes	\$ 929,607	\$ 1,011,222
State shared revenue	4,202	45,742
Interest on investments	748	357
Total revenue	<u>934,557</u>	<u>1,057,321</u>
Expenditures		
Debt Service:		
Principal	285,000	491,713
Interest and fiscal charges	250,862	11,757
Total expenditures	<u>535,862</u>	<u>503,470</u>
Excess (deficiency) of revenue over expenditures	389,695	553,851
Other Financing Sources (Uses)		
Transfer (out) to Capital Projects Fund	<u>—</u>	<u>(1,000,000)</u>
Net change in fund balance	398,695	(446,149)
Fund balance, beginning of year	<u>550,615</u>	<u>996,764</u>
Fund balance, end of year	<u><u>\$ 949,310</u></u>	<u><u>\$ 550,615</u></u>

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND
BALANCE SHEET

JUNE 30, 2018

(With comparative figures at June 30, 2017)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Cash and cash equivalents – restricted	\$ 7,841,434	\$ 471,987
Due from other funds	—	—
Total assets	<u>\$ 7,841,434</u>	<u>\$ 471,987</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ —	\$ 19,000
Construction and retainage payable	772,868	5,582
Total liabilities	<u>772,868</u>	<u>24,582</u>
Fund balance:		
Restricted for redevelopment plan	<u>7,068,566</u>	<u>447,405</u>
Total liabilities and fund balance	<u>\$ 7,841,434</u>	<u>\$ 471,987</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018
(With comparative figures year ended June 30, 2017)

	<u>Current Year</u>	<u>Prior Year</u>
Revenue		
Federal grants	\$ —	\$ 185,063
State grants	105,355	7,602
Other	—	121,878
Total revenue	<u>105,355</u>	<u>314,543</u>
Expenditures		
Capital outlay:		
Park	205,227	609,616
Planning and community development	1,103,792	327,801
Infrastructure	298,283	305,688
Other:		
Infrastructure	2,299	340,278
Debt issue costs	310,868	19,000
Total expenditures	<u>1,920,469</u>	<u>1,602,383</u>
Excess (deficiency) of revenue over expenditures	<u>(1,815,114)</u>	<u>(1,287,840)</u>
Other Financing Sources (Uses)		
Proceeds from TIF bond issue	8,436,275	—
Transfer in from Debt Service Fund	—	1,000,000
Total other financing sources (uses)	<u>8,436,275</u>	<u>1,000,000</u>
Net change in fund balance	6,621,161	(287,840)
Fund balance, beginning of year	<u>447,405</u>	<u>735,245</u>
Fund balance, end of year	<u>\$ 7,068,566</u>	<u>\$ 447,405</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, 2018

(With comparative figures at June 30, 2017, as restated)

	Current Year	Restated Prior Year		Current Year	Restated Prior Year
Assets and Deferred Outflows			Liabilities, Deferred Inflows and Net Position		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 2,867,166	\$ 3,200,543	Accounts payable	\$ 340,038	\$ 257,828
Receivables:			Accrued salaries and wages	165,447	131,564
Water and sewer accounts (net of allowance for doubtful accounts, \$35,000 in 2018 and 2017)	2,496,485	2,451,996	Accrued compensated absences – current portion	76,109	85,442
Other accounts	169,051	275,159	Installment purchase contract payable – current portion	452,872	160,316
Note receivable – current portion	26,566	—	Construction contracts payable	5,677	—
Prepaid expense	13,716	13,716	Accrued interest payable	464	—
Inventories	207,751	176,945	Other liabilities	1,588	2,059
Total current assets	<u>5,780,735</u>	<u>6,118,359</u>	Due to other funds (internal balances)	79,880	96,892
Current restricted assets:			Customer deposits and prepayments	41,995	63,431
Cash and cash equivalents:				<u>1,164,070</u>	<u>797,532</u>
Employee benefit accounts	9,890	7,912	Current liabilities payable from restricted assets:		
Cayce wastewater facilities replacement & renewal fund	1,083,469	1,083,469	Accrued interest payable	405,742	369,423
Bond and interest redemption	1,637,685	2,109,572	Contract liability – Springdale	—	52,614
Project and construction funds	14,244,768	29,285,337	SRF and bonds payable – current portion	3,363,490	3,443,439
Total current restricted assets	<u>16,975,812</u>	<u>32,486,290</u>	Construction contracts and retainages payable	2,728,753	1,951,662
Capital assets:			Total current liabilities payable from restricted assets	<u>6,497,985</u>	<u>5,817,138</u>
Land and rights-of-way	330,568	330,568	Total current liabilities	<u>7,662,055</u>	<u>6,614,670</u>
Equipment	7,857,145	7,089,977	Long-term liabilities:		
Utility plants in service	159,921,385	156,870,370	Accrued compensated absences	71,510	43,329
Construction in process	25,228,536	7,140,616	Unearned revenue – future capacity charges	3,190	3,190
	<u>193,337,634</u>	<u>171,431,531</u>	Unearned revenue – contract obligation credit	1,401,672	1,401,672
Less, accumulated depreciation	<u>(48,328,958)</u>	<u>(43,676,393)</u>	Installment purchase contract payable	878,079	202,314
Net capital assets	<u>145,008,676</u>	<u>127,755,138</u>	SRF loans payable	50,954,399	53,072,889
Other assets:			Revenue bonds payable (+/- bonds premium/discount net of amortization)	9,837,145	11,131,618
Note receivable	78,082	—	Total other post-employment benefits (OPEB) liability	560,650	870,025
Cost of purchased water/sewer rights	563,864	803,883	Net pensions liability	6,739,829	6,125,573
Less, accumulated amortization	<u>(169,159)</u>	<u>(395,081)</u>	Total long-term liabilities	<u>70,446,474</u>	<u>72,850,610</u>
Net other assets	<u>472,787</u>	<u>408,802</u>	Total liabilities	<u>78,108,529</u>	<u>79,465,280</u>
Total assets	<u>168,238,010</u>	<u>166,768,589</u>	Deferred inflows of resources:		
Deferred outflows of resources:			Deferred pension related inflows	380,124	222,688
Deferred outflows related to OPEB	152,131	—	Total deferred inflows of resources	<u>380,124</u>	<u>222,688</u>
Deferred outflows related to pension	1,755,521	1,360,694	Net position:		
Losses on bond refundings	1,266,428	1,266,428	Net investment in capital assets	84,289,609	80,976,020
Less, accumulated amortization	<u>(594,706)</u>	<u>(489,528)</u>	Restricted for debt and capital projects	9,058,832	9,457,403
Total deferred outflows of resources	<u>2,579,374</u>	<u>2,137,594</u>	Restricted for pension and employee benefits	442,596	345,160
Total assets and deferred outflows	<u>\$ 170,817,384</u>	<u>\$ 168,906,183</u>	Unrestricted (deficit)	<u>(1,462,306)</u>	<u>(1,560,368)</u>
			Total net position	<u>92,328,731</u>	<u>89,218,215</u>
			Total liabilities, deferred inflows and net position	<u>\$ 170,817,384</u>	<u>\$ 168,906,183</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, 2018
(With comparative figures year ended June 30, 2017)

	Current Year	Prior Year
Operating Revenue (pledged as security for loans and revenue bonds)		
Water:		
Sales	\$ 5,354,532	\$ 5,373,604
Connection fees	117,961	93,133
Sewer:		
Service charges	10,398,261	9,813,793
Connection fees	—	3,750
Septage/grease services:		
Sales and permits	1,112,055	1,251,102
Pretreatment set-up fees	99,805	100,410
Reconnection fees	39,005	34,009
Penalties	160,246	168,572
Grant revenue	—	95,193
Miscellaneous income	149,966	413,257
Total operating revenue	17,431,831	17,346,823
Operating Expenses		
Administrative	643,649	551,170
Utility billing	805,541	768,383
Water treatment plant	1,691,511	1,503,062
Water distribution and maintenance	1,418,235	1,320,208
Wastewater treatment plant	3,313,995	3,236,055
Sewer collection and outfall lines	1,606,901	1,608,056
Septage and grease receiving station	600,684	493,145
Non-departmental and support services	1,800,000	1,600,000
Depreciation and amortization expense	4,655,988	4,579,200
Total operating expenses	16,536,504	15,659,279
Operating income	895,327	1,687,544
Non-Operating Revenue (Expenses)		
Interest income	16,528	10,258
Gains (losses) from sale, disposal of capital assets	5,399	13,537
Interest expense	(1,103,300)	(980,203)
Amortization of bond refinancing losses	(105,178)	(105,178)
Fiscal agent fees	(8,966)	(8,966)
Total non-operating revenue (expenses)	(1,195,517)	(1,070,552)
Income (loss) before contributions	(300,190)	616,992
Capital Contributions		
Capacity charges and other capital contributions	2,888,039	3,131,410
Change in net position	2,587,849	3,748,402
Net position, beginning of year	89,218,215	85,469,813
Cumulative effect of restatement (<i>See Note 15</i>)	522,667	—
Net position, end of year	\$ 92,328,731	\$ 89,218,215

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

YEAR ENDED JUNE 30, 2018
(With comparative actual figures year ended June 30, 2017)

	Current Year		Variance Positive (Negative)	Prior Year Actual
	Budget	Actual		
Departments				
<u>Administrative:</u>				
Salaries and wages	\$ 317,811	\$ 301,193	\$ 16,618	\$ 252,275
Overtime	794	93	701	437
Retirement, insurance and other benefits	125,174	145,215	(20,041)	108,856
Other post-employment benefits (OPEB)	—	3,651	(3,651)	6,795
Printing and office supplies	8,000	7,771	229	5,858
Postage	6,800	6,850	(50)	5,300
Memberships and dues	660	422	238	380
Travel	3,960	4,091	(131)	2,832
Automotive operating expenses	8,000	6,874	1,126	4,202
Telephone	8,250	5,313	2,937	4,490
Maintenance and service contracts	16,379	22,901	(6,522)	8,012
Machinery and equipment repairs	900	21	879	7,980
Hand tools and supplies	1,450	952	498	—
Safety supplies	3,600	3,208	392	1,683
Uniforms and clothing	650	331	319	22
Doctor and medical expenses	4,000	3,133	867	2,076
Advertising	500	—	500	—
Insurance – vehicle	2,600	2,350	250	1,337
Insurance – general	5,200	2,158	3,042	2,052
Employee training – continuing education	3,095	3,014	81	1,172
Professional services	43,000	34,438	8,562	37,233
Professional services – legal	45,000	8,851	36,149	12,377
Professional services – engineering	25,000	8,988	16,012	15,773
Professional services – consultant fees	53,000	67,900	(14,900)	63,400
Special contracts – CSX	—	—	—	100
Special contracts – copier	2,675	1,737	938	1,737
Machines and equipment – non-capital	2,550	2,194	356	4,791
	<u>689,048</u>	<u>643,649</u>	<u>45,399</u>	<u>551,170</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	343,152	344,253	(1,101)	323,244
Overtime	26,180	29,046	(2,866)	18,397
Retirement, insurance and other benefits	177,585	219,044	(41,459)	184,101
Other post-employment benefits (OPEB)	—	8,216	(8,216)	8,706
Printing and office supplies	6,000	5,713	287	5,074
Postage	55,000	46,500	8,500	44,000
Memberships and dues	2,505	905	1,600	155
Travel	2,890	1,179	1,711	579
Automotive operating expenses	14,000	15,333	(1,333)	13,748
Telephone	12,500	7,874	4,626	7,297
Maintenance and service contracts	18,850	14,295	4,555	16,774
Equipment repairs	1,000	79	921	535
Machinery and equipment – capital	273,000	—	273,000	—
Hand tools and supplies	3,000	880	2,120	3,255
Safety supplies	1,750	794	956	1,402
Uniforms and clothing	2,500	2,764	(264)	2,032
Insurance – vehicle	3,500	2,938	562	3,342
Insurance – general	5,250	4,287	963	4,934
Employee training – continuing education	3,635	3,419	216	1,460
Special contracts – collection expense	88,500	95,693	(7,193)	91,039
Machines and equipment – non-capital	9,000	2,329	6,671	38,309
	1,049,797	805,541	244,256	768,383
<u>Water Treatment Plant:</u>				
Salaries and wages	458,317	448,946	9,371	432,904
Overtime	43,290	47,128	(3,838)	45,564
Retirement, insurance and other benefits	228,831	286,373	(57,542)	250,824
Other post-employment benefits (OPEB)	—	9,129	(9,129)	11,660
Printing and office supplies	850	866	(16)	822
Postage	350	350	—	369
Permit fees	25,000	23,757	1,243	23,768
Memberships and dues	2,115	950	1,165	860
Travel	4,800	1,493	3,307	2,882
Automotive operating expense	4,500	4,527	(27)	7,235
Electric and gas	345,000	318,597	26,403	303,686
Telephone	8,300	7,323	977	8,028
Lubrication supplies	1,000	1,039	(39)	870
Maintenance and service contracts	177,248	194,388	(17,140)	73,908
Machinery and equipment repairs	91,000	95,690	(4,690)	82,748
Building repairs	7,000	2,174	4,826	5,133
Small hand tools	900	816	84	2,411

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	594	6	851
Safety supplies	1,925	1,988	(63)	1,603
Uniforms and clothing	2,600	2,601	(1)	2,384
Cleaning and sanitation supplies	600	732	(132)	621
Chemicals	255,603	161,962	93,641	168,629
Laboratory supplies	29,000	28,904	96	28,522
Insurance – vehicle	3,000	2,350	650	3,040
Insurance – general	18,544	17,300	1,244	18,171
Employee training	1,160	990	170	1,681
Consultant lab tests	15,000	14,638	362	13,104
Machines & equipment	107,000	—	107,000	—
Machines & equipment – non-capital	17,670	15,906	1,764	10,784
	<u>1,851,203</u>	<u>1,691,511</u>	<u>159,692</u>	<u>1,503,062</u>
<u>Water Distribution and Maintenance:</u>				
Salaries and wages	542,423	521,538	20,885	494,518
Overtime	39,229	71,717	(32,488)	43,278
Retirement, insurance and other benefits	279,392	341,940	(62,548)	286,001
Other post-employment benefits (OPEB)	—	11,867	(11,867)	13,320
Printing and office supplies	3,000	1,963	1,037	2,383
Memberships and dues	2,255	2,996	(741)	1,069
Travel	4,800	2,554	2,246	6,438
Automotive operating expense	40,000	49,056	(9,056)	44,063
Electricity and gas	52,000	51,214	786	50,061
Telephone	14,000	8,236	5,764	7,968
Maintenance and service contracts	86,301	87,612	(1,311)	109,218
Machinery and equipment repairs	25,000	34,077	(9,077)	34,860
Building repairs	500	802	(302)	574
Small hand tools	8,000	15,462	(7,462)	7,168
Masonry supplies	7,000	1,098	5,902	7,904
Asphalt supplies	55,000	50,938	4,062	13,811
Radio supplies	250	—	250	—
Safety supplies	7,000	6,521	479	7,179
Uniforms and clothing	7,000	10,127	(3,127)	8,730
Chemicals	736	—	736	—
Utility repair supplies and meters	95,000	100,866	(5,866)	111,559
Insurance – vehicle	11,000	10,577	423	10,931
Insurance – general	13,000	11,373	1,627	12,723
Employee training	6,810	7,318	(508)	9,789
Water distribution equipment meters	25,000	17,388	7,612	36,538
Machines & equipment – capital	70,000	—	70,000	—
Machines & equipment – non-capital	910	995	(85)	125
	<u>1,395,606</u>	<u>1,418,235</u>	<u>(22,629)</u>	<u>1,320,208</u>

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

— CONTINUED —

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
Departments				
<u>Wastewater Treatment Plant:</u>				
Salaries and wages	663,485	576,271	87,214	594,206
Overtime	41,877	29,455	12,422	25,324
Retirement, insurance and other benefits	331,077	368,408	(37,331)	325,904
Other post-employment benefits (OPEB)	6,615	11,867	(5,252)	16,005
Printing and office supplies	800	1,288	(488)	746
Postage	300	311	(11)	300
Permit fees – DHEC	3,250	3,045	205	3,045
Memberships and dues	1,764	1,515	249	548
Travel	6,894	5,928	966	2,361
Automotive operating expense	51,000	50,306	694	60,097
Electric and gas	958,000	929,309	28,691	941,942
Telephone	28,700	28,731	(31)	27,705
Lubrication supplies	3,000	938	2,062	1,775
Maintenance and service contracts	142,861	114,448	28,413	96,096
Machinery and equipment repairs	200,000	320,926	(120,926)	268,774
Building repairs	500	895	(395)	247
Sludge disposal fees	360,207	403,379	(43,172)	398,172
Small hand tools	3,000	4,531	(1,531)	3,643
Electrical and lighting supplies	7,000	2,547	4,453	5,137
Radio supplies	200	—	200	—
Safety supplies	8,000	9,924	(1,924)	6,240
Uniforms and clothing	7,350	6,616	734	6,390
Cleaning and sanitation supplies	1,500	953	547	1,100
Water	530,500	—	530,500	—
Chemicals	248,839	187,625	61,214	232,576
Laboratory supplies	40,100	49,207	(9,107)	35,952
Insurance	11,925	9,107	2,818	10,090
Insurance – general	86,000	80,504	5,496	81,680
Employee training	5,815	3,245	2,570	1,817
Professional services – lab	28,000	26,102	1,898	24,396
Professional fees	45,000	62,966	(17,966)	32,296
Weather emergency	—	—	—	10,984
Machines and equipment – capital	192,000	—	192,000	—
Machines and equipment – non-capital	17,220	23,648	(6,428)	20,507
	<u>4,032,779</u>	<u>3,313,995</u>	<u>718,784</u>	<u>3,236,055</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	630,014	580,083	49,931	551,930
Overtime	57,454	64,795	(7,341)	57,362
Retirement, insurance and other benefits	333,233	384,843	(51,610)	324,704
Other post-employment benefits (OPEB)	—	12,780	(12,780)	14,866
Memberships and dues	1,690	1,130	560	1,471
Travel	2,800	2,666	134	5,165
Automotive operating expense	55,000	65,087	(10,087)	64,718
Electricity and gas	125,000	126,591	(1,591)	126,530
Telephone	33,500	32,491	1,009	33,117
Lubrication supplies	300	—	300	191
Maintenance and service contracts	16,908	10,484	6,424	8,508
Machinery and equipment repairs	185,000	126,158	58,842	209,285
Small hand tools	8,000	8,040	(40)	6,824
Cement and masonry materials	2,300	1,623	677	2,224
Asphalt and grading supplies	35,000	38,182	(3,182)	14,150
Radio supplies	250	—	250	—
Safety supplies	7,500	7,118	382	7,328
Uniforms and clothing	7,000	10,448	(3,448)	8,730
Cleaning and sanitation supplies	1,000	1,062	(62)	1,106
Chemicals	11,534	8,465	3,069	15,924
Utility repair supplies	85,000	86,674	(1,674)	84,181
Transmission line operations and maintenance	5,000	46	4,954	—
Insurance – vehicle	15,000	11,753	3,247	14,768
Insurance – general	16,500	16,549	(49)	16,857
Employee training	6,560	9,833	(3,273)	3,316
Machines & equipment	—	—	—	11,240
Manhole rehabilitation	—	—	—	23,561
	1,641,543	1,606,901	34,642	1,608,056

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	204,622	205,240	(618)	146,645
Overtime	11,185	23,436	(12,251)	19,622
Retirement, insurance and other benefits	111,214	118,279	(7,065)	84,356
Other Post-employment benefits (OPEB)	—	3,651	(3,651)	—
Electricity and gas	4,350	1,829	2,521	4,366
Telephone	3,000	1,905	1,095	2,213
Printing and office supplies	2,500	3,011	(511)	1,346
Postage	700	700	—	700
Memberships and dues	445	480	(35)	335
Travel	2,000	29	1,971	1,824
Auto operating	4,000	6,808	(2,808)	3,633
Chemicals	124,552	73,665	50,887	68,318
Sludge disposal fees	50,000	45,864	4,136	44,587
Lubrications	1,000	159	841	34
Hand tools and supplies	3,500	4,610	(1,110)	3,050
Electric/light supplies	500	26	474	48
Safety program and supplies	2,500	4,500	(2,000)	2,468
Uniforms and clothing	3,200	3,548	(348)	1,462
Janitorial supplies	1,000	1,271	(271)	663
Employee training	2,420	2,724	(304)	555
Professional services – lab testing	10,000	9,938	62	9,004
Lab supplies	750	585	165	42
Insurance – vehicle	1,500	1,175	325	971
Insurance – general	3,300	3,358	(58)	3,270
Building repairs	1,000	912	88	1,084
Equipment repairs	50,000	81,639	(31,639)	92,549
Machine and equipment	33,190	—	33,190	—
Machines & equipment – non-capital	—	1,342	(1,342)	—
	<u>632,428</u>	<u>600,684</u>	<u>31,744</u>	<u>493,145</u>
<u>Non-departmental and support services:</u>				
O&M indirect costs	1,800,000	1,800,000	—	1,600,000
Capital improvement/project reserve	100,000	—	100,000	—
Capital equipment reserve	100,000	—	100,000	—
	<u>2,000,000</u>	<u>1,800,000</u>	<u>200,000</u>	<u>1,600,000</u>
Depreciation	—	4,691,365	(4,691,365)	4,565,104
Amortization	—	(35,377)	35,377	14,096
Total depreciation & amortization	—	<u>4,655,988</u>	<u>(4,655,988)</u>	<u>4,579,200</u>
Total operating expenses	<u>\$ 13,292,404</u>	<u>\$ 16,536,504</u>	<u>\$ (3,244,100)</u>	<u>\$ 15,659,279</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, 2018

	<u>Balance, June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2018</u>
Assets				
Cash and cash equivalents:				
Firemen's fund	\$ 118,823	\$ 50,220	\$ (37,629)	\$ 131,414
Police fund	99,947	13,425	(15,906)	97,466
Total assets	<u>\$ 218,770</u>	<u>\$ 63,645</u>	<u>\$ (53,535)</u>	<u>\$ 228,880</u>
Liabilities				
Amounts due to others:				
Firemen's fund	\$ 118,823	\$ 50,220	\$ (37,629)	\$ 131,414
Police fund	99,947	13,425	(15,906)	97,466
Total liabilities	<u>\$ 218,770</u>	<u>\$ 63,645</u>	<u>\$ (53,535)</u>	<u>\$ 228,880</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, 2018

General capital assets and construction-in-progress, June 30, 2017	\$ 27,071,843
Add, expenditures by General Fund, Special Revenue Funds, and Capital Projects Fund:	
Land, buildings, other improvements, furniture and equipment	3,677,500
Add, donated capital equipment	13,500
Deduct, surplus sales and other deletions by General Fund:	
Land, building, furniture and equipment	<u>(553,560)</u>
General capital assets and construction-in-progress, June 30, 2018	<u><u>\$ 30,209,283</u></u>

SCHEDULE OF CHANGES IN LONG-TERM DEBT

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

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	Due Dates	Interest Rates	Bonds and Notes				Outstanding June 30, 2018	Debt Service Requirements Next Fiscal Year	
			Outstanding July 1, 2017	Long-Term Borrowing	Matured	Paid		Principal	Interest
General Long-Term Debt									
Tax Increment Financing Revenue Bond, Series 2017	2003-2018	4.03%	\$ —	\$ 8,000,000	\$ (285,000)	\$ (285,000)	\$ 7,715,000	\$ 290,000	\$ 279,063
Installment purchase contracts, monthly payments of principal and interest	various	1.33%	423,778	374,000	(204,187)	(204,187)	593,591	222,547	7,694
Total general long-term debt			\$ 423,778	\$ 8,374,000	\$ (489,187)	\$ (489,187)	\$ 8,300,591	\$ 512,547	\$ 286,757
Water and Sewer Utility Fund Debt									
Clean Water State Revolving Fund Loan, Series 2002, interest and principal payable quarterly	2003-2023	2.25%	\$ 611,726	\$ —	\$ (92,204)	\$ (92,204)	\$ 519,522	\$ 94,296	\$ 10,898
Clean Water State Revolving Fund Loan, Series 2009, interest and principal payable quarterly	2009-2032	2.25%	26,333,859	—	(1,523,210)	(1,523,210)	24,810,649	1,557,773	545,157
Clean Water State Revolving Fund Loan, Series 2015, interest and principal payable quarterly	2015-2035	2.00%	3,335,365	—	(153,025)	(153,025)	3,182,340	156,109	62,480
Water and Sewer System Revenue Bonds, Series 2016 A&B, interest payable semi-annually, principal payable annually	2017-2027	3.00%-4.00%	12,275,000	—	(1,675,000)	(1,675,000)	10,600,000	1,245,000	316,091
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%	362,630	1,200,000	(231,679)	(231,679)	1,330,951	452,872	28,104
Total water and sewer utility fund debt			\$ 67,478,958	\$ 1,200,000	\$ (3,675,118)	\$ (3,675,118)	\$ 65,003,840	\$ 3,816,362	\$ 1,183,077

*SRF Series 2017, was not yet fully drawn at June 30, 2018.

VICTIM'S RIGHTS ASSISTANCE

CITY OF CAYCE, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

YEAR ENDED JUNE 30, 2018

Court Fines and Assessments

Court fines and assessments collected	\$ 280,057
Court fines and assessments remitted to State Treasurer	<u>(98,886)</u>
Total court fines and assessments retained by the City	<u>\$ 181,171</u>

Surcharges and Assessments retained by City

Total surcharges collected	\$ 18,012
Total assessments	<u>6,265</u>
Total surcharges and assessments retained by City	<u>\$ 24,277</u>

Funds Allocated to Victims Services

Carryover funds from prior year	\$ —
Surcharges and assessments retained	24,277
Expenditures for victims services	<u>(24,277)</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. 119-121

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

Debt Capacity – These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future. 130-134

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place and to help make comparisons over time and with other governments. 135-138

Operating Information – These schedules contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs. 139-140

CITY OF CAYCE, SOUTH CAROLINA

NET POSITION BY COMPONENT
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
Net investment in capital assets	\$ 16,595,971	\$ 15,430,572	\$ 13,078,235	\$ 11,187,075	\$ 4,809,369	\$ 4,317,009	\$ 3,847,244	\$ 3,542,010	\$ 4,797,026	\$ 4,607,696
Restricted	10,489,686	2,503,787	4,089,583	2,900,003	2,329,686	1,688,336	1,630,222	1,215,170	1,548,803	1,421,780
Unrestricted (deficit)	<u>(13,118,929)</u>	<u>(5,338,793)</u>	<u>(6,446,015)</u>	<u>(5,968,176)</u>	<u>(10,307,729)</u>	<u>(1,149,730)</u>	<u>(858,419)</u>	<u>(985,075)</u>	<u>(493,433)</u>	<u>(190,606)</u>
Total governmental activities net position	<u>\$ 13,966,728</u>	<u>\$ 12,595,566</u>	<u>\$ 10,721,803</u>	<u>\$ 8,118,902</u>	<u>\$ (3,168,674)</u>	<u>\$ 4,855,615</u>	<u>\$ 4,619,047</u>	<u>\$ 3,772,105</u>	<u>\$ 5,852,396</u>	<u>\$ 5,838,870</u>
Business-type Activities										
Net investment in capital assets	\$ 84,289,609	\$ 80,976,020	\$ 78,314,467	\$ 79,196,265	\$ 73,208,919	\$ 67,123,141	\$ 66,405,669	\$ 58,750,650	\$ 43,931,424	\$ 35,843,888
Restricted	9,501,428	9,802,563	7,255,808	8,302,471	11,443,354	12,941,313	12,186,134	8,300,588	5,872,577	1,598,531
Unrestricted (deficit)	<u>(1,462,306)</u>	<u>(1,560,368)</u>	<u>(100,462)</u>	<u>(2,830,540)</u>	<u>(1,725,791)</u>	<u>6,271,966</u>	<u>3,377,568</u>	<u>4,663,182</u>	<u>7,903,032</u>	<u>9,766,255</u>
Total business type activities net position	<u>\$ 92,328,731</u>	<u>\$ 89,218,215</u>	<u>\$ 85,469,813</u>	<u>\$ 84,668,196</u>	<u>\$ 82,926,482</u>	<u>\$ 86,336,420</u>	<u>\$ 81,969,371</u>	<u>\$ 71,714,420</u>	<u>\$ 57,707,033</u>	<u>\$ 47,208,674</u>
Primary Government										
Net investment in capital assets	\$ 100,885,580	\$ 96,406,592	\$ 91,392,702	\$ 90,383,340	\$ 78,018,288	\$ 71,440,150	\$ 70,252,913	\$ 62,292,660	\$ 48,728,450	\$ 40,451,584
Restricted	19,991,114	12,306,350	11,809,630	11,202,474	13,773,040	14,629,649	13,816,356	9,515,758	7,421,380	3,020,311
Unrestricted (deficit)	<u>(14,581,235)</u>	<u>(6,899,161)</u>	<u>(6,533,114)</u>	<u>(8,798,716)</u>	<u>(12,033,520)</u>	<u>5,122,236</u>	<u>2,519,149</u>	<u>3,678,107</u>	<u>7,409,599</u>	<u>9,575,649</u>
Total primary government net position	<u>\$ 106,295,459</u>	<u>\$ 101,813,781</u>	<u>\$ 96,669,218</u>	<u>\$ 92,787,098</u>	<u>\$ 79,757,808</u>	<u>\$ 91,192,035</u>	<u>\$ 86,588,418</u>	<u>\$ 75,486,525</u>	<u>\$ 63,559,429</u>	<u>\$ 53,047,544</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.

GASB 75 was implemented effective for the fiscal year ended 6/30/18. The effect of implementing GASB 75 are not reflected in fiscal years prior to 2018.

CITY OF CAYCE, SOUTH CAROLINA

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

LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
<u>Governmental activities:</u> ^{(1) (6) (7)}										
General government	\$ 370,008	\$ 592,721	\$ 481,829	\$ 434,485	\$ 340,913	\$ 255,392	\$ 224,912	\$ 497,316	\$ 656,284	\$ 565,029
Information technology	115,260	108,495	84,776	85,962	92,887	106,544	73,396	—	—	—
Finance	83,901	73,568	117,820	56,868	61,747	70,355	82,275	101,476	127,862	194,352
Public safety	6,869,407	6,116,479	5,719,168	4,976,924	4,964,652	4,758,297	4,514,375	3,878,041	4,122,059	4,271,262
Public works	1,663,974	1,310,352	1,477,526	1,331,873	1,307,718	1,398,634	1,305,014	1,187,652	1,186,723	1,027,091
Planning and community development	1,267,474	924,506	790,776	675,085	575,489	628,271	595,472	3,297,107	609,701	591,283
Parks and museum	903,950	1,230,689	804,149	636,000	669,385	576,023	541,286	469,933	514,635	878,374
Garage	266,391	276,484	295,422	243,925	245,638	262,443	244,377	200,620	214,446	177,478
Depreciation and amortization (unallocated) ⁽⁷⁾	1,032,413	896,646	708,459	651,325	671,572	721,268	671,692	593,095	599,090	605,353
Interest	266,732	16,513	36,977	55,817	84,250	109,691	123,814	128,429	145,968	166,919
Total governmental activities	<u>12,839,510</u>	<u>11,546,453</u>	<u>10,516,902</u>	<u>9,148,264</u>	<u>9,014,251</u>	<u>8,886,918</u>	<u>8,376,613</u>	<u>10,353,669</u>	<u>8,176,768</u>	<u>8,477,141</u>
<u>Business-type activities:</u> ^{(2) (6) (7)}										
Water and sewer utility ⁽⁷⁾	17,753,948	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
Total business-type activities	<u>17,753,948</u>	<u>16,753,626</u>	<u>16,549,533</u>	<u>14,868,109</u>	<u>14,627,939</u>	<u>12,501,119</u>	<u>11,733,001</u>	<u>10,873,285</u>	<u>10,075,440</u>	<u>9,258,516</u>
Total primary government expenses	<u>\$ 30,593,458</u>	<u>\$ 28,300,079</u>	<u>\$ 27,066,435</u>	<u>\$ 24,016,373</u>	<u>\$ 23,642,190</u>	<u>\$ 21,388,037</u>	<u>\$ 20,109,614</u>	<u>\$ 21,226,954</u>	<u>\$ 18,252,208</u>	<u>\$ 17,735,657</u>
Program Revenue										
<u>Governmental activities:</u>										
Fees for services ⁽³⁾	\$ 1,229,471	\$ 1,255,379	\$ 1,270,485	\$ 1,460,765	\$ 948,157	\$ 1,014,772	\$ 1,053,270	\$ 1,006,202	\$ 1,070,167	\$ 1,385,124
Operating grants and contributions ⁽¹⁾	1,327,406	340,742	402,575	242,087	66,562	25,727	163,049	387,123	445,491	129,259
Capital grants and contributions	139,354	695,130	618,648	6,649,664	4,249	100,000	267,131	49,323	33,833	192,342
Total governmental activities	<u>2,696,231</u>	<u>2,291,251</u>	<u>2,291,708</u>	<u>8,352,516</u>	<u>1,018,968</u>	<u>1,140,499</u>	<u>1,483,450</u>	<u>1,442,648</u>	<u>1,549,491</u>	<u>1,706,725</u>
<u>Business-type activities:</u>										
Fees for services ⁽⁴⁾	17,431,831	17,251,630	16,865,450	14,971,094	14,566,496	13,053,768	12,113,231	11,113,085	9,949,750	9,722,466
Operating grants and contributions	—	95,193	—	—	—	—	—	—	—	—
Capital grants and contributions	2,888,039	3,131,410	948,615	1,604,279	1,233,547	8,768,596	9,848,764	13,721,503	10,191,975	2,871,370
Total business-type activities	<u>20,319,870</u>	<u>20,478,233</u>	<u>17,814,065</u>	<u>16,575,373</u>	<u>15,800,070</u>	<u>21,822,364</u>	<u>21,961,995</u>	<u>24,834,588</u>	<u>20,141,725</u>	<u>12,593,836</u>
Total primary government program revenue	<u>\$ 23,016,101</u>	<u>\$ 22,769,484</u>	<u>\$ 20,105,773</u>	<u>\$ 24,927,889</u>	<u>\$ 16,819,038</u>	<u>\$ 22,962,863</u>	<u>\$ 23,445,445</u>	<u>\$ 26,277,236</u>	<u>\$ 21,691,216</u>	<u>\$ 14,300,561</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

CHANGES IN NET POSITION ⁽⁵⁾
(Accrual basis of accounting)

— CONTINUED —

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Revenue and Other Changes										
Governmental activities:										
Property taxes	\$ 4,436,724	\$ 4,367,332	\$ 4,066,933	\$ 3,786,956	\$ 3,783,478	\$ 3,616,400	\$ 3,756,223	\$ 3,408,455	\$ 2,975,601	\$ 2,619,710
Accommodation and hospitality taxes	1,268,973	1,147,949	1,074,154	787,971	98,941	90,033	86,297	76,682	87,502	107,809
State shared and unallocated intergovernmental	408,982	458,807	425,994	410,874	370,738	400,669	326,500	363,225	397,125	452,427
Business licenses and other taxes	5,302,089	5,049,090	4,586,377	6,704,824	4,043,886	3,344,898	4,087,220	2,909,802	3,124,799	3,090,229
Unrestricted investment earnings	3,470	1,555	1,201	1,777	1,813	2,309	4,053	9,497	9,485	21,309
Gain from sale of assets	43,968	—	35,000	—	171,314	22,854	—	—	—	—
Other	441,369	104,232	638,436	390,922	422,976	514,157	520,318	63,069	46,291	17,875
Transfers	—	—	—	—	—	—	—	—	—	420,757
Total governmental activities	11,905,575	11,128,965	10,828,095	12,083,324	8,893,146	7,991,320	8,780,611	6,830,730	6,640,803	6,730,114
Business-type activities:										
Unrestricted investment earnings	16,528	10,258	10,264	11,223	14,426	20,799	26,801	41,837	61,639	135,795
Gain from sale of assets	5,399	13,537	4,423	23,227	—	—	(844)	—	—	—
Other	—	—	—	—	—	14,619	—	4,247	370,435	3,360
Transfers	—	—	—	—	—	—	—	—	—	(420,757)
Total business-type activities	21,927	23,795	14,687	34,450	14,426	35,418	25,957	46,084	432,074	(281,602)
Total primary government general revenue and other changes	\$ 11,927,502	\$ 11,152,760	\$ 10,842,782	\$ 12,117,774	\$ 8,907,572	\$ 8,026,738	\$ 8,806,568	\$ 6,876,814	\$ 7,072,877	\$ 6,448,512
Extraordinary Item – Fire	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (1,040,506)	\$ —	\$ —	\$ —
Special Item – Wastewater Treatment Plant disposal/decommissioned	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (4,488,481)	\$ —	\$ —	\$ —	\$ —
Changes in Net Position ^{(5) (6) (7)}										
Governmental activities	\$ 1,762,299	\$ 1,873,763	\$ 2,602,901	\$ 11,287,576	\$ 897,863	\$ 244,901	\$ 846,942	\$ (2,080,291)	\$ 13,526	\$ (40,302)
Business-type activities	2,587,849	3,748,402	1,279,219	1,741,714	1,186,557	4,868,182	10,254,951	14,007,387	10,498,359	3,053,718
Total primary government changes in net position	\$ 4,350,145	\$ 5,622,165	\$ 3,882,120	\$ 13,029,290	\$ 2,084,420	\$ 5,113,083	\$ 11,101,893	\$ 11,927,096	\$ 10,511,885	\$ 3,013,416

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

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

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

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

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

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

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

CITY OF CAYCE, SOUTH CAROLINA

PROGRAM REVENUE BY FUNCTION
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Function/Program										
<u>Governmental Activities:</u>										
General government (1)	\$ —	\$ 59,539	\$ 30,000	\$ 149,968	\$ —	\$ —	\$ —	\$ 51,694	\$ 2,527	\$ —
Information technology	—	—	—	—	—	—	—	—	—	—
Finance	—	—	—	—	—	—	—	—	—	—
Public safety	1,010,363	573,876	900,140	822,249	626,967	545,554	752,605	924,772	926,953	741,906
Public works	1,497,301	1,199,282	531,233	832,971	381,066	472,833	432,704	414,308	501,847	769,983
Planning and community development	73,338	121,179	212,815	8,467	6,200	121,286	27,757	31,120	51,550	51,556
Parks and museum	115,229	337,375	617,520	6,538,861	4,735	826	270,384	20,754	66,614	143,280
Garage	—	—	—	—	—	—	—	—	—	—
Total governmental activities	<u>2,696,231</u>	<u>2,291,251</u>	<u>2,291,708</u>	<u>8,352,516</u>	<u>1,018,968</u>	<u>1,140,499</u>	<u>1,483,450</u>	<u>1,442,648</u>	<u>1,549,491</u>	<u>1,706,725</u>
<u>Business-type activities:</u>										
Water and sewer utility	<u>20,319,870</u>	<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>
Total business-type activities	<u>20,319,870</u>	<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>
Total program revenue by function and program	<u>\$ 23,016,101</u>	<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>

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

CITY OF CAYCE, SOUTH CAROLINA

FUND BALANCES
GOVERNMENTAL FUNDS
(Modified accrual basis of accounting)

LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Nonspendable	\$ 65,085	\$ 150,444	\$ 64,979	\$ 559,143	\$ 48,921	\$ 51,930	\$ 41,613	\$ 35,177	\$ —	\$ —
Restricted	12,620	—	21,233	52,783	58,560	69,493	113,698	133,512	—	—
Committed	25,000	25,000	25,000	25,000	25,000	25,000	—	—	—	—
Assigned	971,072	968,388	930,600	923,610	4,107	9,944	17,261	20,267	—	—
Unassigned	6,592,195	5,374,540	4,859,534	4,124,328	1,090,810	476,052	694,031	430,901	—	—
Reserved	—	—	—	—	—	—	—	—	187,280	194,005
Unreserved	—	—	—	—	—	—	—	—	(209,352)	(4,412)
Total general fund	<u>7,665,972</u>	<u>6,518,372</u>	<u>5,901,346</u>	<u>5,684,864</u>	<u>1,227,398</u>	<u>632,419</u>	<u>866,603</u>	<u>619,857</u>	<u>(22,072)</u>	<u>189,593</u>
All Other Governmental Funds										
Nonspendable, reported in:										
Debt service funds	47,422	—	—	—	—	—	—	—	—	—
Restricted, reported in:										
Special revenue funds	769,063	761,222	587,173	391,426	131,568	149,493	246,509	406,477	—	—
Debt service funds	901,888	550,615	996,764	1,133,993	752,375	794,432	497,847	620,592	—	—
Capital projects funds	7,068,566	447,405	735,245	428,440	754,698	655,607	717,567	173,606	—	—
Assigned, reported in:										
Special revenue funds	83,801	83,801	83,801	83,801	83,801	83,801	—	636	—	—
Reserved, reported in:										
Special revenue funds	—	—	—	—	—	—	—	—	82,207	82,673
Debt service funds	—	—	—	—	—	—	—	—	1,349,255	1,215,761
Capital projects funds	—	—	—	—	—	—	—	—	2,277,644	2,356,749
Unreserved, reported in:										
Special revenue funds	—	—	—	—	—	—	—	—	323,318	352,489
Total all other governmental funds	<u>8,870,740</u>	<u>1,843,043</u>	<u>2,402,983</u>	<u>2,037,660</u>	<u>1,722,442</u>	<u>1,683,333</u>	<u>1,461,923</u>	<u>1,201,311</u>	<u>4,032,424</u>	<u>4,007,672</u>
Total primary government	<u>\$16,536,712</u>	<u>\$ 8,361,415</u>	<u>\$ 8,304,329</u>	<u>\$ 7,722,524</u>	<u>\$ 2,949,840</u>	<u>\$ 2,315,752</u>	<u>\$ 2,328,526</u>	<u>\$ 1,821,168</u>	<u>\$ 4,010,352</u>	<u>\$ 4,197,265</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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenue										
Property taxes	\$ 4,350,359	\$ 4,236,423	\$ 4,068,045	\$ 3,776,095	\$ 3,794,008	\$ 3,610,099	\$ 3,721,458	\$ 3,351,690	\$ 2,899,938	\$ 2,624,276
Accommodation and hospitality taxes	1,251,922	1,147,949	1,068,426	697,654	—	—	—	—	—	—
Licenses and permits	5,387,772	5,171,194	4,799,886	6,969,845	4,182,122	3,401,971	4,145,714	2,945,593	3,296,449	3,511,330
Fines and forfeitures	181,171	214,485	260,880	329,068	268,380	223,204	316,604	328,356	282,399	284,215
State shared revenue	408,982	454,835	425,994	497,025	470,411	504,646	447,544	489,425	541,999	613,976
Current services	1,028,901	1,035,625	796,448	848,100	534,410	692,536	658,095	620,316	601,501	668,994
Grants and other	1,865,441	985,667	1,658,789	1,953,891	502,037	697,009	970,574	504,317	494,349	366,262
Interest income	3,470	1,555	1,201	1,777	1,813	2,308	4,054	9,497	9,485	21,309
Total revenue	\$14,478,018	13,247,733	13,079,669	15,073,455	9,753,181	9,131,773	10,264,043	8,249,194	8,126,120	8,090,362
Expenditures¹										
Current:										
General government	448,499	489,207	510,972	418,861	335,743	257,965	237,577	243,093	322,933	334,079
Information technology	105,329	97,066	74,890	78,293	90,231	106,187	73,396	—	—	—
Finance	56,895	72,419	86,021	49,747	62,061	69,766	87,707	69,582	68,791	132,174
Public safety	6,304,196	5,815,970	5,604,141	4,972,902	5,020,310	4,752,127	4,566,632	3,342,951	3,377,945	3,267,295
Public works	1,285,574	1,253,360	1,424,195	1,309,947	1,289,663	1,397,514	1,321,336	1,085,494	1,025,127	1,204,368
Planning and community development/relations	1,216,325	897,323	840,806	618,430	569,700	625,823	603,295	3,253,279	498,344	496,265
Parks and museum	839,029	847,583	766,762	662,474	661,278	590,580	549,481	407,817	407,097	396,719
Garage	234,362	263,316	260,589	237,940	249,836	261,917	250,402	165,610	154,796	118,365
Non-department and support services	31,055	5,976	268	26,476	15,601	24,853	511,974	863,085	1,504,764	1,559,494
Debt service and other financing:										
Principal	481,562	491,714	603,207	672,857	666,678	664,914	685,536	573,730	581,740	580,340
Interest	166,770	28,590	36,997	55,817	89,405	109,691	123,814	128,430	145,968	166,919
Debt issue costs	310,868	19,000	—	—	—	—	—	—	—	—
Capital outlay	3,677,500	3,431,151	2,324,016	1,213,999	323,518	473,210	460,431	804,800	381,641	510,656
Total expenditures	15,157,964	13,712,675	12,532,864	10,317,743	9,374,024	9,334,547	9,471,581	10,937,871	8,469,146	8,766,674
Excess (deficiency) of revenue over expenditures	(679,946)	(464,942)	546,805	4,755,712	379,157	(202,774)	792,462	(2,688,677)	(343,026)	(676,312)

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

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

—CONTINUED—

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Other Financing Sources (Uses)										
Proceeds from TIF bond issue	8,436,275	—	—	—	—	—	—	—	—	—
Proceeds from sales of assets	44,968	3,028	35,000	16,972	254,931	—	—	—	—	—
Installment purchase contracts	374,000	519,000	—	—	—	190,000	755,402	499,493	156,113	190,059
Transfers in	911,911	1,761,120	1,404,441	423,300	456,887	42,589	437,747	939,470	38,326	459,522
Transfers (out)	(911,911)	(1,761,120)	(1,404,441)	(423,300)	(456,887)	(42,589)	(437,747)	(939,470)	(38,326)	(38,765)
Total other financing sources (uses)	8,855,243	522,028	35,000	16,972	254,931	190,000	755,402	499,493	156,113	610,816
Net change in fund balances before extraordinary item	8,175,297	57,086	581,805	4,772,684	634,088	(12,774)	1,547,864	(2,189,184)	(186,913)	(65,496)
Extraordinary Item – Fire	—	—	—	—	—	—	(1,040,506)	—	—	—
Net change in fund balances	8,175,297	57,086	581,805	4,772,684	634,088	(12,774)	507,358	(2,189,184)	(186,913)	(65,496)
Fund balances, beginning of year	8,361,415	8,304,329	7,722,524	2,949,840	2,315,752	2,328,526	1,821,168	4,010,352	4,197,265	4,262,761
Fund balances, end of year	<u>\$16,536,712</u>	<u>\$ 8,361,415</u>	<u>\$8,304,329</u>	<u>\$7,722,524</u>	<u>\$ 2,949,840</u>	<u>\$ 2,315,752</u>	<u>\$2,328,526</u>	<u>\$1,821,168</u>	<u>\$4,010,352</u>	<u>\$4,197,265</u>
Debt service as a percentage of non-capital expenditures	5.8%	4.9%	6.3%	8.0%	8.4%	8.7%	9.0%	6.9%	9.0%	9.0%

(1) The City reports governmental expenditures reimbursed by the Water and Sewer Utility Fund net of such reimbursement.

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

Fiscal Year	Real and Personal Property				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						
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	5,303,320	(22,674,050)	47,860,580	43.27	834,372,162	5.7%	
2014	33,707,440	31,406,130	5,646,490	(22,208,610)	48,551,450	44.17	849,135,496	5.7%	
2015	34,138,570	34,547,080	5,994,890	(24,197,850)	50,482,690	44.17	873,465,498	5.8%	
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%	
2018	35,728,800	37,636,160	6,016,820	(24,118,800)	55,262,980	47.69	965,379,606	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
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
2018	47.690	75.646	225.960	22.543	371.839

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 2018 TO 2009

Taxpayer	Type of Business	2018			2009		
		Assessment	Rank	Percentage of Total Assessed Valuation	Assessment	Rank	Percentage of Total Assessed Valuation
SCANA, Inc (SCE&G INCLUDED)	Electric Utility	\$25,590,080	1	32.24%	\$8,408,500	1	20.99%
Owen Electric Steel Co. of S.C.	Manufacturer, Steel	5,954,810	2	7.50%	4,773,340	2	11.91%
OTARRE Point Realty Partners LLC	Real Estate	1,331,040	3	1.68%	-	-	-
SN Riverside LLC	Apartments	1,081,530	4	1.36%	-	-	-
One Eleven Apartments (Tremont)	Apartments	959,080	5	1.21%	-	-	-
Sunbelt Rentals Inc	Equipment Rentals	821,780	6	1.04%	-	-	-
FWB LLC	Construction Management	780,000	7	0.98%	-	-	-
PEP-USC LLC (Point West)	Apartments	735,750	8	0.93%	-	-	-
Farm Bureau Insurance of S.C.	Insurance	569,490	9	0.72%	734,160	4	1.83%
Bell South Telecommunication, Inc.	Telecommunication	501,460	10	0.63%	1,236,990	3	3.09%
Granby Crossing, L.P.	Apartments	516,150	11	0.65%	406,200	7	1.01%
Parkland Partnership	Shopping Center	508,330	12	0.64%	473,230	6	1.18%
PS Southeast TWO LLC	Mini Warehousing	342,010	13	0.43%	-	-	-
Cayce Commons Shopping Ctr	Shopping Center	286,280	14	0.36%	-	-	-
CSI Leasing Inc	Equipment Leasing	285,630	15	0.36%	-	-	-
Cole CV Cayce SC LLC	Real Estate	270,000	16	0.34%	-	-	-
Southern First Bank National	Banking	261,040	17	0.33%	-	-	-
AVTX Edenwood Associates LLC	Real Estate	241,820	18	0.30%	-	-	-
WRH Edenwood LTD	Apartments	229,630	19	0.29%	172,310	13	0.43%
WED Properties LLC	Real Estate	214,780	20	0.27%	-	-	-
W.P. Hylton, LLC (Park Place 440)	Real Estate	210,000	-	0.26%	165,900	14	0.41%
Efron Family LLC	Real Estate	181,090	-	0.23%	143,690	18	0.37%
Southeastern Concrete Products	Manufacturer, Concrete	180,120	-	0.23%	278,140	9	0.69%
Virginia American Industries	Manufacturer, Tanks	163,030	-	0.21%	185,230	11	0.46%
Cayce Crossing, L.P.	Shopping Center	148,350	-	0.19%	174,710	12	0.44%
Time Warner Ent.- Advance Newhouse	Telecommunication	140,370	-	0.18%	150,670	16	0.38%
Love Chevrolet	Car Dealership	105,630	-	0.13%	141,490	20	0.38%
Tube City, LLC	Metal Recycler	-	-	0.00%	160,920	15	0.40%
SC Becknell Investors 2007 LLC	Wholesale Food	-	-	0.00%	147,310	17	0.37%
Pilot Travel Centers, LLC	Gasoline Stations	-	-	0.00%	143,650	19	0.36%
EDR Cayce, LLC	Apartments	-	-	0.00%	549,750	5	1.37%
University Commons	Apartments	-	-	0.00%	332,760	8	0.83%
Small, Jr., Robert S.	Real Estate	-	-	0.00%	196,470	10	0.49%
Total		\$ 42,609,280		53.68%	\$ 18,975,420		47.39%

Total Assessed Value (Includes FILOT) \$ 79,381,780

Total Assessed Value (Not Including FILOT) \$ 55,262,980

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
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
2018	2,551,700	2,296,538	75,086	2,371,624	93%	2,400,868

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

Source: Lexington County Treasurer.

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

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Fiscal Year Ended June 30	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Total Income	Amount Per Capita (Population)
	General Obligation Bonds	Tax Increment Financing (TIF) Revenue Bonds	Promissory Notes and Installment Purchase Contracts Payable	Water and Sewer System Revenue Bonds	Clean Water State Revolving Fund Loans	Installment Purchase Contracts Payable			
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
2018	—	7,715,000	593,591	10,600,000	53,072,889	1,330,951	73,312,431	21.3%	5,205

**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
2009	—	—	—
2010	—	—	—
2011	—	—	—
2012	—	—	—
2013	—	—	—
2014	—	—	—
2015	—	—	—
2016	—	—	—
2017	—	—	—
2018	—	—	—

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, 2018

Political Subdivisions	Assessed Value	General Bonded Debt Outstanding		
		Debt Outstanding	Percentage Applicable to Cayce Taxpayers ²	Cayce's Taxpayers Share of Debt ¹
Lexington County	\$ 1,286,795,490	\$ 34,834,906	6.33%	\$ 2,205,050
Lexington School District 2	304,531,860	231,712,000	26.72%	61,913,446
Lexington Recreation District	972,260,520	29,005,000	8.37%	2,427,719
Riverbanks Zoo	1,286,795,490	30,475,000	6.33%	1,929,068
Total Overlapping General Bonded Debt		<u>\$ 326,026,906</u>		<u>\$ 68,475,282</u>
Direct City Debt Outstanding				
Governmental Activities:				
Tax Increment Financing (TIF) Revenue Bonds				\$ 7,715,000
Installment Purchase Contracts				593,591
				<u>\$ 8,308,591</u>
Business-type Activities:				
Water and Sewer System Revenue Bonds				\$ 10,600,000
Clean Water State Revolving Fund Loans (SRF)				53,072,889
Installment purchase contracts				1,330,951
				<u>\$ 65,003,840</u>
Total Direct & Overlapping Debt				<u>\$ 141,787,713</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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Assessed Valuation	\$55,262,980	\$52,484,130	\$51,479,370	\$50,482,690	\$48,551,450	\$47,860,580	\$46,923,977	\$46,896,540	\$41,923,380	\$40,062,950
Maximum General Obligation Debt limited to 8% of total assessed valuation (1)	4,421,038	4,198,730	4,118,350	4,038,615	3,884,116	3,828,846	3,753,918	3,751,723	3,353,870	3,205,036
Outstanding bonds chargeable to bond limit	—	—	—	—	—	—	—	—	—	—
Legal debt margin	<u>\$ 4,421,038</u>	<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>
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,									
	2018	2017	2016	2015	2014 ²	2013	2012	2011	2010	2009
Gross Revenues	\$17,453,758	\$17,370,618	\$16,899,283	\$15,005,544	\$14,580,922	\$13,899,383	\$12,140,032	\$11,159,169	\$10,381,824	\$ 9,861,621
Capital Facility Charges	743,423	1,622,762	465,468	1,604,279	1,592,759	5,145,064	9,848,764	13,721,503	7,168,737	1,580,790
Expenses of Operating and Maintaining the System ⁽³⁾	(12,045,106)	(11,239,920)	(10,627,732)	(9,159,617)	(9,089,535)	(7,886,067)	(8,014,258)	(7,391,785)	(6,630,334)	(6,352,267)
Net Earnings/Net Revenues ⁽¹⁾	\$ 6,152,025	\$ 7,753,460	\$ 6,737,019	\$ 7,450,206	\$ 7,084,146	\$11,158,380	\$13,974,538	\$17,488,887	\$10,920,227	\$ 5,090,144
Combined Debt Service Requirements ⁽⁴⁾	4,447,883	3,395,483	4,551,866	4,774,334	4,835,493	4,881,806	3,240,906	2,707,437	2,709,725	2,818,044
Debt Service Coverage ⁽⁵⁾	136%	174%	148%	156%	147%	229%	431%	646%	403%	180%
Debt Service Coverage Without Capital Facility Charges ⁽⁵⁾	N/A	N/A	N/A	122%	114%	123%	127%	139%	138%	124%

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

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

COMMERCIAL PERMITS VALUES TEN FISCAL YEAR REPORT

Occurrence	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Alterations	\$ 2,662,932	\$ 4,093,414	\$ 3,663,392	\$ 2,024,358	\$ 1,433,524	\$ 4,355,520	\$ 583,964	\$ 1,485,764	\$ 1,445,301	\$ 5,027,581
Additions	827,622	53,388	1,067,481	—	1,159,300	1,171,880	368,348	94,692	74,256	565,615
New Construction	<u>2,267,822</u>	<u>935,740</u>	<u>8,158,486</u>	<u>205,910</u>	<u>9,812,273</u>	<u>1,084,624</u>	<u>78,420</u>	<u>105,830</u>	<u>62,060,078</u>	<u>42,184,048</u>
Sub-total:	5,758,376	5,082,542	12,889,359	2,230,268	12,405,097	6,612,024	1,030,732	1,686,286	63,579,635	47,777,244
Signage	<u>330,000</u>	<u>35,386</u>	<u>85,224</u>	<u>63,914</u>	<u>78,430</u>	<u>73,417</u>	<u>44,130</u>	<u>88,105</u>	<u>169,376</u>	<u>93,959</u>
Commercial Totals	<u>\$ 6,088,376</u>	<u>\$ 5,117,928</u>	<u>\$12,974,583</u>	<u>\$ 2,294,182</u>	<u>\$12,483,527</u>	<u>\$ 6,685,441</u>	<u>\$ 1,074,862</u>	<u>\$ 1,774,391</u>	<u>\$63,749,011</u>	<u>\$47,871,203</u>

RESIDENTIAL PERMITS VALUES TEN FISCAL YEAR REPORT

Occurrence	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Alterations	\$2,328,763	\$ 2,040,385	\$ 1,722,156	\$ 1,227,438	\$ 959,069	\$ 1,558,973	\$ 976,387	\$ 804,757	\$ 2,236,743	\$ 882,040
Additions	195,294	239,353	132,485	311,499	258,552	297,543	192,946	226,930	225,550	201,607
Multi-Family	0.00	—	—	35,670,684	—	—	1,354,057	—	—	—
Single-Family	<u>1,314,345</u>	<u>2,417,225</u>	<u>9,431,975</u>	<u>6,684,947</u>	<u>8,230,264</u>	<u>7,917,316</u>	<u>4,105,918</u>	<u>676,678</u>	<u>3,518,000</u>	<u>9,898,625</u>
Residential Totals	<u>\$3,838,402</u>	<u>\$ 4,696,963</u>	<u>\$11,286,616</u>	<u>\$43,894,568</u>	<u>\$ 9,447,885</u>	<u>\$ 9,773,832</u>	<u>\$ 6,629,308</u>	<u>\$ 1,708,365</u>	<u>\$ 5,980,293</u>	<u>\$10,982,272</u>
Yearly Grand Total	<u>\$9,926,778</u>	<u>\$ 9,814,891</u>	<u>\$24,261,199</u>	<u>\$46,188,750</u>	<u>\$21,931,411</u>	<u>\$16,459,273</u>	<u>\$ 7,704,170</u>	<u>\$ 3,482,756</u>	<u>\$69,729,304</u>	<u>\$58,853,475</u>

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

Per Year 2010 Census ¹	Cayce ⁵	Lexington County ⁴	South Carolina ⁴
Total Population (2017 Estimate)	14,086	290,642	5,024,369
Total Population (2016 Estimate)	14,233	286,196	4,961,119
Per Capita Income (In 2017 Inflation Adjusted Dollars)	\$ 24,126	\$ 28,141	\$ 25,521
Median Household Income (In 2017 Inflation Adjusted Dollars)	\$ 45,599	\$ 55,412	\$ 46,898
Median Family Income (In 2017 Inflation Adjusted Dollars)	\$ 55,941	\$ 68,496	\$ 58,158
Total Personal Income (In 2017 Inflation Adjusted Dollars)	\$ 343,385,358	\$ 8,053,841,636	\$ 126,612,717,999

Population Estimates ¹ (July 1, 2017)	Cayce	Lexington County	South Carolina
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
2017	14,086	290,642	5,024,369

Unemployment Rates ² (Annual Average)	Cayce	Lexington County	South Carolina
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	N/A	3.5	4.3
2018 ³	N/A	3.2	4.2

Cayce's Income Demographics ⁵	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. 2017 latest estimates was population only.

² S.C. Department of Employment and Workforce.

³ Six month average from January 1, 2018 through June 30, 2018.

⁴ State demographic information for all categories, updated as of July 1, 2016. Only 2017 population numbers had been updated since the previous year.

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, 2018

(With comparative data from that first reported in CAFR, June 30, 2009)

<u>Taxpayer</u>		2018			2009		
		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
SCANA, Inc	Electric Utility	1,529	1	18.0%	1,610	1	19.9%
SMI Steel	Manufacturer, Steel	405	2	4.8%	354	2	4.4%
Lexington School District 2	Public School System	342	3	4.0%	-	-	0.0%
Farm Bureau Insurance of S.C.	Insurance	170	4	2.0%	170	3	2.1%
Bi-Lo, LLC	Grocer	159	5	1.9%	115	6	1.4%
CINTAS	Uniform Provider	130	6	1.5%	120	5	1.5%
McDonalds	Restaurant	115	7	1.4%	-	-	0.0%
Shealy Environmental	Contractor Services	75	8	0.9%	-	-	0.0%
Krispy Kreme Doughnut Co.	Retail	65	9	0.8%	50	8	0.6%
Love Automotive Co.	Car Dealership	62	10	0.7%	125	4	1.5%
Total		<u>3,052</u>		<u>3%</u>	<u>2,544</u>		<u>31.41%</u>
Approximate number employed within the City limits		<u>8,475</u>			<u>8,100</u>		

Note: Information obtained from Business License applications and phone calls to businesses.
Information does not include the 205 City of Cayce's employees.
The US Postal Distribution Center would not respond to our requests.

CITY OF CAYCE, SOUTH CAROLINA

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Employees by Function/Program										
<u>Governmental Activities</u>										
General government:										
Legislative	5	5	5	5	5	5	5	5	5	5
Administrative	6	6	6	6	5	4	4	5	5	5
Recorder's court	3	3	3	3	2	2	1	1	1	1
IT	1	1	1	1	1	1	N/A	N/A	N/A	N/A
Finance:										
Accounting	3	3	3	3	3	3	3	4	4	4
Public safety:										
Animal control	1	1	1	2	2	2	2	2	2	2
Dispatchers	6	5	5	5	5	5	5	5	5	5
Administrative	4	4	4	4	4	4	4	4	4	4
Detectives	9	8	8	8	8	8	8	9	9	9
Traffic/Victim's Advocate	43	37	39	41	38	38	39	47	48	47
Fire	16	16	15	15	12	9	9			
Parks	4	4	4	2	N/A	N/A	N/A	N/A	N/A	N/A
Planning and community development:										
Administrative	7	7	5	4	4	6	5	5	5	5
Public works:										
Public buildings	1	1	1	1	1	1	1	1	1	1
Sanitation	17	17	15	17	17	17	17	16	16	16
Garage	5	5	5	5	5	5	5	5	5	4
Parks and museum:										
Museum	3	3	2	2	2	2	2	2	2	2
Parks	12	12	12	10	10	9	9	8	8	8
Subtotals	146	138	134	134	124	122	119	119	120	118
<u>Business-type Activities</u>										
Water and sewer utility:										
Administrative	5	4	4	4	12	8	8	7	7	6
Water billing*	9	9	8	8	N/A	N/A	N/A	N/A	N/A	N/A
Water treatment plant	10	10	10	10	9	10	10	10	10	10
Water distribution and maintenance	13	13	13	13	13	14	14	14	14	13
Sewer collection and outfall lines	15	14	13	13	12	12	12	10	9	9
Wastewater treatment plant	14	13	12	12	12	12	12	11	11	11
Wastewater Pre-treatment Plant**	5	4	3	3	1					
Subtotals	71	67	63	63	59	56	56	52	51	49
Total	217	205	197	197	183	178	175	171	171	167

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

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

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

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

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

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<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	14,086	14,233	13,625	13,496	13,366	13,240	13,152	13,089	13,065	12,646
Public safety:										
Number of stations	4	4	4	4	6	6	6	6	6	6
Number of Police Officers	10	5	1	1	2	2	2	2	2	1
Number of Firefighters	9	8	6	6	12	9	9	3	4	7
Number of Public Safety Officers*	57	56	57	54	48	49	49	49	48	44
Dispatchers and Victim's Advocate	8	8	8	8	8	9	8	9	9	9
Number of arrests	956	850	700	685	1,121	887	728	830	523	992
Number of emergency incidents	6,796	6,192	5,800	8,470	6,800	2,968	5,295	9,388	10,494	8,781
Planning and community development:										
Permits issues	427	442	452	744	300	917	276	239	341	376
Estimated cost of construction	9,926,778	9,814,891	24,261,198	46,188,750	21,931,411	16,459,273	7,704,170	3,482,756	69,729,305	58,853,475
Public works:										
Active vehicles in vehicle replacement plan	179	179	168	156	146	152	149	130	122	122
Refuse collected (average tons per day)	36.5	36.0	24.5	25.0	23.19	44.4	35.3	48.0	47.8	17.58
Recyclables collected (average tons per day)	4.0	3.5	2.5	2.0	1.26	1.18	1.06	1.05	1.04	1.14
Parks and museum:										
Number of parks	9	9	9	9	9	9	9	8	8	8
Number of playgrounds	6	6	6	5	5	5	5	5	5	4
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 —

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Business-type activities</u>										
Water and sewer utility:										
Number of water customers – end of period*	7,822	7,776	7,760	8,436	8,245	8,222	8,490	8,337	7,329	7,248
Number of sewer customers – end of period*	12,714	12,583	11,625	12,146	11,595	11,893	12,150	10,812	10,757	10,651
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	3,080,000	3,004,000	3,000,160	2,730,000	2,790,000	2,730,000	3,070,000	3,090,000	3,050,000	3,000,000
Peak average filtration flow – water GPD	3,890,000	3,660,000	3,721,000	3,620,000	3,740,000	3,750,000	4,300,000	3,790,000	3,440,000	3,300,000
Peak daily filtration flow – water GPD	4,313,000	4,663,000	4,408,000	4,232,400	4,771,900	4,020,000	4,389,000	4,130,000	4,410,000	5,199,000
Wastewater plant treatment capacity per day – gallons	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	9,500,000	9,500,000	9,500,000	9,500,000
Average daily treated flow – wastewater GPD	9,193,000	9,652,000	9,803,000	7,743,000	8,222,000	6,666,000	5,733,000	4,303,000	6,758,000	6,056,000
Peak average treated flow – wastewater GPD	11,886,000	11,462,000	13,458,000	8,900,000	10,123,000	7,417,000	6,184,000	6,002,000	9,030,000	7,196,000
Peak daily treated flow – wastewater GPD	15,812,000	21,547,000	23,647,000	16,490,000	17,075,000	13,181,000	9,557,000	10,871,000	14,188,000	12,795,000
Number of miles of water mains owned by City	221.2	219.3	217.7	216.3	215.9	214.8	214.0	210.5	207	128
Number of miles of sewage collection lines owned by City	279.9	272.9	270.1	268.5	266.3	265.7	265	260	260	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

COVER STORY

PHOTOGRAPH: CAYCE WATER TANK

IMAGE OF WATER TANK FEATURED IN THE TNEMEC TANK OF THE YEAR CONTEST
SUBMITTED BY AMERICAN ENGINEERING CONSULTANTS, INC.



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