

CITY OF CAYCE, SOUTH CAROLINA



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDING JUNE 30, 2020**

CITY OF CAYCE, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2020

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, 2020

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CITY OF CAYCE, SOUTH CAROLINA

INTRODUCTORY SECTION

CITY OF CAYCE, SOUTH CAROLINA

Mayor
Elise Partin

Mayor Pro-Tem
James E. Jenkins

Council Members
Ann Bailey-Robinson
Phil Carter
Tim James

City Manager
Tracy Hegler

Assistant City Manager
James E. Crosland



February 17, 2021

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, 2020 (FY 2020). 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, 2020 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, 2020.

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 appropriated amount) is established by department within an individual fund. The City Manager presents the proposed budget to Council for review, and approval. The City Manager may make transfers of appropriations within each fund. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated budget has been adopted. As demonstrated by the statements and schedules included in the financial section of this report as Required Supplementary Information, the City continues to meet its responsibility for sound financial management.

The City of Cayce provides a full range of services including police and fire protection, residential solid waste removal services, water and sewer services and recreational activities. The City operates under a July 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 and at 5:00pm the third Wednesday 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, 2020, elected officials were as follows:

MAYOR

Elise Partin

elisepartin@outlook.com

Telephone: 803-361-8280

MEMBERS OF COUNCIL

District 1

Tara Almond

almondcaycecouncil@gmail.com

Telephone: 803-309-1564

District 2

James "Skip" Jenkins

skip_jenkins@hotmail.com

Telephone: 803-730-2601

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, 2020, 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. Dominion Energy has also connected their corporate headquarters to the Cayce Riverwalk through the Timmerman Trail for the enjoyment of their employees and visitors.

The Congaree River has always played a dominant role of strategic importance in Cayce's development from the early days when barge and boat traffic from the low country were a part of everyday commerce on the river. Cayce became an outpost for this trade. The Cayce Riverwalk Park includes a public nature park along the river with amenities such as lighted boardwalks and concrete walkways, picnic shelters, park benches, and river over-looks with magnificent views of the Columbia skyline. Development on both sides of the river is a driving force in the continuing economic development of the City of Cayce.

In July 2018, the City issued an \$8,000,000 Tax Increment Financing (TIF) Revenue Bond to obtain funds to develop a portion of the City. This is enhancing economic development to include the demolition and redevelopment of parcels along Knox Abbott Drive, electric utility improvements and street-scaping projects. The Knox Abbott Drive Pedestrian Safety and Traffic Calming project should be completed by the fall of 2021. 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. The Lexington County Medical Park that was finished in 2018 and continues to add to the City's tax base and enhance the master plan. The townhome project known as Otarre Point was completed in 2018, adding 299 upscale townhomes, and construction was completed last year on a 100 unit Marriott Hotel. An approximately 60-acre tract of land, referred to as Southern Commons, has sold and is currently under plans for a combination of retail, entertainment, office and residential land uses (estimated to be a \$65million investment). A development of this type and size will serve as a catalyst for the development of the surrounding area and supporting corridors. Construction on the Matheson Gas and Liquid Oxygen facility is nearing completion and should be operational by summer of 2021. This company will be supporting CMC Steel and will help to grow the property tax and business license base.

Construction was completed in 2018 on Knox Abbott for a 224-unit upscale apartment community called The Tremont, recently renamed Advenir at One Eleven. Permitting and construction of a 22-unit upscale single-family housing development called Congaree Bluff, off of Axtell Drive along the River, is

continuing, with all but a couple units already sold and built. In December 2019 Steel Hands Brewery opened. This is an on-premises brewery and restaurant that manufactures their own brand of beer to sell to the public and to other commercial businesses in the area. Their production and sales are growing rapidly.

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 has been developed and built by Brickworks Associates, LLC. New construction associated with this project could total \$40 million and include 300,000 square feet of office, retail, and residential construction that will extend to the Congaree River and tie into the Cayce Riverwalk. An upscale apartment community similar to Advenir at One Eleven, called Indigo at Brickworks, is complete and is ninety percent occupied. We were also happy to see a new Starbucks coffee shop open on Knox Abbott. We believe this will help encourage new restaurants and will continue to enhance the Knox Abbott corridor. We continue to see more vacant and underutilized buildings being rehabbed and occupied along Knox Abbott.

The City of Cayce has established and is now developing a River Arts District to encourage an artist community and revitalize the historic downtown State Street area. In the past several years, five new businesses have moved to State Street, a multi-purpose Art Lot has been developed, buildings are being restored and many pieces of public art, funded predominantly by third-party grants, have been installed. Its growth is expected to rapidly continue as we receive great interest from businesses wishing to relocate here.

Other known projects include the Saxe Gotha Industrial Park that Lexington County is continuing to expand in the unincorporated area abutting Cayce City Limits. The City of Cayce has agreements in place to provide water and sewer service to the industrial park. This more than 400 acre industrial park is being developed off of 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 helped maintain great water and sewer sales, and is currently under a large expansion.

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

The City continues providing water and sewer service to the South Carolina State Farmer’s Market. The farmer’s market, relocated from Bluff Road in Richland County (across the street from USC’s William Brice Stadium) to Lexington County on US Highway 321, and continues to experience growth.

To better position the City for residential growth, the City commissioned a housing study in 2020 to identify trends in housing. This study outlined current demographic data, assessed housing demand and supply and recommended policies that is helping Council make decisions on how to grow wisely, all while protecting the integrity and attractiveness of our existing neighborhoods.

Long-Term Financial Planning

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

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

Awards

We believe our current report conforms with the Certificate of Achievement Program requirements, and we are submitting it to the Government Finance Officers Association of the United States and Canada (GFOA). 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.

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 2019-2020 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, 2019. 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, 2020 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.

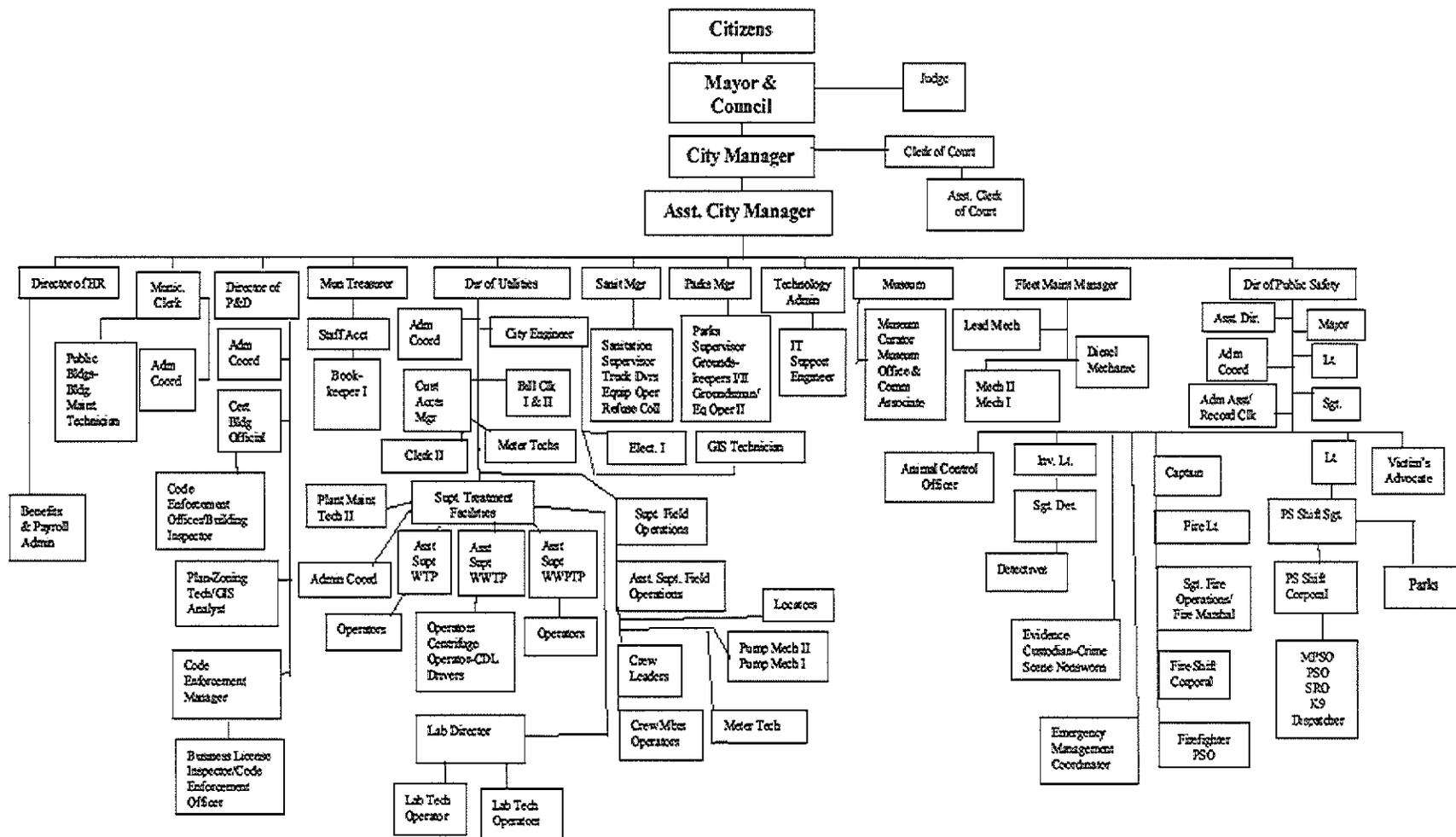
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tracy Hegler". The signature is written in a cursive, flowing style.

Tracy Hegler, AICP
City Manager

Organizational Chart

11/1



FINANCIAL SECTION

CITY OF CAYCE, SOUTH CAROLINA

REPORT OF INDEPENDENT AUDITOR

CITY OF CAYCE, SOUTH CAROLINA

.

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

A Professional Association Of

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

121 EXECUTIVE CENTER DRIVE, SUITE 206, COLUMBIA, SOUTH CAROLINA 29210
POST OFFICE BOX 1960, COLUMBIA, SOUTH CAROLINA 29202
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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, 2020, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2020, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Summarized Comparative Information

The prior year summarized comparative information presented in the individual fund financial statements and schedules has been derived from the City's 2019 audited financial statements, and in my report dated December 20, 2019, I expressed an unmodified opinion on those individual fund financial statements and schedules.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated February 17, 2021, on my consideration of the City's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



February 17, 2021
Columbia, South Carolina

CITY OF CAYCE, SOUTH CAROLINA

City of Cayce, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2020

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, 2020. 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, 2020 were \$205.1 million and exceeded total liabilities and deferred inflows by \$110.2 million. Of the total net position at June 30, 2020, there was a \$9.1 million deficit in unrestricted funds and unavailable to support short term operations of the City.

Per the Government-wide *Statement of Activities*, the City's total net position increased by \$0.9 million for the year ended June 30, 2020. The Governmental Activities resulted in a net decrease of \$1.1 million, while the Business-type Activities contributed a positive net change in net position of \$2.0 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 \$20.8 million (plus deferred inflows of \$0.7 million and less deferred outflows of \$3.9 million) at June 30, 2020. The City's post-employment benefits other than pensions (OPEB) equaled \$3.4 million (less deferred outflows of \$0.5 million) at June 30, 2020.

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 \$110.2 million at the close of June 30, 2020.

Below is a 'condensed' Statement of Net Position at June 30, 2020, which depicts the major components of the City's assets, deferred outflows, liabilities and net position (with comparative amounts for June 30, 2019).

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Assets and Deferred Outflows						
Cash and cash equivalents:						
Unrestricted	\$ 6,770,390	\$ 6,268,845	\$ 4,574,369	\$ 3,664,553	\$ 11,344,759	\$ 9,933,398
Restricted	5,579,259	5,237,383	9,671,107	10,616,634	15,250,366	15,854,017
Other current assets	1,099,230	1,319,386	3,245,241	2,710,666	4,344,471	4,030,052
Other assets, net of accumulated amortization	75,000	127,530	366,512	430,115	441,512	557,645
Capital assets, net of accumulated depreciation	23,555,547	23,808,847	145,399,855	147,961,351	168,955,402	171,770,198
Total assets	37,079,426	36,761,991	163,257,084	165,383,319	200,336,510	202,145,310
Deferred outflows of resources:						
Deferred outflows related to OPEB	313,538	382,598	105,608	128,869	419,146	511,467
Deferred outflows related to pensions	2,875,148	3,134,953	1,040,327	1,304,747	3,915,475	4,439,700
Losses on bond refundings	—	—	460,548	566,135	460,548	566,135
Total deferred outflows of resources	3,188,686	3,517,551	1,606,483	1,999,751	4,795,169	5,517,302
Total assets and deferred outflows	40,268,112	40,279,542	164,863,567	167,383,070	205,131,679	207,662,612
Liabilities, Deferred Inflows and Net Position						
Current liabilities	1,999,946	1,245,717	877,892	902,745	2,877,838	2,148,462
Current liabilities payable from restricted assets	310,000	300,000	3,621,688	4,343,912	3,931,688	4,643,912
Non-current liabilities	24,595,104	24,148,543	62,854,648	66,563,867	87,449,752	90,712,410
Total liabilities	26,905,050	25,694,260	67,354,228	71,810,524	94,259,278	97,504,784
Deferred inflows of resources:						
Deferred inflows related to pensions	449,979	543,056	218,595	283,272	668,574	826,328
Total deferred inflows of resources	449,979	543,056	218,595	283,272	668,574	826,328
Total liabilities, deferred inflows of resources	27,355,029	26,237,316	67,572,823	72,093,796	94,927,852	98,331,112
Net position:						
Net investment in capital assets	16,893,546	17,383,993	87,328,355	87,473,689	104,221,901	104,857,682
Restricted	5,129,365	5,179,447	9,949,968	9,322,177	15,079,333	14,501,624
Unrestricted (deficit)	(9,109,828)	(8,521,214)	12,421	(1,506,592)	(9,097,407)	(10,027,806)
Total net position	\$ 12,913,083	\$ 14,042,226	\$ 97,290,744	\$ 95,289,274	\$ 110,203,827	\$ 109,331,500

Total net position equaled \$110.2 million at June 30, 2020 (\$109.3 million at June 30, 2019), of which \$12.9 million (\$14.0 million in 2019) represents net position of the City's Governmental Activities, and \$97.3 million in 2020 (\$95.3 million in 2019), represents Business-type Activities.

Government-Wide Financial Analysis (continued)

By far the largest portion of the City's net position (\$104.2 million, or 94.6%) 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, \$15.1 million, or 13.7% represents resources that are subject to external restrictions on how they may be used, which includes resources for the City's redevelopment district plan and related debt service, law enforcement, and pensions (see Note 7 for further detail information). The remaining is a deficit in *unrestricted net position* (totaling \$9.1 million in 2020), 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 \$20.8 million (plus deferred inflows of \$.7 million, less deferred outflows of \$3.9 million) in accordance with GASB #68 and recording the total other post-employment benefit liability of \$3.4 million (less deferred outflows of \$0.5 million) in accordance with GASB #75.

Unrestricted net position in Governmental Activities resulted in a deficit totaling \$9.1 million in 2020 (as compared to a deficit of \$8.5 million in 2019) primarily resulting from recording net pension liabilities in accordance with GASB #68, and total other post-employment benefit (OPEB) liability in accordance with GASB #75.

Business-type Activities resulted in an unrestricted net position of \$12,421 in 2020 (as compared to a deficit of \$1.5 million in 2019). This is primarily due to continued rate increases for utility-related services and reasonable increases in operating and non-operating expenses.

Government-Wide Financial Analysis (continued)

The City's components of changes in net position (condensed from the Statement of Activities) for FY 2020 and FY 2019, are illustrated in the following table:

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenue						
Program Revenue:						
Charges for services	\$ 1,703,623	\$ 1,479,312	\$ 18,987,250	\$ 18,442,059	\$ 20,690,873	\$ 19,921,371
Operating grants and contributions	292,158	407,577	—	—	292,158	407,577
Capital grants and contributions	144,287	100,043	1,743,118	2,701,677	1,887,405	2,801,720
General revenue:						
Property taxes	4,710,174	4,815,538	—	—	4,710,174	4,815,538
Accommodation and hospitality taxes	1,524,269	1,272,104	—	—	1,524,269	1,272,104
State shared and unallocated intergovernmental	498,301	480,101	—	—	498,301	480,101
Licenses and other	4,883,608	4,893,838	—	—	4,883,608	4,893,838
Other	422,855	164,297	(22,611)	32,092	400,244	196,389
Total revenue	<u>14,179,275</u>	<u>13,612,810</u>	<u>20,707,757</u>	<u>21,175,828</u>	<u>34,887,032</u>	<u>34,788,638</u>
Expenses						
General government	581,990	432,879	—	—	581,990	432,879
Information technology	139,732	67,575	—	—	139,732	67,575
Finance	92,532	86,242	—	—	92,532	86,242
Public safety	8,437,530	7,434,457	—	—	8,437,530	7,434,457
Public works	1,434,404	1,334,661	—	—	1,434,404	1,334,661
Planning and development	1,627,370	1,365,137	—	—	1,627,370	1,365,137
Parks and museum	936,572	889,747	—	—	936,572	889,747
Garage	315,109	262,379	—	—	315,109	262,379
Depreciation (unallocated)	1,456,515	1,389,879	—	—	1,456,515	1,389,879
Interest	286,664	274,356	—	—	286,664	274,356
Water and sewer utility	—	—	18,706,287	18,215,285	18,706,287	18,215,285
Total expenses	<u>15,308,418</u>	<u>13,537,312</u>	<u>18,706,287</u>	<u>18,215,285</u>	<u>34,014,705</u>	<u>31,752,597</u>
Changes in net position	(1,129,143)	75,498	2,001,470	2,960,543	872,323	3,036,041
Beginning net position	<u>14,042,226</u>	<u>13,966,728</u>	<u>95,289,274</u>	<u>92,328,731</u>	<u>109,331,500</u>	<u>106,295,459</u>
Ending net position	<u>\$ 12,913,083</u>	<u>\$ 14,042,226</u>	<u>\$ 97,290,744</u>	<u>\$ 95,289,274</u>	<u>\$ 110,203,827</u>	<u>\$ 109,331,500</u>

Government-Wide Financial Analysis (continued)

Net changes in net position in Governmental Activities had a total decrease of \$1.1 million in 2020 compared to an increase of \$75,498 in 2019, primarily due to reduced operating and capital grants and contributions. Changes in net position in Business-type Activities resulted in an increase of \$2.0 million in 2020 compared to a \$2.9 million increase in 2019, 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 \$2.1 million in 2020 (as compared to \$1.9 million in 2019), primarily due to 2019's reduced FEMA grant reimbursements. General Revenues totaled \$12.0 million in 2020 and \$11.6 million in 2019 due to increases in taxes and business licenses revenue. Most functional expense categories saw increases in 2020, as compared to 2019, primarily due to increases in salary/wages and related benefits costs due to the salary and cost of living increases as well as filling several vacant positions which changed the reporting for other post-employment benefits (OPEB). Public Safety expenses increased due to increased personnel and related expenses. Planning and Development expenses continued to increase due to the NPDES phase II project expenses.

Governmental Activities expenses totaled \$15.3 million in 2020 and \$13.5 million in 2019 and most departments increased due to the implementation of GASB #75 on reporting OPEB liabilities in addition to normal department increases as discussed above.

Key Business-type Activity revenue highlights are as follows: Total Program Revenue for services totaled \$20.7 million in 2020 (compared to \$21.2 million in 2019) resulting in a decrease of \$.5 million (or 2.0%), primarily due to decreases in capital grants and contributions. Expenses of operation and maintenance totaled \$18.7 million in 2020 (compared to \$18.2 million in 2019) resulting in an increase by \$.5 million (or 2.7%) 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 \$15.3 million in 2020) are funded in part by program-specific revenues of fees for services, grants and contributions. As shown below, Governmental Activities were overall funded by 14.0% 'program revenues', leaving 86.0% 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	\$ (581,990)	\$ —	\$ (581,990)	0.0%	100.0%
Information technology	(139,732)	—	(139,732)	0.0%	100.0%
Finance	(92,532)	—	(92,532)	0.0%	100.0%
Public safety	(8,437,530)	991,567	(7,445,963)	11.8%	88.2%
Public works	(1,434,404)	774,947	(659,457)	54.0%	46.0%
Planning and development	(1,627,370)	302,713	(1,324,657)	18.6%	81.4%
Parks and museum	(936,572)	70,841	(865,731)	7.6%	92.4%
Garage	(315,109)	—	(315,109)	0.0%	100.0%
Depreciation (unallocated)	(1,456,515)	—	(1,456,515)	0.0%	100.0%
Interest	(286,664)	—	(286,664)	0.0%	100.0%
Totals	\$ (15,308,418)	\$ 2,140,068	\$ (13,168,350)	14.0%	86.0%

Government-Wide Financial Analysis (continued)

As in prior years, depreciation expenses were not allocated to the City's functions due to non-detailed information available and are shown as a single line item in the Statement of Activities as "unallocated", while non-departmental service support expenses were allocated by function in 2020.

General Revenues by Source – Governmental Activities

As shown in a table on the preceding page, General Revenues funded the City's Governmental Activities by 86.0% in the following categories.

	<u>2020</u>	<u>2019</u>
Property taxes	\$ 4,710,174	\$ 4,815,538
Accommodation and hospitality taxes	1,524,269	1,272,104
State shared revenue	498,301	480,101
Licenses and related fees	4,883,608	4,893,838
Miscellaneous	422,855	164,297
Total	<u>\$12,039,207</u>	<u>\$11,625,878</u>

Overall, the City experienced a slight increase in General Revenues (or \$413,327 more in 2020 than 2019) primarily due to the new local accommodations tax.

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 \$19.0 million in 2020 (as compared to \$18.4 million in 2019) and includes water sales and connection fees of \$5.8 million, \$11.3 million from sewer services, and \$1.4 million in septage and grease treatment services. Operating expenses totaled \$17.4 million in 2020 (compared to \$16.8 million in 2019) resulting in an increase of 3.9% primarily due to increases in pension expense. Operating income at year end June 30, 2020, totaled \$1.6 million (as compared to \$1.7 million in 2019). Capacity charges, consisting primarily of system enhancement, capacity (impact) fees, and capital contributions from developers totaled \$1.3 million in 2020 (as compared to \$2.7 million in 2019), or a 50.0% decrease. While water customers accounts increased during 2020 (from 7,865 in 2019 to 7,917 in 2020), sewer customers saw a slight decrease from 12,917 in 2019 to 12,838 in 2020. The City experienced a nominal (less than 1%) increase in water customers, while sewer customers and consumption patterns continue to be mostly steady. Future consumption and services are not anticipated to be significantly affected. As stated earlier, the change in net position of the Water and Sewer Utility Fund was primarily a result of increased service charges for water, 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 2019, actual General Fund revenues for 2020 totaled \$11,743,390, compared to \$11,079,761 in 2019, resulting in an increase of \$663,629 (or 6.0%), due to increases in business licenses, state shared revenues and grants. Actual General Fund expenditures, net of Utility Fund overhead allocations and including capital outlay, totaled \$12,889,538 in 2020 compared to \$12,660,372 in 2019. The General Fund's 'final' budgeted revenues totaled \$11,641,631 and actual revenues achieved equaled \$11,079,761, or \$.1 million less than budget primarily due to decrease in fines and forfeitures, and grants. The City had actual General Fund expenditures before Other Financing Sources (Uses) of \$12,889,538 compared to a 'final' budget of \$13,617,120 for a favorable budget to actual variance of \$0.7 million for the fiscal year ended June 30, 2020.

Decreases that contributed to several line-item expenditures being under final budget amounts in the General Fund include the installment purchase financing for vehicles 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 \$1.1 million. The General Fund's other financing sources and uses budget included \$2.0 million in 2020 from the General Fund's portion of State Accommodations, Local 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 an increase in fund balance of \$408,365 for the year ended June 30, 2020, primarily due a new installment purchase contract, the new local accommodations tax and increases in business licenses, net of the effect of a reduction in grants awarded. This was offset by reduced expenses related to grant awards.

General Fund Financial Analysis and Budgetary Highlights (continued)

Details of the City's General Fund budget are shown in the section entitled "Required Supplementary Information" which follows the "Notes to Financial Statements" in this report. Below is a 'condensed' summary budget-to-actual table for fiscal year 2020 compared to 2019 actual amounts achieved.

General Fund	2020		Variances Favorable (Non- favorable)	2019
	Final Budget	Actual		Actual
Revenue				
Property taxes	\$ 3,744,733	\$ 3,984,239	\$ 239,506	\$ 3,848,870
Licenses and permits	4,639,650	5,093,506	453,856	4,930,242
Fines and forfeitures	225,200	180,781	(44,419)	187,075
State shared revenue	373,500	415,585	42,085	395,772
Current services	1,426,500	1,439,177	12,677	1,348,045
Grants and other	1,230,048	626,898	(603,150)	365,100
Interest income	2,000	3,204	1,204	4,657
Total revenue	<u>11,641,631</u>	<u>11,743,390</u>	<u>101,759</u>	<u>11,079,761</u>
Expenditures				
<i>Current (net of Utility Fund overhead allocations and capital outlay):</i>				
General government	658,364	653,815	4,549	524,291
Information technology	149,722	119,188	30,534	62,990
Finance	99,533	86,987	12,546	69,722
Public safety	7,793,772	7,636,225	157,547	6,961,528
Public works	1,459,441	1,383,475	75,966	1,310,603
Community relations	187,978	143,078	44,900	146,032
Planning and development	743,092	792,006	(48,914)	791,548
Parks and museum	993,922	888,649	105,273	832,604
Garage	325,487	292,995	32,492	240,245
Non-departmental and support services	(7,903)	(910)	(6,993)	(4,087)
Debt service	303,632	275,319	28,313	155,480
Capital outlay	910,080	618,711	291,369	1,569,416
Total expenditures	<u>13,617,120</u>	<u>12,889,538</u>	<u>727,582</u>	<u>12,660,372</u>
Excess (deficiency) of revenue over (under) expenditures	(1,975,489)	(1,146,148)	829,341	(1,580,611)
Other financing sources and (uses)	1,850,905	1,554,513	(296,392)	1,191,242
Net change in fund balance	<u>\$ (124,584)</u>	<u>\$ 408,365</u>	<u>\$ 532,949</u>	<u>\$ (389,369)</u>

General Fund Financial Analysis and Budgetary Highlights (continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – As of June 30, 2020, the City’s capital assets for its Governmental Activities totaled \$37.9 million, less accumulated depreciation of \$14.3 million for a net carrying value of \$23.6 million. For its Business-type Activities, total capital assets equaled \$203.9 million, less accumulated depreciation of \$58.5 million for a net carrying value of \$145.4 million. The City’s capital assets includes land, buildings, utility system improvements, machinery and equipment, park facilities, vehicles and furniture. The City’s significant capital asset acquisition for the Governmental Activities included new vehicles, software upgrades, fire related equipment, and various building renovations and park improvements. In addition to capital infrastructure and plant improvements for the Business-type Activities (Water and Sewer Utility Fund), the City continues to maintain a strong maintenance and replacement program for infrastructure, machinery and equipment. Additional information on the City’s capital assets can be found in *Note 5* of this report.

Long-Term Debt – At the end of the current fiscal year, the City had total bonded indebtedness outstanding of its Governmental Activities of \$7,782,095, consisting of the remaining balances of \$7,125,000 Tax Increment Financing (TIF) Bond and \$657,095 installment purchase notes. Business-type Activities long-term debt totaled \$57,607,092, consists of State Revolving Fund (SRF) loans totaling \$48,476,545, revenue bonds totaling \$8,590,000, and installment purchase contracts payable totaling \$540,547 at June 30, 2020. Additional information on the City’s long-term debt can be found in *Note 6* of this report.

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

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows			
Current assets:			
Cash and cash equivalents	\$ 6,770,390	\$ 4,574,369	\$ 11,344,759
Accounts receivable, net	861,720	3,008,719	3,870,439
Note receivable – current portion	—	25,134	25,134
Internal balances, net	55,905	(55,905)	—
Inventories and prepaid items	181,605	245,669	427,274
Total current assets	7,869,620	7,797,986	15,667,606
Non-current assets:			
Restricted cash and cash equivalents	5,579,259	9,671,107	15,250,366
Capital assets not subject to depreciation	14,903,997	746,751	15,650,748
Capital assets, net of depreciation	8,651,550	144,653,104	153,304,654
Note receivable	—	21,624	21,624
Other assets, net	75,000	366,512	441,512
Total non-current assets	29,209,806	155,459,098	184,668,904
Total assets	37,079,426	163,257,084	200,336,510
Deferred outflows of resources:			
Deferred outflows related to OPEB	313,538	105,608	419,146
Deferred outflows related to pensions	2,875,148	1,040,327	3,915,475
Losses on bond refundings, net	—	460,548	460,548
Total deferred outflows of resources	3,188,686	1,606,483	4,795,169
Total assets and deferred outflows of resources	\$ 40,268,112	\$ 164,863,567	\$ 205,131,679
Liabilities, Deferred Inflows and Net Position			
Current liabilities:			
Accounts payable	\$ 989,110	\$ 238,871	\$ 1,227,981
Accrued expenses and other liabilities	403,734	179,507	583,241
Accrued compensated absences – current portion	153,807	93,865	247,672
Construction contracts and retainages payable	106,822	—	106,822
Accrued interest payable	11,635	118	11,753
Unearned revenue, deposits and prepayments	46,328	59,693	106,021
Installment purchase contracts payable – current portion	288,510	305,838	594,348
Current liabilities payable from restricted assets	310,000	3,621,688	3,931,688
Total current liabilities	2,309,946	4,499,580	6,809,526

— 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	278,758	95,591	374,349
Installment purchase contract payable	368,585	234,709	603,294
Unearned revenue – future capacity charges and credits	—	856,534	856,534
SRF loans and revenue bonds payable	7,185,834	54,173,923	61,359,757
Net pension liabilities	13,936,894	6,909,945	20,846,839
Total other post-employment benefit (OPEB) liability	2,825,033	583,946	3,408,979
Total long-term liabilities	24,595,104	62,854,648	87,449,752
Total liabilities	26,905,050	67,354,228	94,259,278
Deferred inflows of resources:			
Deferred inflows related to pensions	449,979	218,595	668,574
Total deferred inflows of resources	449,979	218,595	668,574
Total liabilities and deferred inflows of resources	27,355,029	67,572,823	94,927,852
Net position:			
Net investment in capital assets	16,893,546	87,328,355	104,221,901
Restricted for:			
Debt service	1,697,275	1,315,875	3,013,150
Capital projects and redevelopment plan	1,490,928	8,090,573	9,581,501
Tourism and community development	662,562	—	662,562
Law enforcement	19,565	—	19,565
Pensions and employee benefits	1,259,035	543,520	1,802,555
Unrestricted (deficit)	(9,109,828)	12,421	(9,097,407)
Total net position	12,913,083	97,290,744	110,203,827
Total liabilities, deferred inflows and net position	\$ 40,268,112	\$ 164,863,567	\$ 205,131,679

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

Functions and Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net position		
		Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Primary Government:							
<u>Governmental activities:</u>							
General government	\$ (581,990)	\$ —	\$ —	\$ —	\$ (581,990)	\$ —	\$ (581,990)
Information technology	(139,732)	—	—	—	(139,732)	—	(139,732)
Finance	(92,532)	—	—	—	(92,532)	—	(92,532)
Public safety	(8,437,530)	796,101	195,466	—	(7,445,963)	—	(7,445,963)
Public works	(1,434,404)	756,565	517	17,865	(659,457)	—	(659,457)
Planning and community development	(1,627,370)	150,038	68,175	84,500	(1,324,657)	—	(1,324,657)
Parks and museum	(936,572)	919	28,000	41,922	(865,731)	—	(865,731)
Garage	(315,109)	—	—	—	(315,109)	—	(315,109)
Depreciation (unallocated)	(1,456,515)	—	—	—	(1,456,515)	—	(1,456,515)
Interest	(286,664)	—	—	—	(286,664)	—	(286,664)
Total governmental activities	(15,308,418)	1,703,623	292,158	144,287	(13,168,350)	—	(13,168,350)
<u>Business-type activities:</u>							
Water and sewer utility	(18,706,287)	18,987,250	—	1,743,118	—	2,024,081	2,024,081
Total business-type activities	(18,706,287)	18,987,250	—	1,743,118	—	2,024,081	2,024,081
Total primary government	\$ (34,014,705)	\$ 20,690,873	\$ 292,158	\$ 1,887,405	(13,168,350)	2,024,081	(11,144,269)
General Revenue							
<u>General Revenue:</u>							
Property taxes					4,710,174	—	4,710,174
Accommodation and hospitality taxes					1,524,268	—	1,524,268
State shared and unallocated intergovernmental (unrestricted)					498,302	—	498,302
Business licenses, taxes, and penalties					4,883,608	—	4,883,608
Unrestricted investment earnings					17,794	42,162	59,956
Gains (losses) on sale of property and other					405,061	(64,773)	340,288
Total general revenue					12,039,207	(22,611)	12,016,596
Changes in net position					(1,129,143)	2,001,470	872,327
Net position – beginning of year					14,042,226	95,289,274	109,331,500
Net position – end of year					\$ 12,913,083	\$ 97,290,744	\$ 110,203,827

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2020

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 6,700,090	\$ —	\$ 70,300	\$ 6,770,390
Receivables, net	548,379	—	47,689	596,068
Due from other funds	275,865	—	—	275,865
Inventories	64,031	—	—	64,031
Prepaid items	117,574	—	—	117,574
Restricted assets:				
Cash and cash equivalents	948,466	1,597,750	3,033,043	5,579,259
Total assets	\$ 8,654,405	\$ 1,597,750	\$ 3,151,032	\$ 13,403,187
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 495,344	\$ —	\$ 493,766	\$ 989,110
Accrued liabilities	396,074	—	—	396,074
Construction and retainage payable	—	106,822	—	106,822
Other liabilities	7,660	—	—	7,660
Deposits and prepayments	46,328	—	—	46,328
Due to other funds	24,031	—	195,929	219,960
Total liabilities	969,437	106,822	689,695	1,765,954
Fund balances:				
Nonspendable in:				
Inventories and prepaid items	181,605	—	—	181,605
Restricted for:				
Debt service	—	—	1,708,910	1,708,910
Tourism and community development	—	—	662,562	662,562
Capital projects and redevelopment plan	—	1,490,928	—	1,490,928
Law enforcement	—	—	19,565	19,565
	—	1,490,928	2,391,037	3,881,965
Committed for:				
UST program	25,000	—	—	25,000
Assigned for:				
Christmas in Cayce	36,721	—	—	36,721
Congaree Blue Grass Festival	17,644	—	—	17,644
Museum	—	—	70,300	70,300
History park	948,466	—	—	948,466
	1,002,831	—	70,300	1,073,131
Unassigned	6,475,532	—	—	6,475,532
Total fund balances	7,684,968	1,490,928	2,461,337	11,637,233
Total liabilities and fund balances	\$ 8,654,405	\$ 1,597,750	\$ 3,151,032	\$ 13,403,187

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

— CONTINUED —

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

Total fund balances – Governmental Funds	\$ 11,637,233
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund financial statements.	23,555,547
Other assets not available to pay for current period expenditures and therefore, not reported in the fund financial statements.	340,652
Certain deferred outflows related to pensions are not available to pay for current expenditures and , therefore, are not reported in the fund financial statements.	3,188,686
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:	(25,359,056)
Certain deferred inflows related to pensions are not due and payable in the current period and , therefore, are not reported in the fund financial statements.	<u>(449,979)</u>
Net position, end of year – Governmental Activities	<u>\$ (12,913,083)</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, 2020

	General Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenue				
Property taxes	\$ 3,984,239	\$ —	\$ 774,789	\$ 4,759,028
Accommodation and hospitality taxes	—	—	1,524,268	1,524,268
Licenses and permits	5,093,506	—	—	5,093,506
Fines and forfeitures	180,781	—	—	180,781
State shared revenue	415,585	—	82,717	498,302
Current services	1,439,177	—	—	1,439,177
Grants and other	626,898	5,000	92,680	724,578
Interest income	3,204	7,035	7,555	17,794
Total revenue	<u>11,743,390</u>	<u>12,035</u>	<u>2,482,009</u>	<u>14,237,434</u>
Expenditures				
Current:				
General government	653,815	—	—	653,815
Information technology	119,188	—	—	119,188
Finance	86,987	—	—	86,987
Public safety	7,636,225	—	—	7,636,225
Public works	1,383,475	1,500	—	1,384,975
Community relations	143,078	—	—	143,078
Planning and community development	792,006	—	651,403	1,443,409
Parks and museum	888,649	—	—	888,649
Garage	292,995	—	—	292,995
Non-departmental and support services	(910)	—	—	(910)
Debt service	275,319	—	570,363	845,682
Capital outlay	618,711	568,547	37,770	1,225,028
Total expenditures	<u>12,889,538</u>	<u>570,047</u>	<u>1,259,536</u>	<u>14,719,121</u>
Excess (deficiency) of revenue over expenditures	<u>(1,146,148)</u>	<u>(558,012)</u>	<u>1,222,473</u>	<u>(481,687)</u>
Other Financing Sources (Uses)				
Installment purchase contract	364,000	—	—	364,000
Proceeds from sales of assets	58,261	—	—	58,261
Transfers in	1,132,252	—	64,181	1,196,433
Transfers (out)	—	—	(1,196,433)	(1,196,433)
Total other financing sources (uses)	<u>1,554,513</u>	<u>—</u>	<u>(1,132,252)</u>	<u>422,261</u>
Net change in fund balances	408,365	(558,012)	90,221	(59,426)
Fund balances, beginning of year	<u>7,276,603</u>	<u>2,048,940</u>	<u>2,371,116</u>	<u>11,696,659</u>
Fund balances, end of year	<u>\$ 7,684,968</u>	<u>\$ 1,490,928</u>	<u>\$ 2,461,337</u>	<u>\$ 11,637,233</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	\$ (59,426)
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.	(253,300)
Revenues in the Statement of Activities do not provide current financial resources are reported as revenues in these funds.	(116,420)
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.	(1,010,287)
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>310,290</u>
Change in net position - Governmental Activities	<u>\$ (1,129,143)</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

JUNE 30, 2020

	Business-type Activities – Enterprise Fund Water and Sewer Utility
Assets and Deferred Outflows	
Current assets:	
Cash and cash equivalents	\$ 4,574,369
Receivables, net:	
Water and sewer accounts, net	2,616,456
Other accounts	392,263
Note receivable – current portion	25,134
Prepaid expense	34,203
Inventories	211,466
Total current assets	<u>7,853,891</u>
Non-current assets:	
Restricted cash and cash equivalents	9,671,107
Capital assets not subject to depreciation	746,751
Capital assets, net of depreciation	144,653,104
Note receivable	21,624
Other assets, net	366,512
Total non-current assets	<u>155,459,098</u>
Total assets	<u>163,312,989</u>
Deferred outflows of resources:	
Deferred outflows related to other post-employment benefits (OPEB)	105,608
Deferred outflows related to pension	1,040,327
Losses on bond refundings, net	460,548
	<u>1,606,483</u>
Total assets and deferred outflows	<u>\$ 164,919,472</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	\$ 238,871
Accrued payroll and related taxes	177,176
Accrued compensated absences – current portion	93,865
Installment purchase contract payable – current portion	305,838
Accrued interest	118
Other liabilities	2,331
Due to other funds (internal balances)	55,905
Customer prepayments	59,693
Current liabilities payable from restricted assets	3,621,688
Total current liabilities	<u>4,555,485</u>
Long-term (non-current) liabilities:	
Accrued compensated absences	95,591
Unearned revenue – future capacity charges and credits	856,534
Installment purchase contract payable	234,709
SRF loans payable	45,945,744
Revenue bonds payable	8,228,179
Net pension liability	6,909,945
Total other post-employment benefit (OPEB) liability	583,946
Total long-term liabilities	<u>62,854,648</u>
Total liabilities	<u>67,410,133</u>
Deferred inflows of resources:	
Deferred inflows related to pension	218,595
	<u>218,595</u>
Net position:	
Net investment in capital assets	87,328,355
Restricted for:	
Debt and capital projects	9,406,448
Pension and employee benefits	543,520
Unrestricted	12,421
Total net position	<u>97,290,744</u>
Total liabilities, deferred inflows and net position	<u>\$ 164,919,472</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, 2020

	Business-type Activities – Enterprise Fund Water and Sewer Utility
Operating Revenue (pledged as security for loans and revenue bonds)	
Water:	
Sales	\$ 5,737,981
Connection fees	84,268
Sewer:	
Service charges	11,362,729
Connection fees	—
Septage/grease services:	
Sales and permits	1,379,501
Pretreatment set-up fees	97,457
Re-connection fees	18,140
Penalties	141,715
Miscellaneous income	165,459
Total operating revenue	<u>18,987,250</u>
Operating Expenses	
Administrative	728,404
Utility billing	896,620
Water treatment plant	1,586,524
Water distribution and maintenance	1,444,236
Wastewater treatment plant	3,469,591
Sewer collection and outfall lines	1,517,489
Septage and grease receiving station	616,326
Non-departmental and support services	1,800,000
Depreciation and amortization expense	5,342,310
Total operating expenses	<u>17,401,500</u>
Operating income	<u>1,585,750</u>
Non-Operating Revenue (Expenses)	
Grant revenue	393,259
Interest income	42,162
Gains (losses) from sale, disposal of equipment	(64,773)
Interest expense	(1,191,216)
Amortization of bond refinancing losses	(105,587)
Fiscal agent fees	(7,984)
Total non-operating revenue (expenses)	<u>(934,139)</u>
Income (loss) before contributions	651,611
Capital Contributions	
Capacity charges and other capital contributions	1,349,859
Change in net position	<u>2,001,470</u>
Net position, beginning of year	95,289,274
Net position, end of year	<u>\$ 97,290,744</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2020

	<u>Business-type Activities – Enterprise Fund Water and Sewer Utility</u>
Cash Flows from Operating Activities	
Cash received from:	
Usage fees	\$ 18,324,071
Tap fees	84,268
Service and miscellaneous charges	422,771
Cash paid to (for):	
Employee salaries and related costs	(4,158,083)
Water treatment and distribution costs	(1,553,036)
Sewer treatment and collection costs	(3,286,379)
Septage and grease treatment and disposal costs	(585,663)
Other administrative and billing costs	(113,704)
Indirect (overhead) and support costs	(1,800,000)
Net cash provided by (used in) operating activities	<u>7,334,245</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of capital assets	2,565
Acquisition and construction of capital assets	(3,335,723)
Interest and fiscal agent fees paid on capital related debt	(1,334,713)
Principal payments on bonds and notes	(3,580,325)
Capacity charges and other capital contributions	836,078
Net cash provided by (used in) capital and related financing activities	<u>(7,412,118)</u>
Cash Flows from Investing Activities	
Interest received	42,162
Net cash provided by investing activities	<u>42,162</u>
Net increase (decrease) in cash and cash equivalents	(35,711)
Cash and cash equivalents, beginning of year (of which \$10,616,634 is restricted)	<u>14,281,187</u>
Cash and cash equivalents, end of year (of which \$9,671,107 is restricted)	<u>\$ 14,245,476</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

— CONTINUED —

	<u>Business-type Activities – Enterprise Fund</u> <u>Water and Sewer Utility</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 1,585,750
Adjustments to reconcile operating income to net cash provided by operations:	
Depreciation and amortization expense	5,342,310
Changes in certain assets and liabilities:	
(Increase) decrease in accounts receivable	(178,670)
(Increase) decrease in notes receivable	28,945
(Increase) decrease in inventory and prepaid items	25,176
Increase (decrease) in OPEB related deferred outflows	23,261
(Increase) decrease in pension related deferred outflows	264,420
Increase (decrease) in accounts payable/accrued liabilities	73,160
Increase (decrease) in amounts due to/from others	(605)
Increase (decrease) in customer deposits and prepayments	18,575
Increase (decrease) in unearned contracts	(6,415)
Increase (decrease) in net pension liabilities	
Increase (decrease) in total OPEB liability	210,593
Increase (decrease) in pension related deferred inflows	12,422
Increase (decrease) in accrued compensated absences	(64,677)
Net cash provided by (used in) operating activities	<u>\$ 7,334,245</u>
Supplemental disclosure of non-cash capital and related financing activities	
Contributed property by developers	\$ 272,961
Amortization of revenue bond refinancing losses	\$ 105,587
Net amortization of revenue bond premium/discount	\$ 49,536
Amortization of contract rights	\$ 14,097

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 209,053
Total assets	<u>\$ 209,053</u>
Liabilities	
Amounts due to others	\$ 209,053
Total liabilities	<u>\$ 209,053</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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, 2020.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation

Government-Wide and Fund Financial Statements

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

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

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

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

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

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

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Governmental Funds

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

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

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

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

Proprietary Funds

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

Fiduciary Funds

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

Agency Funds – The Agency Fund is used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. At June 30, 2020, these included Police Fund and Firemen's Fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These activities have been excluded from the City's Government-wide financial statements because the City cannot use those assets to finance its operations.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

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

The Government-wide and Proprietary Fund financial statements use the economic resources measurement focus and the accrual basis of accounting, in accordance with GASB Statement No. 34. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

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

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

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

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

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

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

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

D. Budgets and Budgetary Accounting

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

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

The General Fund operated under a final expenditure budget totaling \$13,617,120, (net of \$1,800,000 Utility Fund indirect costs and overhead allocated to the General Fund departments). Final budgeted revenue totaled \$11,641,631 and other financing sources (uses) totaled \$1,850,905, leaving a deficit net change in fund balance of \$124,584 which was covered by an appropriation of fund balance. As further described in the “Required Supplementary Information”, a budgetary comparison schedule for the General Fund is provided. The Water and Sewer Utility Fund operated under a budget totaling \$15,372,046 (including operation and maintenance, capital improvements, debt service principal amounts and coverages). Actual operating expenses totaled \$17,401,500 (including a charge of \$5,342,310 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, 2020.

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, 2020 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, 2020. 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

Prior to June 30, 2020, interest costs incurred during the construction phase of business-type capital assets are reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. The City implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, beginning in the fiscal year 2019-2020 reporting period when such interest costs will no longer be capitalized.

Long-term Obligations

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

Compensated Absences (Accrued Vacation and Sick Leave)

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

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

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

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

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

Unearned Revenue

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

Contract Obligation

Under an intergovernmental agreement, the City is obligated to provide financial credit to a wastewater treatment purchaser of \$1,950,000, which resulted from a prior-year receipt of wastewater capacity payments. The City applies the credit against future contract charges and services. At June 30, 2020, the current credit balance outstanding equals \$856,534.

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 additions 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 purposed. 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, 2020, 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, 2020.

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, 2020, the City had the following cash and investment balances:

Cash on hand	\$	1,755
Carrying amount of deposits		24,880,030
Carrying amount of investments		1,852,620
Funds held in trust by State and other		69,773
Total	\$	26,804,178

Statement of Net Position balances:

Cash and cash equivalents	\$	11,344,759
Cash and cash equivalents – restricted		15,250,366
Cash and cash equivalents – fiduciary		209,053
Total	\$	26,804,178

Investments are categorized as follows:

Money Market Funds	\$	1,852,620
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Deposits

Custodial credit risk of deposits is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At June 30, 2020, the carrying amount of the City’s cash deposits with financial institutions was \$24,880,030 and the financial institution’s balances totaled \$26,923,581. Of this balance, \$4,561,322 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, 2020, amounted to \$1,755. Accordingly, the City was not exposed to custodial credit risk.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Investments

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

As of June 30, 2020, the City had the following investments subject to interest rate risk:

	<u>Fair Value</u>	<u>Maturity</u>
Money Market Funds	<u>\$ 1,852,620</u>	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, 2020, 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, 2020, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes	\$ 1,802,872	\$ —
Sanitation and fire hydrant fees	73,526	—
Water and sewer accounts	—	2,561,419
Wastewater Treatment Plant contribution	—	90,037
Franchise fees	218,762	—
Grants receivable (federal and state)	21,865	379,729
Accommodations taxes	78,020	—
Hospitality taxes	15,816	—
Other	38,831	12,534
Gross receivables	<u>2,249,692</u>	<u>3,043,719</u>
Less, allowance for uncollectible	<u>(1,387,972)</u>	<u>(35,000)</u>
Net total receivables	<u>\$ 861,720</u>	<u>\$ 3,008,719</u>

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, 2020, the balance was \$46,758 and imputed interest is deemed immaterial.

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, 2020, were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 275,865	\$ 24,031
State Accommodations Tax Fund	—	5,405
Local Accommodations Tax Fund	—	190,524
Hospitality Tax Fund	—	—
Debt Service Fund	—	—
Water and Sewer Fund	—	55,905
	\$ 275,865	\$ 275,865

Net internal balances shown on the Statement of Net Position between Governmental and Business-type Activities totaled \$55,950 at June 30, 2020.

5. Capital Assets

A summary of the changes in the City's capital assets during the year ended June 30, 2020, are as follows:

A. Governmental Activities:

	Balance June 30, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
Capital assets not being depreciated:					
Land and rights-of-way	\$ 7,838,828	\$ —	\$ —	\$ —	\$ 7,838,828
Construction in progress	6,484,513	686,711	—	(106,055)	7,065,169
Total capital assets not being depreciated	14,323,341	686,711	—	(106,055)	14,903,997
Capital assets being depreciated:					
Land improvements	9,775,952	—	—	96,055	9,872,007
Buildings and improvements	2,422,841	7,950	—	—	2,430,791
Furniture, vehicles, equipment	10,171,905	530,367	(58,456)	10,000	10,653,816
Totals capital assets being depreciated	22,370,698	538,317	(58,456)	106,055	22,956,614
Less, accumulated depreciation for:					
Land improvements	(4,265,951)	(564,006)	—	—	(4,829,957)
Buildings and improvements	(1,444,930)	(89,998)	—	—	(1,534,928)
Furniture, vehicles, equipment	(7,174,311)	(824,324)	58,456	—	(7,940,179)
Total accumulated depreciation	(12,885,192)	(1,478,328)	58,456	—	(14,305,064)
Total capital assets being depreciated, net	9,485,506	(940,011)	—	106,055	8,651,550
Net capital assets –					
Governmental Activities	\$ 23,808,847	\$ (253,300)	\$ —	\$ —	\$ 23,555,547

Depreciation expense totaled \$1,478,330 for the year ended June 30, 2020.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

5. Capital Assets (Continued)

B. Business-Type Activities:

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance June 30, 2020</u>
Capital assets not being depreciated:					
Land and rights-of-way	\$ 330,568	\$ —	\$ —	\$ 120,467	\$ 451,035
Construction in progress	29,351,596	1,848,337	(67,338)	(30,836,879)	295,716
Total capital assets not being depreciated	<u>29,682,164</u>	<u>1,848,337</u>	<u>(67,338)</u>	<u>(30,716,412)</u>	<u>746,751</u>
Capital assets being depreciated:					
Water plant and distribution system	43,873,606	175,616	—	28,830,754	72,879,976
Wastewater plant and collection system	117,859,234	104,219	—	322,454	118,285,907
Septage & grease facility	1,532,900	23,400	—	—	1,556,300
Furniture, vehicles, equipment	8,206,015	682,483	(32,689)	1,563,204	10,419,013
Total capital assets being depreciated	<u>171,471,755</u>	<u>985,718</u>	<u>(32,689)</u>	<u>30,716,412</u>	<u>203,141,196</u>
Less, accumulated depreciation for:					
Water plant and distribution system	(20,052,107)	(1,553,217)	—	—	(21,605,324)
Wastewater plant and collection system	(27,426,633)	(3,057,031)	—	—	(30,483,664)
Septage & grease facility	(263,622)	(51,356)	—	—	(314,978)
Furniture, vehicles, equipment	(5,450,206)	(666,609)	32,689	—	(6,084,126)
Total accumulated depreciation	<u>(53,192,568)</u>	<u>(5,328,213)</u>	<u>32,689</u>	<u>—</u>	<u>(58,488,092)</u>
Total capital assets being depreciated, net	<u>118,279,187</u>	<u>(4,342,495)</u>	<u>—</u>	<u>30,716,412</u>	<u>144,653,104</u>
Net capital assets – Business-type Activities	<u>\$ 147,961,351</u>	<u>\$ (2,494,158)</u>	<u>\$ (67,338)</u>	<u>\$ —</u>	<u>\$ 145,399,855</u>

Depreciation expense totaled \$5,328,213 for the year ended June 30, 2020. 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.

No interest was capitalized as part of the construction cost for Business-type Activities during the fiscal year 2019-2020.

CITY OF CAYCE, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt

Long-term debt of the City at June 30, 2020, 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.	\$ 7,125,000
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.	33,252
Installment purchase contract – (vehicles) \$374,000, dated August 14, 2017, interest at 1.78% per annum (payable monthly with principal) final payment due on August 2021.	119,746
Installment purchase contract – (self-contained breathing apparatus) \$283,556, dated March 13, 2020, interest at 2.86% per annum (payable monthly with principal) final payment due March 2023.	198,400
Installment purchase contract – (vehicles) \$364,000, dated September 25, 2019, interest at 2.21% per annum (payable monthly with principal), final payment due October 2023.	305,697
	7,782,095
Less, current portions (due within one year):	
TIF Junior lien bonds (Series 2017)	(310,000)
Installment purchase contracts payable	(288,510)
Add, bond premium:	
Series 2017 bond premium (\$436,275 net of \$65,441 accumulated amortization)	370,834
Total long-term debt – Governmental Activities, (\$368,585 installment purchase and \$7,185,834 loans and bonds)	\$ 7,554,419

Series 2017 TIF ‘Junior Lien’ Bonds

The City issued \$8.0 million tax increment financing (TIF) bond, Series 2017, dated August 1, 2017, for the purpose of financing certain improvements in the Redevelopment District (as defined in the amended Redevelopment Plan), including (i) demolition of certain properties within the Redevelopment Project Area; (ii) general infrastructure improvements of water, sewer, stormwater and roadways; (iii) construction of a new public safety facility; (iv) improvements and repairs to the City’s Riverwalk and related greenway projects along the Congaree River; (v) the development and construction of an Interpretive Center; and (vi) certain other public development activities, improvements, and projects. The TIF Bonds are secured by Pledge Incremental Revenues collected from ad-valorem taxes within the District and deposited into a Special Tax Allocation Fund. The bonds are additionally secured by a pledge of the City’s Water and Sewer Utility System revenues and thus constitutes a ‘junior lien’ (as defined in the Utility Bond Ordinance). Amortization expense on the bond premium totaled \$21,813 for the year end June 30, 2020, which is reported as part of interest expense.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (continued)

A. Governmental Activities (continued)

Installment Purchase Contracts

During FY 2016-2017, the City entered into an installment purchase contract totaling \$519,000 for acquiring certain vehicles and equipment. At June 30, 2020, the outstanding balance totaled \$33,252. During FY 2017-2018, the City entered into an installment purchase contract totaling \$374,000 for certain equipment and vehicles. At June 30, 2020, the outstanding balance totaled \$119,746. During FY 2018-2019, the City entered into an installment purchase contract totaling \$283,556 for a self-contained breathing apparatus. At June 30, 2020, the outstanding balance totaled \$198,400. During FY 2019-2020, the City entered into an installment purchase contract totaling \$364,000 for acquiring certain vehicles. At June 30, 2020, the outstanding balance totaled \$305,697. The notes are collateralized by certain equipment and vehicles used in the Governmental Activities (General Fund) operation.

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 2023.	\$ 328,791
Clean Water State Revolving Funds (SRF) Loan, Series 2009, \$33,733,234, dated September 15, 2008, interest (2.25% per annum) payable quarterly, final payment due March 2032.	21,659,757
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 2035.	2,866,977
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 2024.	4,090,000
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 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.	23,621,020
Installment purchase contract – (Water Meters) \$1,200,000, dated March 27, 2019, interest at 2.63% per annum, due March 2022.	540,547
	<u>57,607,092</u>
Add/Subtract:	
Series 2016A Bond discount (\$44,769 net of \$22,384 accumulated amortization)	(22,385)
Series 2016B Bond premium (\$660,846 net of \$220,282 accumulated amortization)	440,564
Current portion, State Revolving Fund Loans (Series'2002, 2009, 2015, and 2017)	(2,530,801)
Current portion, Revenue bonds (Series 2016A)	(780,000)
Current portion, Installment purchase contracts payable	(305,838)
Total long-term debt – Business-type Activities, (\$234,709 installment purchase and \$54,173,923 in loans and bonds)	<u>\$ 54,408,632</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

The City issued \$8,470,000 Series 2016A and \$4,500,000 Series 2016B Water and Sewer System Refunding Revenue Bonds, dated March 29, 2016, 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). Net amortization of the Series 2016A discount and the Series 2016B premium was \$49,535 for the year ended June 30, 2020. 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, 2020, total funds available in the trust account equaled \$5,421,386 and the outstanding principal and interest due on the Series 2007A bonds equaled \$5,527,381. The Series 2016A bonds shall not be subject to optional redemption prior to their stated maturities. The Series 2016B bonds maturing on and after July 1, 2027 are subject to redemption at any time on and after July 1, 2026 at a redemption price of par plus accrued interest to the date of redemption.

Bond Refunding Gains or Losses

The defeasance transactions of the Series 1998, Series 2007A, and Series 2016A & B bonds resulted in an accumulative accounting loss of \$1,266,428, which is being amortized over the shorter life of the new refunding debt or the refunded (old) debt, with such amount being reported as deferred outflows of resources on the Statement of Net Position. For the year ended June 30, 2020, accumulated amortization totaled \$805,880 and amortization expense of the bond refunding loss equaled \$105,587.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

B. Business-Type Activities (continued)

Wastewater System Contracts – State Revolving Fund Loans

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

Springdale Agreement

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

Lexington and Commission Agreement

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

Installment Purchase Contracts

During FY 2015-2016, the City entered into an installment lease-purchase contract totaling \$639,000, dated July 27, 2015, and is collateralized by certain equipment used in the Business-type Activities (Water and Sewer Utility Fund) operations. At June 30, 2020, the outstanding balance totaled zero.

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, 2020, the outstanding balance totaled \$540,547.

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, 2020, were as follows:

	Date of Issue	Outstanding 6/30/19	Additions	Retirements	Outstanding 6/30/20
Governmental Activities:					
TIF Revenue Bonds – Series 2017	8/1/17	\$ 7,425,000	\$ —	\$ (300,000)	\$ 7,125,000
Installment purchase contracts	Various	\$ 645,572	\$ 364,000	\$ (352,477)	\$ 657,095
Accrued compensated absences	—	\$ 400,559	\$ 176,848	\$ (144,842)	\$ 432,565
Business-type Activities:					
Clean Water State Revolving Funds Loan – Series 2002	12/01/02	\$ 425,226	\$ —	\$ (96,435)	\$ 328,791
Clean Water State Revolving Funds Loan – Series 2009	9/15/09	\$ 23,252,876	\$ —	\$ (1,593,119)	\$ 21,659,757
Clean Water State Revolving Funds Loan – Series 2015	1/29/15	\$ 3,026,231	\$ —	\$ (159,254)	\$ 2,866,977
Water and Sewer System Refunding Revenue Bonds – Series 2016A (Taxable)	3/29/16	\$ 4,855,000	\$ —	\$ (765,000)	\$ 4,090,000
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	\$ 24,250,066	\$ —	\$ (629,046)	\$ 23,621,020
Installment purchase contracts	Various	\$ 878,017	\$ —	\$ (337,470)	\$ 540,547
Accrued compensated absences	—	\$ 170,881	\$ 95,123	\$ (76,548)	\$ 189,456

Accrued compensated absences due within one year for the Governmental Activities total \$153,807 and for Business-type Activities total \$93,865 at June 30, 2020.

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:

	Principal	Interest	Total Requirements
Governmental Activities:			
TIF Bond, Series 2017			
2021 (due within one year)	\$ 310,000	\$ 261,363	\$ 571,363
2022	315,000	252,062	567,062
2023	325,000	242,613	567,613
2024	340,000	229,612	569,612
2025	355,000	216,013	571,013
2026-2030	1,985,000	856,862	2,841,862
2031-2035	2,410,000	437,288	2,847,288
2036-2037	1,085,000	55,181	1,140,181
	\$ 7,125,000	\$ 2,550,994	\$ 9,675,994
 Installment Purchase Contracts			
2021 (due within one year)	\$ 288,510	\$ 12,122	\$ 300,632
2022	187,898	6,706	194,604
2023	149,080	2,513	151,593
2024	31,607	148	31,755
	\$ 657,095	\$ 21,489	\$ 678,584
 Business-type Activities:			
SRF Loan, Series 2002			
2021 (due within one year)	\$ 98,624	\$ 6,570	\$ 105,194
2022	100,862	4,332	105,194
2023	103,151	2,043	105,194
2024	26,154	144	26,298
	\$ 328,791	\$ 13,089	\$ 341,880

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			
2021 (due within one year)	\$ 1,629,268	\$ 473,662	\$ 2,102,930
2022	1,666,237	436,693	2,102,930
2023	1,704,045	398,885	2,102,930
2024	1,742,711	360,219	2,102,930
2025	1,782,254	320,676	2,102,930
2026-2030	9,536,540	1,022,347	10,558,887
2031-2032	3,598,702	127,693	3,726,395
	<u>\$ 21,659,757</u>	<u>\$ 3,140,175</u>	<u>\$ 24,799,932</u>
SRF Loan, Series 2015			
2021 (due within one year)	\$ 162,463	\$ 56,126	\$ 218,589
2022	165,737	52,852	218,589
2023	169,077	49,512	218,589
2024	172,484	46,105	218,589
2025	175,959	42,630	218,589
2026-2030	934,432	158,513	1,092,945
2031-2035	1,032,450	60,495	1,092,945
2036	54,375	279	54,654
	<u>\$ 2,866,977</u>	<u>\$ 466,512</u>	<u>\$ 3,333,489</u>
Revenue Bonds, Series 2016A			
2021 (due within one year)	\$ 780,000	\$ 103,708	\$ 883,708
2022	800,000	84,933	884,933
2023	820,000	63,658	883,658
2024	925,000	38,508	963,508
2025	765,000	12,317	777,317
	<u>\$ 4,090,000</u>	<u>\$ 303,124</u>	<u>\$ 4,393,124</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>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
Business-type Activities (cont.):			
Revenue Bonds, Series 2016B			
2021 (due within one year)	\$ —	\$ 177,850	\$ 177,850
2022	—	177,850	177,850
2023	—	177,850	177,850
2024	—	177,850	177,850
2025	215,000	174,625	389,625
2026-2029	4,285,000	349,300	4,634,300
	<u>\$ 4,500,000</u>	<u>\$ 1,235,325</u>	<u>\$ 5,735,325</u>
SRF Loan, Series 2017			
2021 (due within one year)	\$ 640,446	\$ 420,872	\$ 1,061,318
2022	652,052	409,265	1,061,317
2023	663,868	397,449	1,061,317
2024	675,899	385,418	1,061,317
2025	688,147	373,170	1,061,317
2026-2030	3,632,376	1,674,209	5,306,585
2031-2035	3,973,650	1,332,935	5,306,585
2036-2040	4,346,987	959,598	5,306,585
2041-2045	4,755,402	551,183	5,306,585
2046-2049	3,592,193	122,422	3,714,615
	<u>\$ 23,621,020</u>	<u>\$ 6,626,521</u>	<u>\$ 30,247,541</u>
Installment Purchase Contracts			
2021 (due within one year)	\$ 305,838	\$ 10,547	\$ 316,385
2022	234,709	2,580	237,289
	<u>\$ 540,547</u>	<u>\$ 13,127</u>	<u>\$ 553,674</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 Master Bond Ordinance, the City's outstanding bonds were governed by an indenture of trust (Supplemental and Amended Indenture of Trust, dated July 15, 2004), where the City was required to meet rate covenant tests (i) where the City's Net Revenues without Capital Facility Charges would be at least 115% of Combined Debt Service, or (ii) where the City's Net Revenues without Capital Facility Charges would be at least 110% of Combined Debt Service plus at least 120% of Net Revenue with Capital Facility Charges to Combined Debt Service. The City was in compliance with its rate covenant requirements at June 30, 2020.

Security for Revenue Bonds and SRF Loans

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

Redemptions

The Series 2016A Bonds shall not be subject to optional redemption prior to their stated maturities. The Series 2016B Bonds maturing on and after July 1, 2027 are subject to redemption at any time on and after July 1, 2026 at a redemption price of par plus accrued interest to the date of redemption. The City may prepay any outstanding SRF Loan balances plus accrued interest thereon without penalty. Redemption of the Series 2017 TIF Bonds maturing subsequent to June 15, 2027, are subject to redemption prior to maturity at the option of the City, on and after June 15, 2027, as a whole or in part at any time, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date of redemption.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

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

Events and Remedies of Default

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

Subsequent Bond Issue and Defeasement of Series 2009 and Series 2015 Bonds

Subsequent to June 30, 2020, the City issued \$20,535,000 Water and Sewer System Refunding Revenue Bonds, Series 2020. The Series 2020 Bonds are being issued to (i) refund the outstanding principal amount of the Series 2009 Clean Water State Revolving Funds (SRF) Loan dated September 15, 2008; and (ii) refund the outstanding principal amount of the Series 2015 Clean Water State Revolving Funds (SRF) Loan dated January 29, 2015.

At the date of delivery, July 21, 2020, proceeds of the Series 2020 Bonds, net of costs of issuance, were deposited with U.S. Bank National Association, as Trustee, to redeem \$21,659,758 principal amount of the Series 2009 Bond maturing (quarterly) September 1, 2020 through March 1, 2032, inclusive, and \$2,866,978 principal amount of the Series 2015 Bond maturing (quarterly) August 1, 2020 through August 1, 2035, inclusive.

Stated coupon interest rate on the Series 2020 Bonds ranges from 2.0% to 5.0%, and is payable annually on each June 1 and December 1, commencing December 1, 2020. Maturities on the Series 2020 Bonds mature serially on June 1, 2021 through June 1, 2036. The Series 2020 Bonds maturing on or after June 1, 2030 are subject to redemption prior to maturity, at the option of the City, at any time on and after June 1, 2029, as a whole or in part, at a redemption price equal to 100% 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)

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

Subsequent Bond Issue and Defeasement of Series 2009 and Series 2015 Bonds (continued)

The Series 2020 Bonds are issued pursuant to the City’s Master Bond Ordinance, dated February 2, 2016 and the applicable Series Ordinance dated April 22, 2020, and are secured by and payable from a pledge of the Net Revenues on a parity with the pledge of Net Revenues that secure the Outstanding Bonds and any Additional Bonds issued pursuant to the Bond Ordinance.

The annual debt service requirements of the Series 2020 follows:

SRF Loan, Series 2020			
2021 (due within one year)	\$ 1,195,000	\$ 802,790	\$ 1,997,790
2022	1,350,000	872,523	2,222,523
2023	1,420,000	805,023	2,225,023
2024	1,490,000	734,023	2,224,023
2025	1,565,000	659,523	2,224,523
2026-2030	9,120,000	2,040,365	11,160,365
2031-2035	4,350,000	215,115	4,565,115
2036	45,000	923	45,923
	<u>\$ 20,535,000</u>	<u>\$ 6,130,285</u>	<u>\$ 26,665,285</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Net Position

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

	Governmental Activities	Business-type Activities
<u>Net Investment in Capital Assets:</u>		
Net capital assets	\$ 23,555,547	\$ 145,399,855
Less, TIF, bonds, revenue bonds, loans, and installment purchase contracts payable, (plus/minus bond premium/discounts)	(8,152,929)	(58,025,271)
Add, back unspent portion of debt proceeds	1,597,750	33,275
Less, construction and retainages payable	(106,822)	(79,504)
Total net investment in capital assets	\$ 16,893,546	\$ 87,328,355
	Governmental Activities	Business-type Activities
<u>Restricted:</u>		
Restricted assets:		
Debt service	\$ 2,181,391	\$ 1,547,259
Project and construction funds	1,597,750	6,457,104
Cayce WWTP facility renewal and replacement fund	—	1,633,469
Accommodations and hospitality taxes (for tourism)	858,647	—
Pensions and employee benefits	1,259,035	543,520
Law enforcement	19,565	—
ABC permit activities (for tourism)	21,129	—
Less, liabilities payable from restricted assets:		
Debt service related	(484,116)	(231,384)
Project and construction related	(106,822)	—
Tourism related	(217,214)	—
Total restricted net position	\$ 5,129,365	\$ 9,949,968

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement

The City's retirement program for its employees follows:

Plan Description

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

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

Benefits

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

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

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

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

Funding Policy

The City’s total pensionable wages (“covered payroll”) for the years ended June 30, 2020, 2019, and 2018, were approximately \$10,666,270, \$9,962,419, and \$9,353,977, respectively. State statutes also determine the levels of contributions required by both employers and employees.

Employees are required to contribute to the Plans at actuarially determined rates. For the year ended June 30, 2020, SCRS contribution rates were 9.00% and 15.41% for non-public safety employees and the employer, respectively. PORS contribution rates were 9.75% and 17.84% for public safety employees and the employer, respectively. Effective July 1, 2020, the SCRS employee contribution rate remain 9.00% and the employer required contribution will be 15.56%, which includes .15% of group life coverage. Effective July 1, 2020, for public safety employees, the employee contribution rate remain 9.75% and the employer contribution rate will be 18.24%, which includes .2% of group life and .2% of accidental death coverage. The City contributed 100% of the required contribution for each of the plans for the years ending June 30, 2020, 2019, and 2018, as shown in the following table.

	SCRS			PORS		
	2020	2019	2018	2020	2019	2018
Wages:						
Pensionable	\$ 6,663,289	\$ 6,232,005	\$ 6,017,697	\$ 4,002,981	\$ 3,730,414	\$ 3,336,280
Contribution rates:						
Employees	9.00%	9.00%	9.00%	9.75%	9.75%	9.75%
Employer	15.41%	14.56%	13.56%	17.84%	17.24%	16.24%
Contributions:						
Employees	\$ 599,696	\$ 560,881	\$ 539,513	\$ 390,291	\$ 363,715	\$ 325,288
Employer	\$ 1,026,813	\$ 898,032	\$ 811,322	\$ 714,132	\$ 628,202	\$ 528,467

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, 2020, the City reported a liability of \$20,846,839 for the measurement period June 30, 2019 for its proportionate share of the net pension liabilities, of which \$13,475,973 was for SCRS (\$6,566,028 in Governmental Activities and \$6,909,945 in Business-type Activities) and \$7,370,866 was for PORS (all in Governmental Activities). The net pension liabilities were measured by PEBA as of June 30, 2019 and the total pension liabilities used to calculate the net pension liability was determined by an actuarial valuation of data as of July 1, 2018 and rolled forward to June 30, 2019. 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, 2019, PEBA reported the City's proportion of the collective net pension liability was 0.059017% for SCRS and 0.257188% for PORS.

For the year ended June 30, 2020, the City recognized pension expense of \$3,004,849 of which \$1,748,196 was for SCRS (\$837,910 in Governmental Activities and \$910,286 in the Business-type Activities) and \$1,256,653 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, 2019, follows:

	SCRS	PORS	Total
Pension expense:			
Service cost	\$ 571,224	\$ 487,059	\$ 1,058,283
Interest on total pension liability	2,043,802	1,359,749	3,403,551
Changes in plan benefits	—	—	—
Plan administrative costs	9,169	6,676	15,845
Plan member contributions	(519,742)	(372,271)	(892,013)
Expected return on plan assets	(1,115,775)	(850,442)	(1,966,217)
Recognition of deferred outflows/inflows:			
Plan performance	(25,735)	54,058	28,323
Assumption changes	251,720	160,805	412,525
Investment experience	305,269	199,210	504,479
Proportion changes	161,319	144,093	305,412
Other	66,945	67,716	134,661
Total pension expense	<u>1,748,196</u>	<u>1,256,653</u>	<u>3,004,849</u>
PEBA employer contribution	(851,859)	(613,133)	(1,464,992)
Non-member contributions	(55,521)	(29,990)	(85,511)
Changes in deferred items (net of amortization):			
Outflow – Plan performance	(14,356)	(58,804)	(73,160)
Outflow – Assumption changes	(247,553)	(157,874)	(405,427)
Outflow – Investment experience	(225,449)	(121,681)	(347,130)
Outflow – Allocated proportion change	(82,099)	230,778	148,679
Inflow – Plan performance	(19,811)	(54,476)	(74,287)
Inflow – Assumption changes	—	—	—
Inflow – Investment experience	136,911	78,605	215,516
Inflow – Allocated proportion change	3,177	13,348	16,525
	<u>(449,180)</u>	<u>(70,104)</u>	<u>(519,284)</u>
Total change in net pension liability	<u>\$ 391,636</u>	<u>\$ 543,426</u>	<u>\$ 935,062</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

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

At June 30, 2020, 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		
	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
Differences between expected and actual plan performance	\$ 9,263	\$ 151,560	\$ 160,823
Changes of assumptions	271,560	292,292	563,852
Net difference between projected and actual earnings on pension plan investments	422,410	301,037	723,447
Changes in proportion and differences between City contributions and proportionate share of contributions	220,671	444,127	664,798
	<u>923,904</u>	<u>1,189,016</u>	<u>2,112,920</u>
City contributions subsequent to the measurement date	1,072,986	729,569	1,802,555
Total	<u>\$ 1,996,890</u>	<u>\$ 1,918,585</u>	<u>\$ 3,915,475</u>
	Deferred Inflows of Resources Related to Pensions		
	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
Differences between expected and actual plan performance	\$ 96,809	\$ 54,476	\$ 151,285
Changes of assumptions	—	—	—
Net difference between projected and actual earnings on pension plan investments	303,103	207,580	510,683
Changes in proportion and differences between City contributions and proportionate share of contributions	6,606	—	6,606
Total	<u>\$ 406,518</u>	<u>\$ 262,056</u>	<u>\$ 668,574</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

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

The \$1,802,555 reported as deferred outflows of resources related to pensions (\$1,072,986 for SCRS and \$729,569 for PORS) resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

SCRS Deferred Outflows and Inflows Related to Pensions			
	Deferred Outflows	Deferred Inflows	Net
<u>Fiscal year ended June 30:</u>			
2021	\$ 691,892	\$ 185,449	\$ 506,443
2022	107,000	183,002	(76,002)
2023	78,985	35,876	43,109
2024	46,027	2,191	43,836
Total per PEBA	923,904	406,518	517,386
2020 City contributions subsequent to the measurement date	1,072,986	—	1,072,986
Total City	\$ 1,996,890	\$ 406,518	\$ 1,590,372
 PORS Deferred Outflows and Inflows Related to Pensions			
	Deferred Outflows	Deferred Inflows	Net
<u>Fiscal year ended June 30:</u>			
2021	\$ 621,796	\$ 112,310	\$ 509,486
2022	342,762	111,170	231,592
2023	166,412	31,865	134,547
2024	58,046	6,711	51,335
Total per PEBA	1,189,016	262,056	926,960
2020 City contributions subsequent to the measurement date	729,569	—	729,569
Total City	\$1,918,585	\$ 262,056	\$1,656,529

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, 2019 actuarial valuation (measurement period) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>SCRS</u>	<u>PORS</u>
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	5-year Smoothed	5-year Smoothed
Amortization Method	Level percent of pay	Level percent of pay
Amortization Period	30-year maximum, closed period	30-year maximum, closed period
Inflation	2.25%	2.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (for members with less than 15 years of service)
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually
Investment rate of return*	7.25%, net of pension plan investment expense, including inflation	7.25%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study on data through June 30, 2015.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the June 30, 2019, actuarial valuations, was based upon the 20 year capital market assumptions which are updated at least annually no later than April 1st of each year (in accordance with Section 9-16-340 of the South Carolina Code of Laws). These assumptions are developed separate agency of the State of South Carolina the Retirement Systems Investment Commission (RSIC) in collaboration with its investment consultant(s). The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economics forecasts. Long-term assumptions for other asset classes are based on historical results, current market characteristics, and professional judgment. Expected returns are net of investment fees.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

Long-term Expected Rate of Return (continued)

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Global Public Equity	51.00%		
Global Public Equity	35.00%	7.29%	2.55%
Private Equity	9.00%	7.67%	0.69%
Equity Options Strategies	7.00%	5.23%	0.37%
Real Estate	12.00%		
Real Estate (Private)	8.00%	5.59%	0.45%
Real Estate (REITs)	1.00%	8.16%	0.08%
Infrastructure (Private)	2.00%	5.03%	0.10%
Infrastructure (Public)	1.00%	6.12%	0.06%
Opportunistic	8.00%		
Global Tactical Asset Allocation	7.00%	3.09%	0.22%
Other Opportunistic Strategies	1.00%	3.82%	0.04%
Credit	15.00%		
High Yield Bonds/Bank Loans	4.00%	3.14%	0.13%
Emerging Markets Debt	4.00%	3.31%	0.13%
Private Debt	7.00%	5.49%	0.38%
Rate Sensitive	14.00%		
Core Fixed Income	13.00%	1.62%	0.21%
Cash and Short Duration (Net)	1.00%	31.00%	0.00%
Total expected return	<u>100.00%</u>		<u>5.41%</u>
Inflation for actuarial purposes			<u>2.25%</u>
Total expected nominal return			<u><u>7.66%</u></u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities at June 30, 2019, 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	\$ 16,976,906	\$ 13,475,973	\$ 10,554,242
PORS	\$ 9,989,271	\$ 7,370,866	\$ 5,225,731

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

The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“OPEB”), effective July 1, 2017. That standard requires a biennial actuarial valuation to be performed. The City did not obtain the required valuation for the fiscal year ended 6/30/2020. However, the City did roll-forward the prior valuation to the year ended June 30, 2020 and will obtain the required valuation for the year ended June 30, 2021. The City believes the potential effect of not obtaining a more current actuarial valuation to be immaterial.

Plan Description

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

Benefits Provided

The OPEB plan offers retired employees’ premium payments for the employee group health insurance (including dental and vision) at no cost. The City’s medical policy premium rates are based upon age and ranged from \$534 to \$574 for the retiree, and from \$577 to \$589 for the spouse for the program year ended June 30, 2020. The retiree paid nothing for retiree only coverage and paid 100% for spouse coverage. The program covers the retired employee until the earlier of (1) the retired employee reaches age 65, or (2) the retired employee qualifies for health insurance under another plan. The spouse coverage ceases upon the death of the retiree. The plan also provides all retirees with \$15,000 of life insurance benefits which costs \$44 per year, all of which is contributed by the employer.

City Contributions

The City’s contributions are financed on a pay-as-you-go basis and, therefore, no trust fund has been established which would maintain plan assets. At June 30, 2020, the City had 8 retired employees with an average age of 59.6 years covered by the program with monthly premium costs averaging \$702 per participant. Total expenses funded by the City for the year ended June 30, 2020 were \$59,158; funded completely by the General Fund, and none funded by the Proprietary Fund. For prior fiscal years 2019 and 2018, total funding expenses were \$62,697 and \$62,183 respectively.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Total OPEB Liability

At June 30, 2020, the City's total OPEB liability equaled \$3,408,979, of which \$2,825,033 was for the Governmental Activities (General Fund) and \$583,946 was for the Business-type Activities (Proprietary Fund rolled forward to June 30, 2020). This amount was based on an actuarial valuation as of June 30, 2018, using data as of July 1, 2017 rolled forward to June 30, 2020, resulting in a net change of \$25,524. The City's total OPEB liability for the prior year ended June 30, 2019 totaled \$3,383,455. The Governmental Activities share was \$2,811,931 and the Business-type Activities and Proprietary Fund share was \$571,524 for the year 2019.

Changes in the Total OPEB Liability

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

Total other post-employment benefit (OPEB) liability – beginning of year	\$ 3,383,455
Changes in total OPEB Liability:	
Service cost	135,600
Interest	114,361
Changes of benefit terms	—
Differences between expected and actual experience	—
Changes in assumptions or other inputs	—
Contributions – employer	(60,331)
Contributions – active and inactive employees	—
Net investment income	—
Benefit payments ⁽¹⁾	(164,106)
Other changes	—
Net changes	25,524
Total other post-employment benefit (OPEB) liability – end of year	\$ 3,408,979

⁽¹⁾ Includes the Implicit Rate Subsidy.

OPEB Expense

For the year ended June 30, 2020, the City recognized OPEB expense of \$342,282 (of which \$272,475 was for the Governmental Activities (General Fund) and \$69,807 was for the Business-type Activities (Proprietary Fund) as follows:

Service cost	\$ 131,141
Interest on service cost	4,459
Total	135,600
Interest cost	114,361
Difference between expected and actual experience	8,449
Changes of assumptions and other inputs	83,872
Total OPEB expense	\$ 342,282

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, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB Related		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual plan experience	\$ 38,356	\$ —	\$ 38,356
Changes of assumptions	380,790	—	380,790
Net difference between projected and actual earnings on OPEB Investments	—	—	—
Total	\$ 419,146	\$ —	\$ 419,146

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

Fiscal Year Ending June 30, :	OPEB Related Future Deferred		
	Outflows of Resources	Inflows of Resources	Net
2021	\$ 92,321	\$ —	\$ 92,321
2022	92,321	—	92,321
2023	92,321	—	92,321
2024	92,320	—	92,320
2025	49,863	—	49,863
Total	\$ 419,146	\$ —	\$ 419,146

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Actuarial Assumptions and Other Inputs

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

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

No change was made to the discount rate based on the S&P Municipal Bond 20-Year High-Grade Rate Index as of May 23, 2018 a new valuation was not obtained. On July 1 2020, the S & P Municipal Bond 20-year High Grade Rate Index was 2.63% as of May 31, 2020, which is a decrease of 0.77% since the last valuation.

There have been no changes to assumptions since the last actuarial valuation dated May 30, 2019. There were no changes of benefit terms during the period. Projections of benefits are based on the substantive program (the program as understood by the City and participants) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the participants to that point. Assumptions may be made about participant data or other factors. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in total other post-employment benefit (OPEB) liabilities and the actuarial value of other post-employment benefit (OPEB) assets.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Expected Future Cash Flows

Fiscal Year	Estimated Benefit Payments
2021	\$ 172,697
2022	203,528
2023	195,601
2024	161,472
2025	192,956
2026	216,299
2027	250,314
2028	266,544
2029	Not yet determined
2030	Not yet determined

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

Employees covered by benefit terms

As of the year ended June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	8
Inactive employees entitled to but not yet receiving benefit payments	5
Active employees	52
	65

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:

The City did not obtain the required actuarial valuation for OPEB for the year ended June 30, 2020. The discount rate is required to be based upon an index for a 20-year tax-exempt high-grade bond index. Historically, the City has used the S&P Municipal Bond 20-Year High-Grade Bond Index. At June 30, 2020, that index had declined to 158.950. However, it is possible that the decline is due to the effects of COVID-19 on the investment markets and is not a long-term decline. The City has not estimated the amount of the increase on the OPEB liability at 6/30/2020 as a result of this change.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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

Sensitivity Analysis (continued)

	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	\$ 3,160,879	\$ 3,408,979	\$ 3,675,883
Percent change in Total OPEB liability	(7.28%)	—	(7.28%)

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 (4.00%)	Valuation Rate (5.00%)	1% Decrease (6.00%)
Health care trend	\$ 3,803,472	\$ 3,408,979	\$ 3,066,763
Percent change in Total OPEB liability	11.57%	—	(10.04%)

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

10. Risk Management

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

During the fiscal year, the City's business risk insurance provides building and content coverage up to \$129.6 million general liability for property and casualty and up to \$1 million general liability for persons or property per occurrence.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Capacity Charges and Other Capital Contributions

Capacity charges and capital contributions in the Water and Sewer Utility Fund for the year ended June 30, 2020, 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, 2020, were as follows:

Contributed property by developers	\$ 272,961
Grant	19,814
Capacity charges	<u>1,057,084</u>
Total capacity charges to customers under agreement and other capital contributions recognized	<u>\$ 1,349,859</u>

12. Commitments and Contingencies

Tax Abatements

The City of Cayce's property tax revenues were reduced by \$1.2 million under agreements entered into by Lexington County under Fee-in-lieu of Tax and Special Source Revenue Credit Program agreements for the year ended June 30, 2020. The State of South Carolina reimbursed Lexington County for \$13,742 of these revenues which the County subsequently remitted to the City.

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	\$ 37,860,611
Less, accumulated depreciation	<u>(14,305,064)</u>
Net amount reported	<u>\$ 23,555,547</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	\$ 49,942
Contractual rights for animal services, net of amortization	75,000
Property taxes revenue	<u>215,710</u>
Net amount reported	<u>\$ 340,652</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)	\$ 313,538
Deferred outflows related to pensions	<u>2,875,148</u>
Net amount reported	<u>\$ 3,188,686</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	\$ (657,095)
TIF revenue bond	(7,495,834)
Accrued compensated absences	(432,565)
Accrued interest payable	(11,635)
Total other post-employment benefits (OPEB) liability	(2,825,033)
Net pension liabilities	<u>(13,936,894)</u>
Net amount reported	<u>\$ (25,359,056)</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.

\$ (449,979)

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	\$ 1,225,028
Depreciation expense	(1,478,328)
Net amount reported	4 (253,300)

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	\$ (48,855)
Business licenses and other receivables	(67,565)
	\$ (116,420)

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	\$ (32,006)
Change in accrued interest	78
Animal control service agreement expense	(5,000)
Pension expenses	(891,197)
Other post-employment benefits (OPEB)	(82,162)
Net amount reported	\$ (1,010,287)

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

Proceeds of Installment purchase contract	\$ (364,000)
Principal repayments – Installment purchase contracts	352,477
Principal repayments – TIF Bonds	300,000
Amortization expense	21,813
Net amount reported	\$ 310,290

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

14. Implementation of New Accounting Standard

The City elected to early implement the new GASB Statement No.89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective July 1, 2019. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that was previously accounted for in accordance with the requirements of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB #89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a Business-type Activities or Enterprise Fund.

15. Subsequent Events

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

During the year, the World Health Organization declared the spread of Coronavirus Disease 19 (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the City, COVID-19 may impact various parts of its 2020 and 2021 operations and financial results, including the receipt of collections on outstanding accounts receivables. Management believes the City is taking appropriate actions to mitigate any negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CAYCE, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

YEAR ENDED JUNE 30, 2020
(With comparative actual amounts for year ended June 30, 2019)

	2020			Variance Positive (Negative)	2019
	Budget		Actual		Actual
	Original	Final			
Revenue					
Property taxes	\$ 3,744,733	\$ 3,744,733	\$ 3,984,239	\$ 239,506	\$ 3,848,870
Licenses and permits	4,639,650	4,639,650	5,093,506	453,856	4,930,242
Fines and forfeitures	225,200	225,200	180,781	(44,419)	187,075
State shared revenue	373,500	373,500	415,585	42,085	395,772
Current services	1,426,500	1,426,500	1,439,177	12,677	1,348,045
Grants and other	2,766,235	1,230,048	626,898	(603,150)	365,100
Interest income	2,000	2,000	3,204	1,204	4,657
Total revenue	13,177,818	11,641,631	11,743,390	101,759	11,079,761
Expenditures					
General Government					
Legislative	145,714	145,714	134,342	11,372	126,227
Administrative	858,352	868,752	858,140	10,612	770,438
Recorder's Court	216,949	216,949	212,319	4,630	193,948
Legal	93,075	93,075	115,140	(22,065)	99,804
Total	1,314,090	1,324,490	1,319,941	4,549	1,190,417
Less, Utility Fund overhead	—	(666,126)	(666,126)	—	(666,126)
Net general government	1,314,090	658,364	653,815	4,549	524,291
Information Technology					
IT support	284,642	284,642	243,316	41,326	206,211
Less, Utility Fund overhead	—	(124,128)	(124,128)	—	(124,128)
Less capital outlay	(10,792)	(10,792)	—	(10,792)	(19,093)
Net information technology	273,850	149,722	119,188	30,534	62,990
Finance					
Finance and accounting	331,620	331,620	319,106	12,514	302,038
Tax collection	22,210	22,210	22,178	32	21,981
Total	353,830	353,830	341,284	12,546	324,019
Less, Utility Fund overhead	—	(254,297)	(254,297)	—	(254,297)
Net finance	353,830	99,533	86,987	12,546	69,722
Public Safety					
Administrative	880,874	880,874	885,853	(4,979)	823,025
Police – Detectives	733,927	733,927	727,273	6,654	701,018
Police – Traffic	3,723,324	3,794,706	3,814,504	(19,798)	3,848,343
Fire	1,759,374	1,756,974	1,632,794	124,180	1,367,858
Animal services	100,691	100,691	88,508	12,183	82,168
Parks	280,541	280,541	288,178	(7,637)	269,669
Dispatch	447,257	549,731	492,356	57,375	827,192
Total	7,925,988	8,097,444	7,929,466	167,978	7,919,273
Less, Utility Fund overhead	—	(101,871)	(101,871)	—	(101,871)
Less, capital outlay	(140,400)	(201,801)	(191,370)	(10,431)	(855,874)
Net public safety	7,785,588	7,793,772	7,636,225	157,547	6,961,528

CITY OF CAYCE, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

Expenditures (Continued)	2020			2019	
	Budget		Actual	Variance Positive (Negative)	Actual
	Original	Final			
Public Works					
Street lighting	347,000	347,000	344,339	2,661	346,319
Sanitation	1,176,806	1,176,806	1,111,949	64,857	1,123,048
Public buildings	154,534	154,134	137,377	16,757	88,539
Total	1,678,340	1,677,940	1,593,665	84,275	1,557,906
Less, Utility Fund overhead	—	(206,215)	(206,215)	—	(206,215)
Less, capital outlay	(8,309)	(12,284)	(3,975)	(8,309)	(41,088)
Net public works	1,670,031	1,459,441	1,383,475	75,966	1,310,603
Community Relations					
Promotions and events	122,978	187,978	143,078	44,900	146,032
Total community relations	122,978	187,978	143,078	44,900	146,032
Planning and Development					
Planning and zoning	740,692	849,702	898,616	(48,914)	1,159,353
Less, capital outlay	—	(106,610)	(106,610)	—	(367,805)
Total planning and development	740,692	743,092	792,006	(48,914)	791,548
Parks and Museum					
Parks	862,417	862,417	757,874	104,543	703,087
Museum	145,480	135,480	134,750	730	129,517
Total	1,007,897	997,897	892,624	105,273	832,604
Less, capital outlay	—	(3,975)	(3,975)	—	—
Net parks and museum	1,007,897	993,922	888,649	105,273	832,604
Garage					
Garage	461,932	461,932	427,603	34,329	406,690
Less, Utility Fund overhead	—	(114,445)	(114,445)	—	(114,445)
Less, capital outlay	(22,000)	(22,000)	(20,163)	(1,837)	(52,000)
Net garage	439,932	325,487	292,995	32,492	240,245
Non-departmental and Support Services					
Non-departmental and support services	52,165	604,783	351,776	253,007	289,537
Less, Utility Fund overhead	—	(60,068)	(60,068)	—	(60,068)
Less, capital outlay	—	(552,618)	(292,618)	(260,000)	(233,556)
Net support services	52,165	(7,903)	(910)	(6,993)	(4,087)

CITY OF CAYCE, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2020			Variance Positive (Negative)	2019
	Budget		Actual		Actual
	Original	Final			
Expenditures (Continued)					
Debt Service					
Principal retirement	377,316	377,316	352,471	24,845	239,199
Interest and fiscal charges	19,853	19,853	16,385	3,468	9,818
Total debt service	397,169	397,169	368,856	28,313	249,017
Less, overhead allocated –					
Utility Fund	—	(93,537)	(93,537)	—	(93,537)
Net debt service	397,169	303,632	275,319	28,313	155,480
Capital Outlay	181,501	910,080	618,711	291,369	1,569,416
Total expenditures	14,339,723	13,617,120	12,889,538	727,582	12,660,372
Excess (deficiency) of revenue over expenditures	(1,161,905)	(1,975,489)	(1,146,148)	829,341	(1,580,611)
Other Financing Sources (Uses)					
Installment purchase contract	—	624,000	364,000	260,000	283,556
Proceeds from sale of assets	30,000	30,000	58,261	(28,261)	40,145
Transfers in:					
State Accommodations Tax Fund	30,000	95,000	101,823	(6,823)	50,468
Local Accommodations Tax Fund	262,000	262,000	190,524	71,476	—
Hospitality Tax Fund	839,905	839,905	839,905	—	817,073
Total other financing sources (uses)	1,161,905	1,850,905	1,554,513	296,392	1,191,242
Net change in fund balance	—	(124,584)	408,365	532,949	(389,369)
Fund balance, beginning of year	7,276,603	7,276,603	7,276,603	—	7,665,972
Fund balance, end of year	<u>\$ 7,276,603</u>	<u>\$ 7,152,019</u>	<u>\$ 7,684,968</u>	<u>\$ 532,949</u>	<u>\$ 7,276,603</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)}

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Service Cost	\$ 135,600	\$ 131,268	\$ 127,074	N/A						
Interest	114,361	112,960	85,251	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	(60,331)	(62,184)	—	N/A						
Contributions – active and inactive employees	—	—	—	N/A						
Net investment income	—	—	—	N/A						
Benefit payments ⁽²⁾	(164,106)	(140,597)	(147,565)	N/A						
Other changes	—	—	107,931	N/A						
Net changes in total OPEB liability	25,524	41,447	760,869	N/A						
Total OPEB liability – beginning	3,383,455	3,342,008	2,581,139	N/A						
Total OPEB liability – ending	\$ 3,408,979	\$ 3,383,455	\$ 3,342,008	N/A						
Covered – employee payroll ⁽³⁾	\$ 2,585,616	\$ 2,492,104	\$ 2,581,289	N/A						
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	N/A						
Total OPEB liability as a percentage of covered – employee payroll	%	135.8%	129.5%	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 to 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

*For the year ended June 30, 2020, the City did not obtain a new actuarial valuation.

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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
City's proportion of the net pension liability	N/A	0.0590170%	0.058394%	0.058457%	0.056208%	0.054751%	0.053510%	N/A	N/A	N/A
City's proportion share of the net pension liability	N/A	\$ 13,475,973	\$ 13,084,337	\$ 12,315,611	\$ 12,005,946	\$ 10,383,791	\$ 9,212,648	\$ 9,597,785	N/A	N/A
City's covered payroll (pensionable)	\$ 6,663,289	\$ 6,232,005	\$ 6,017,697	\$ 5,897,743	\$ 5,443,028	\$ 5,133,635	\$ 4,849,702	\$ 4,933,520	N/A	N/A
City's proportion share of the net pension liability as a percentage of its covered payroll	N/A	216.2%	217.4%	223.1%	220.6%	202.3%	190.0%	194.5%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%	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⁾

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution ⁽²⁾	\$ 1,026,813	\$ 898,032	\$ 811,322	\$ 667,638	\$ 635,004	\$ 557,599	\$ 514,069	\$ 486,663	N/A	N/A
Contributions in relation to the contractually required contribution ⁽²⁾	\$ 1,026,813	\$ 898,032	\$ 811,332	\$ 667,638	\$ 635,004	\$ 557,599	\$ 514,069	\$ 486,663	N/A	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A	N/A
City's covered payroll (pensionable)	\$ 6,663,289	\$ 6,232,005	\$ 6,017,697	\$ 5,897,743	\$ 5,443,028	\$ 5,133,635	\$ 4,849,702	\$ 4,933,520	N/A	N/A
Contributions as a percentage of covered payroll	15.4%	14.4%	13.5%	11.3%	11.7%	10.9%	10.6%	9.9%	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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
City's proportion of the net pension liability (asset)	N/A	0.257188%	0.240951%	0.234710%	0.228800%	0.225160%	0.228990%	N/A	N/A	N/A
City's proportion share of the net pension liability (asset)	N/A	\$ 7,370,866	\$ 6,827,440	\$ 6,430,105	\$ 5,803,556	\$ 4,907,354	\$ 4,383,771	\$ 4,746,817	N/A	N/A
City's covered payroll (pensionable)	\$ 4,002,981	\$ 3,730,414	\$ 3,336,280	\$ 3,160,823	\$ 2,916,939	\$ 2,789,410	\$ 2,762,383	\$ 2,267,964	N/A	N/A
City's proportion share of the net pension liability (asset) as a percentage of its covered payroll	N/A	197.6%	204.6%	203.4%	199.6%	175.9%	158.7%	209.0%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	62.7%	61.7%	60.9%	60.4%	64.6%	67.5%	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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution ⁽²⁾	\$ 714,132	\$ 628,202	\$ 528,467	\$ 422,067	\$ 406,098	\$ 374,067	\$ 354,690	\$ 321,072	N/A	N/A
Contributions in relation to the contractually required contribution ⁽²⁾	\$ 714,132	\$ 628,202	\$ 528,467	\$ 422,067	\$ 406,098	\$ 374,067	\$ 354,690	\$ 321,072	N/A	N/A
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A	N/A
City's covered payroll (pensionable)	\$ 4,002,981	\$ 3,730,414	\$ 3,336,280	\$ 3,160,823	\$ 2,916,939	\$ 2,789,410	\$ 2,762,383	\$ 2,267,964	N/A	N/A
Contributions as a percentage of covered payroll	17.84%	16.8%	15.8%	13.4%	13.9%	13.4%	12.8%	14.2%	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, 2020

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 \$13,617,120, (\$11,817,120 plus \$1,800,000 Utility Fund indirect costs and overhead allocations, which have been netted against departmental expenditures).

Budget to Actual Deficits

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

B. Pensions

Changes of benefit terms: None

Changes to assumptions – (Measurement year 2019): None.

Mortality: None.

Discount Rate: None.

CITY OF CAYCE, SOUTH CAROLINA
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

— CONTINUED —

C. Other Post-Employment Benefits

1. Changes in benefit terms: None

2. Changes of assumptions:

Discount Rate: 2019 to 2020 – None. 2018 – the discount rate was changed to 3.40% from 4.50% for the valuation effective July 1, 2017.

Investments: 2018 to 2020 – None. 2017 – the assumed investment return was changed from 7.5% to 7.25% effective July 1, 2017.

Mortality: 2018 to 2020 – None. 2017 – the mortality tables were changed from the RP-2000 Mortality Table to the newly developed 2016 Public Retirees of South Carolina Mortality Tables.

Projected salary increases: 2018 to 2020 – None. 2017 – changed to 3.0% — 12.5% for members with less than 21 years of service from 3.5% to 12.5% for members with less than 25 years of service.

Asset Valuation Method: 2018 to 2020 – None. 2017 – changed to 5—year smoothed from 20% difference recognition.

Inflation: 2018 to 2020 – None. 2017 – changed to 2.25% from 2.75%.

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

2020	3.40%
2019	3.40%
2018	3.40%
2017	4.50%
2016	N/A
2015	N/A
2014	N/A
2013	N/A
2012	N/A
2011	N/A

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, 2020
 (With comparative total figures, year ended June 30, 2019)

	2020		2019	
	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	Total Non-Major Governmental Funds
Assets				
Cash and cash equivalents:				
Unrestricted	\$ 70,300	\$ —	\$ 70,300	\$ 83,801
Restricted	855,447	2,177,596	3,033,043	2,238,591
Property taxes receivable	—	3,795	3,795	—
Hospitality taxes receivable	15,816	—	15,816	—
Other receivables	28,078	—	28,078	4,466
Due from other funds	—	—	—	72
Bond deposits	—	—	—	47,530
Total assets	\$ 969,641	\$ 2,181,391	\$ 3,151,032	\$ 2,374,460
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 21,285	\$ 472,481	\$ 493,766	\$ 1,733
Due to other funds	195,929	—	195,929	1,611
Total liabilities	217,214	472,481	689,695	3,344
Fund balance:				
Restricted for:				
Debt service	—	1,708,910	1,708,910	1,426,238
Tourism and community development	641,433	—	641,433	748,496
ABC permit activities	21,129	—	21,129	94,696
Law enforcement	19,565	—	19,565	17,885
Total restricted	682,127	1,708,910	2,391,037	2,287,315
Assigned for:				
Museum	70,300	—	70,300	83,801
Total fund balances	752,427	1,708,910	2,461,337	2,371,116
Total liabilities and fund balances	\$ 969,641	\$ 2,181,391	\$ 3,151,032	\$ 2,374,460

CITY OF CAYCE, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2020

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

	2020		2019	
	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	Total Non-Major Governmental Funds
Revenue				
Property taxes	\$ —	\$ 774,789	\$ 774,789	\$ 979,111
Accommodation and hospitality taxes	1,524,268	—	1,524,268	1,272,104
State shared revenue	12,026	70,691	82,717	31,515
Grants and other	92,680	—	92,680	84,329
Interest income	—	7,555	7,555	1,601
Total revenue	<u>1,628,974</u>	<u>853,035</u>	<u>2,482,009</u>	<u>2,368,660</u>
Expenditures				
Planning and community development:				
Tourism related	689,173	—	689,173	363,114
Less, capital outlay	(37,770)	—	(37,770)	—
Net tourism related	<u>651,403</u>	<u>—</u>	<u>651,403</u>	<u>363,114</u>
Debt service:				
Principal	—	300,000	300,000	290,000
Interest and fiscal charges	—	270,363	270,363	279,063
Capital outlay	37,770	—	37,770	—
Total expenditures	<u>689,173</u>	<u>570,363</u>	<u>1,259,536</u>	<u>932,177</u>
Excess (deficiency) of revenue over expenditures	939,801	282,672	1,222,473	1,436,483
Other Financing Sources (Uses)				
Transfers in	64,181	—	64,181	16,500
Transfers (out)	(1,196,433)	—	(1,196,433)	(884,041)
Net change in fund balances	(192,451)	282,672	90,221	568,942
Fund balances, beginning of year	944,878	1,426,238	2,371,116	1,802,174
Fund balances, end of year	<u>\$ 752,427</u>	<u>\$ 1,708,910</u>	<u>\$ 2,461,337</u>	<u>\$ 2,371,116</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, 2020

(With comparative figures June 30, 2019)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Cash and cash equivalents:		
Unrestricted	\$ 6,700,090	\$ 6,185,044
Restricted	948,466	948,466
Property taxes receivable	1,617,391	1,584,947
Grants receivables	21,865	156,790
Other receivables	331,119	262,622
Less, allowance for uncollectible accounts	(1,421,996)	(1,309,754)
Due from other funds	275,865	58,049
Prepaid items:		
Prepaid service contracts	117,574	105,328
Inventory – supplies (at cost)	64,031	76,405
Total assets	<u>\$ 8,654,405</u>	<u>\$ 8,067,897</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 495,344	\$ 406,380
Accrued salaries and wages	396,074	313,115
Construction and retainage payable	—	10,575
Other liabilities	7,660	10,401
Deposits and prepayments	46,328	50,823
Due to other funds	24,031	—
Total liabilities	<u>969,437</u>	<u>791,294</u>
 Fund balance:		
Nonspendable in:		
Inventories and prepaid items	<u>181,605</u>	<u>181,733</u>
 Committed for:		
UST program	<u>25,000</u>	<u>25,000</u>
 Assigned for:		
Christmas in Cayce	36,721	6,738
Congaree Bluegrass Festival	17,644	9,737
History Park	948,466	948,466
	<u>1,002,831</u>	<u>964,941</u>
 Unassigned	 6,475,532	 6,104,929
Total fund balance	<u>7,684,968</u>	<u>7,276,603</u>
Total liabilities and fund balance	<u>\$ 8,654,405</u>	<u>\$ 8,067,897</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2020
(With comparative actual amounts year ended June 30, 2019)

	Current Year			Prior Year
	Final Budget	Actual	Variance Pos. (Neg.)	Actual
Revenue				
Property taxes	\$ 3,744,733	\$ 3,984,239	\$ 239,506	\$ 3,848,870
Licenses and permits	4,639,650	5,093,506	453,856	4,930,242
Fines and forfeitures	225,200	180,781	(44,419)	187,075
State shared revenue	373,500	415,585	42,085	395,772
Current services	1,426,500	1,439,177	12,677	1,348,045
Grants and other	1,230,048	626,898	(603,150)	365,100
Interest income	2,000	3,204	1,204	4,657
Total revenue	11,641,631	11,743,390	101,759	11,079,761
Expenditures				
Current (net of Utility Fund overhead allocations and capital outlay):				
Legislative	86,289	74,917	11,372	66,802
Administrative	296,726	286,114	10,612	198,412
Recorder's court	216,949	212,319	4,630	193,948
Legal	58,400	80,465	(22,065)	65,129
Information technology	149,722	119,188	30,534	62,990
Finance and accounting	77,323	64,809	12,514	47,741
Tax collector	22,210	22,178	32	21,981
Public safety:				
Administrative	822,606	827,585	(4,979)	764,757
Detectives	733,927	727,273	6,654	701,018
Police	3,669,615	3,689,417	(19,802)	3,412,544
Fire	1,739,465	1,625,382	114,083	1,342,880
Animal services	100,691	88,508	12,183	82,168
Parks	280,211	288,178	(7,967)	269,669
Dispatch	447,257	389,882	57,375	388,492
Street lighting	347,000	344,339	2,661	346,319
Sanitation	1,172,831	1,107,974	64,857	1,081,960
Public buildings	(60,390)	(68,838)	8,448	(117,676)
Community relations	187,978	143,078	44,900	146,032
Planning and development	743,092	792,006	(48,914)	791,548
Museum	135,480	134,750	730	129,517
Parks	858,442	753,899	104,543	703,087
Garage	325,487	292,995	32,492	240,245
Non-departmental and support services	(7,903)	(910)	(6,993)	(4,087)
Debt service	303,632	275,319	28,313	155,480
Capital outlay	910,080	618,711	291,369	1,569,416
Total expenditures	13,617,120	12,889,538	727,582	12,660,372
Excess (deficiency) of revenue over expenditures	(1,975,489)	(1,146,148)	829,341	(1,580,611)
Other Financing Sources (uses)				
Installment purchase contract	624,000	364,000	260,000	283,556
Proceeds from sale of assets	30,000	58,261	(28,261)	40,145
Transfers in:				
State Accommodations Tax Fund	95,000	101,823	(6,823)	50,468
Local Accommodations Tax Fund	262,000	190,524	71,476	—
Hospitality Tax Fund	839,905	839,905	—	817,073
Total other financing sources (uses)	1,850,905	1,554,513	296,392	1,191,242
Net change in fund balance	(124,584)	408,365	532,949	(389,369)
Fund balance, beginning of year	7,276,603	7,276,603	—	7,665,972
Fund balance, end of year	\$ 7,152,019	\$ 7,684,968	\$ 532,949	\$ 7,276,603

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>
Revenue		
Property taxes:		
Property tax – current (Lexington County)	\$ 2,687,733	\$ 2,542,069
Property tax – current (Richland County)	103,000	112,467
Penalties – current	4,000	3,807
Property tax – delinquent	50,000	144,088
Penalties – delinquent	6,000	11,294
Other property tax collections	129,000	373,520
Fees in lieu of taxes	765,000	796,994
	<u>3,744,733</u>	<u>3,984,239</u>
Licenses and permits:		
Business licenses – current	1,839,290	2,234,289
Business licenses – prior year	5,000	24,732
Penalties – business licenses	17,000	31,441
Business licenses – franchise fees	2,660,710	2,660,710
Building permits	87,000	115,425
Electrical permits	15,000	13,009
Plumbing permits	7,000	5,348
Rental registration fees	3,000	5,098
Gas permits	1,000	270
Garage sale permits	700	280
Miscellaneous permits	3,950	2,904
	<u>4,639,650</u>	<u>5,093,506</u>
Fines and forfeitures:		
Criminal fines	55,000	14,940
Traffic fines	150,000	144,094
Parking fines	200	—
Victims assistance	20,000	21,747
	<u>225,200</u>	<u>180,781</u>
State shared and other revenue:		
Local government fund	270,000	297,031
Merchants inventory tax	72,000	71,566
Local option sales tax	15,000	17,523
County municipal revenue fund	16,500	29,465
	<u>373,500</u>	<u>415,585</u>

— CONTINUED —

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Revenue (Continued)		
Current services:		
Fire hydrant service fees	190,000	229,230
Special fire protection fees	8,000	—
911 fees	70,000	60,088
Special services – SRO officers	413,500	386,090
Duplication services	5,000	7,204
Residential sanitation	740,000	756,565
	<u>1,426,500</u>	<u>1,439,177</u>
Grants and Other:		
Miscellaneous	28,360	100,894
PEBA Pension credit	56,640	56,640
Sale of plastic bags	5,000	4,955
Donated revenue – Christmas in Cayce	—	3,200
Donated revenue – Congaree Bluegrass Festival	—	1,475
Admission and rents	800	919
LRADAC/AET agreements	38,000	42,999
Recycling revenue	3,000	517
Grant revenue:		
SCMIT grant	10,000	6,000
State grant revenue	515,000	17,865
SC Department of Parks and Recreation grant	84,500	84,500
Department of Justice grant	39,153	—
Department of Public Safety Traffic and DUI grants	247,282	84,699
Other federal grants	23,000	—
FEMA capital grants	—	41,922
Other non-governments grants	—	1,000
Utility Fund fees	179,313	179,313
	<u>1,230,048</u>	<u>626,898</u>
Interest income	2,000	3,204
Total revenue	<u>11,641,631</u>	<u>11,743,390</u>
Other Financing Sources		
Installment purchase contract	624,000	364,000
Proceeds from sale of assets	30,000	58,261
Transfers in:		
State Accommodations tax	95,000	101,823
Local Accommodation tax	262,000	190,524
Hospitality tax	839,905	839,905
Total other financing sources	<u>1,850,905</u>	<u>1,554,513</u>
Total revenue and other financing sources	<u>\$ 13,492,536</u>	<u>\$ 13,297,903</u>

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>
Departments		
Legislative:		
Salaries and wages	\$ 79,500	\$ 79,500
Retirement, insurance and other benefits	31,142	33,136
Printing and office supplies	1,000	450
Postage	300	276
Memberships and dues	2,882	200
Travel	14,050	6,864
Telephone	1,700	977
Advertising	2,400	1,524
Employee training	3,740	3,605
Awards	6,000	5,286
City election expense	—	1,243
City events/special meetings	1,500	—
Other	1,500	1,281
Total legislative	<u>145,714</u>	<u>134,342</u>
Less, overhead allocation – Utility Fund	<u>(59,425)</u>	<u>(59,425)</u>
Net legislative	<u>86,289</u>	<u>74,917</u>
Administrative:		
Salaries and wages	584,369	587,662
Retirement, insurance and other benefits	209,407	207,602
Printing and office supplies	6,000	7,748
Postage	1,000	920
Publications	400	684
Memberships and dues	3,000	4,463
Travel	17,000	4,327
Automotive operating	1,100	1,670
Telephone	6,000	6,609
Safety supplies	2,700	4,014
Advertising expense	1,000	408
Insurance – vehicles	3,000	2,381
Insurance – general	3,000	2,579
Employee training	5,500	6,117
Professional services – human resources	3,300	3,409
Professional services – technical assistance	1,000	191
Service contracts	8,826	6,369
Other	12,150	10,987
Total administrative	<u>868,752</u>	<u>858,140</u>
Less, overhead allocation – Utility Fund	<u>(572,026)</u>	<u>(572,026)</u>
Net administrative	<u>296,726</u>	<u>286,114</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	133,097	124,564
Overtime	500	—
Retirement, insurance and other benefits	45,006	47,933
Juror fees	2,000	485
Printing and office supplies	4,500	3,701
Postage	7,800	7,176
Memberships and dues	500	165
Travel	4,000	978
Employee training	2,000	1,517
Telephone	4,000	1,402
Service contracts	546	624
Insurance – general	1,700	1,500
Machinery and equipment – non-capital	—	2,322
Special contracts	10,100	14,883
Special department supplies	1,200	1,319
Professional fees	—	3,750
Total recorder's court	<u>216,949</u>	<u>212,319</u>
Legal:		
Printing and office supplies	75	—
Postage	500	460
Professional services	65,000	82,130
Professional services – Prosecutor fees	15,000	14,982
Professional services – Public Defender fees	10,000	14,680
Codification of City code	2,500	2,888
Total legal	<u>93,075</u>	<u>115,140</u>
Less, overhead allocation – Utility Fund	<u>(34,675)</u>	<u>(34,675)</u>
Net legal	<u>58,400</u>	<u>80,465</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	139,118	129,607
Retirement, insurance and other benefits	48,656	41,539
Printing and office supplies	1,043	784
Postage	140	129
Publications	100	—
Memberships and dues	1,250	510
Travel	2,110	277
Automotive operating	950	2,834
Telephone	2,109	1,688
Service contracts	24,427	21,247
Equipment repairs	1,500	539
Software and licenses	17,075	17,040
Employee training	5,000	1,250
Insurance – general	500	643
Website maintenance	2,400	2,409
Professional services	8,000	4,575
Machines and equipment – capital outlay	10,792	—
Machinery and equipment – non-capital	17,972	17,398
Other	1,500	847
Total IT	<u>284,642</u>	<u>243,316</u>
Less, overhead allocation – Utility Fund	(124,128)	(124,128)
Less, capital outlay	(10,792)	—
Net IT	<u>149,722</u>	<u>119,188</u>
Finance and Accounting:		
Salaries and wages	197,067	198,661
Retirement, insurance and other benefits	78,773	67,878
Printing and office supplies	5,000	6,925
Postage	800	736
Memberships and dues	250	225
Travel	800	—
Telephone	1,900	1,353
Service contracts	12,630	6,639
Insurance – general	2,000	1,304
Employee training	1,100	85
Machinery and equipment – non-capital	1,300	—
Professional services	30,000	35,300
Total finance and accounting	<u>331,620</u>	<u>319,106</u>
Less, overhead allocation – Utility Fund	(254,297)	(254,297)
Net finance and accounting	<u>77,323</u>	<u>64,809</u>
Tax Collector:		
Postage	60	55
Professional services	22,150	22,123
Total tax collector	<u>22,210</u>	<u>22,178</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

— CONTINUED —

Departments (Continued)	<u>Final Budget</u>	<u>Actual</u>
Public Safety – administrative:		
Salaries and wages	454,835	467,065
Special duty wages	—	1,615
Retirement, insurance and other benefits	201,648	204,451
Printing and office supplies	10,000	9,993
Postage	3,000	2,760
Memberships and dues	2,200	1,362
Travel	8,000	3,233
Automotive operating	6,000	5,887
Electric and gas	40,000	35,014
Telephone	60,000	63,580
Maintenance and service contracts	29,866	32,643
Building repairs	5,000	4,896
Uniforms	5,000	2,159
Janitorial supplies	600	423
Medical supplies and physician expense	6,000	3,102
Advertising	500	—
Insurance – vehicles	3,000	1,376
Insurance – general	5,600	6,794
Employee training	5,000	4,080
Community relations	7,500	4,731
Special contracts	5,125	4,054
Explorer Scouts	2,000	153
Critical incident management	16,000	24,290
Machinery and equipment – non-capital	4,000	2,192
Total public safety – administrative	<u>880,874</u>	<u>885,853</u>
Less, overhead allocation – Utility Fund	(58,268)	(58,268)
Net public safety – administrative	<u>822,606</u>	<u>827,585</u>
Public Safety – police/detectives:		
Salaries and wages	413,495	417,552
Overtime	15,000	17,296
Special duty wages	5,000	5,814
Retirement, insurance and other benefits	204,632	208,482
Memberships and dues	3,600	1,704
Travel	7,000	1,579
Automotive operating	25,000	18,538
Maintenance and service contracts	22,000	26,569
Machinery and equipment repairs	700	712
Radio supplies	600	—
Uniforms and clothing	8,500	6,178
Insurance – vehicles	9,000	8,997
Insurance – general	8,600	7,809
Employee training	5,500	3,538
Specialized department supplies	3,500	2,505
Machinery and equipment – non-capital	1,800	—
Total public safety – police/detectives	<u>733,927</u>	<u>727,273</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	1,955,182	1,858,272
Overtime	107,000	179,202
Fire response overtime	—	1,010
Special duty wages	30,000	55,347
Retirement, insurance and other benefits	1,019,307	993,332
Memberships and dues	2,500	3,340
Travel	4,000	2,211
SCMIT/DOJ vest grant expense	10,000	8,478
Automotive operating	150,000	173,975
Maintenance and service contracts	51,500	89,552
Machinery and equipment repairs	7,000	4,711
Building repairs – dog pound	1,500	1,006
SLED equipment	2,185	672
Small hand tools	500	397
Radio supplies	800	—
Safety supplies	3,000	1,952
Uniforms and clothing	40,000	24,923
Jail detention	1,500	2,123
Insurance – vehicles	36,000	41,016
Insurance – general	43,000	41,634
Employee training	20,000	16,153
Professional services – HR	—	—
Victim’s assistance	85,000	80,429
Department of Juvenile Justice fees	5,000	4,937
Specialized department supplies	46,750	46,850
Machinery and equipment – non-capital	84,082	94,086
Machinery and equipment – capital outlay	88,900	88,896
Total public safety – police/traffic	<u>3,794,706</u>	<u>3,814,504</u>
Less, overhead allocation – Utility Fund	(36,191)	(36,191)
Less, capital outlay	(88,900)	(88,896)
Net public safety – police/traffic	<u>3,669,615</u>	<u>3,689,417</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	965,119	910,824
Overtime	30,000	46,228
Special duty wages	5,000	1,488
Fire department overtime – responses	40,000	10,723
Retirement, insurance and other benefits	501,155	476,710
Memberships and dues	1,500	2,585
Travel	6,000	1,862
Automotive operating	43,000	49,609
Maintenance and service contracts	11,000	5,064
Machinery and equipment repairs	5,000	4,540
Building repairs	13,400	15,609
Small hand tools	2,000	1,123
Radio supplies	1,000	30
Safety supplies	3,500	3,204
Uniforms and clothing	23,000	15,061
Janitorial supplies	800	810
Medical supplies and physician expense	11,800	8,960
Air pack and fire extinguisher	6,400	5,999
Insurance – vehicles	10,000	9,631
Insurance – general	17,000	17,994
Employee training	10,000	5,686
Specialized department supplies	20,253	19,546
Machinery and equipment – non-capital	19,950	19,508
Machinery and equipment – capital outlay	10,097	—
Total public safety –fire	<u>1,756,974</u>	<u>1,632,794</u>
Less, overhead allocation – Utility Fund	(7,412)	(7,412)
Less, capital outlay	(10,097)	—
Net public safety – fire	<u>1,739,465</u>	<u>1,625,382</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	39,482	38,853
Overtime	1,250	641
Retirement, insurance and other benefits	16,159	16,238
Printing and office supplies	150	138
Memberships and dues	3,750	708
Travel	5,000	3,336
Automotive operating	4,500	3,201
Electric and gas	4,500	6,419
Maintenance and service contracts	4,800	1,303
Machinery and equipment repairs	3,500	1,255
Building repairs – dog pound	500	61
Radio supplies	100	—
Uniforms and clothing	2,500	344
Janitorial supplies	200	143
Insurance – vehicles	1,200	688
Insurance – general	1,300	1,021
Employee training	4,500	4,387
Specialized department supplies	7,000	7,499
Animal control supplies	300	293
Machinery and equipment – non-capital	—	1,980
Total public safety – animal services	<u>100,691</u>	<u>88,508</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Public Safety – parks:		
Salaries and wages	157,756	159,861
Overtime	5,000	11,315
Special duty wages	5,000	1,275
Retirement, insurance and other benefits	80,385	88,777
Printing and office supplies	50	4
Travel	250	—
Memberships and dues	250	200
Automotive operating	6,000	5,973
Maintenance and service contracts	500	—
Machinery and equipment repairs	4,000	1,739
Radio supplies	250	—
Uniforms and clothing	3,500	2,296
Janitorial supplies	100	—
Medical supplies and physician expense	100	—
Insurance – vehicles	2,000	2,752
Insurance – general	3,500	3,812
Employee training	500	—
Specialized department supplies	1,000	104
Machinery and equipment – non-capital	10,070	10,070
Machinery and equipment - capital outlay	330	—
Total public safety – parks	<u>280,541</u>	<u>288,178</u>
Less, capital outlay	(330)	—
Net public safety – parks	<u>280,211</u>	<u>288,178</u>
Public Safety – dispatch:		
Salaries and wages	239,037	224,091
Overtime	20,000	27,571
Retirement, insurance and other benefits	113,420	102,249
Printing office supplies	1,000	99
Memberships and dues	—	280
Telephone	31,000	24,410
Maintenance and service contracts	25,000	40
Machinery and equipment repairs	2,000	3,019
Radio supplies	2,000	—
Uniforms and clothing	3,000	562
Insurance – general	5,500	5,598
Employee training	3,500	788
Specialized department supplies	1,800	1,175
Machinery and equipment – capital outlay	102,474	102,474
Total public safety – dispatch	<u>549,731</u>	<u>492,356</u>
Less, capital outlay	(102,474)	(102,474)
Net public safety – dispatch	<u>447,257</u>	<u>389,882</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	347,000	344,339
Total street lighting	<u>347,000</u>	<u>344,339</u>
Sanitation:		
Salaries and wages	615,364	582,962
Overtime	600	35
Retirement, insurance and other benefits	331,025	309,693
Printing and office supplies	500	290
Postage	750	690
Memberships and dues	485	245
Travel expense	1,100	—
Automotive operating	120,000	97,265
Telephone	7,000	5,814
Maintenance and service contracts	8,142	6,156
Equipment repairs	5,000	3,478
Building repairs	1,025	1,025
Waste disposal and tipping fees	27,000	28,566
Small hand tools	7,000	5,670
Safety supplies	7,000	6,212
Uniforms and clothing	10,400	13,166
Cleaning and sanitation supplies	500	247
Medical supplies and physician expense	1,200	1,040
Insurance – vehicles	10,500	8,943
Insurance – general	10,000	7,222
Employee training	240	(285)
Contract labor	500	—
Special supply – garbage bags	4,500	223
Special supply – recycle bins and leaf bags	3,000	—
Sanitation roll carts	—	29,317
Building improvements – capital outlay	3,975	3,975
Total sanitation	<u>1,176,806</u>	<u>1,111,949</u>
Less, capital outlay	<u>(3,975)</u>	<u>(3,975)</u>
Net sanitation	<u>1,172,831</u>	<u>1,107,974</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	35,533	37,294
Overtime	1,000	474
Retirement, insurance and other benefits	18,105	18,162
Electric and gas	25,000	23,107
Telephone	500	601
Maintenance and service contracts	19,860	9,466
Equipment repairs	2,000	3,808
Building repairs	35,000	34,924
Paint supplies	300	228
Electric/light supplies	700	239
Uniforms	300	—
Janitorial supplies	4,127	5,689
Vehicle related	500	778
Insurance – vehicle	1,200	1,005
Insurance – general	1,000	985
Machinery and equipment – non-capital	600	475
Machinery and equipment – capital outlay	8,309	—
Other	100	142
Total public buildings	<u>154,134</u>	<u>137,377</u>
Less, overhead allocation – Utility Fund	(206,215)	(206,215)
Less, capital outlay	(8,309)	—
Net public buildings	<u>(60,390)</u>	<u>(68,838)</u>
Community Relations:		
Central Midlands Council of Governments	9,678	9,968
Central Midlands Regional Transportation Association	30,150	30,150
Municipal Association of SC	5,500	5,402
Lexington County Municipal Association	500	—
River Alliance	10,000	—
Professional services	30,000	30,000
Citizen's Drop-in	5,000	6,953
Employee/family Christmas party	4,000	3,946
Community programs	11,500	14,376
City newsletter	16,650	10,436
Christmas in Cayce festival	45,000	18,217
Congaree Bluegrass festival	20,000	13,630
Total community relations	<u>187,978</u>	<u>143,078</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	452,922	428,277
Retirement, insurance and other benefits	165,294	164,645
Printing and office supplies	6,700	6,909
Postage	3,100	2,844
Memberships and dues	2,653	2,555
Travel	6,453	535
Automotive operating	6,000	11,742
Telephone	8,378	8,052
Maintenance and service contracts	2,392	5,875
Small hand tools	300	191
Uniforms	800	323
Advertising	2,000	1,706
Insurance – vehicles	2,000	2,435
Insurance – general	3,000	3,155
Employee training	10,000	2,315
NPDES phase II project	12,000	12,205
Professional services – other	52,500	76,547
Special contract – copier	2,600	1,321
Special department supplies	4,000	6,191
Julius Felder sidewalk project	—	39,235
Façade grant program	—	6,213
Demolition program	—	8,735
Stormwater study	22,110	22,110
River District Signage	84,500	84,500
Total planning and development	<u>849,702</u>	<u>898,616</u>
Less, capital outlay	<u>(106,610)</u>	<u>(106,610)</u>
Net planning and development	<u>743,092</u>	<u>792,006</u>
Museum:		
Salaries and wages	84,393	84,313
Retirement, insurance and other benefits	27,054	26,077
Printing and office supplies	1,300	1,165
Postage	200	184
Memberships and dues	425	293
Travel	500	—
Electric and gas	6,500	4,888
Telephone	5,000	5,489
Service contracts	6,608	8,221
Equipment repairs	600	245
Building repairs	400	1,980
Insurance – general	2,000	1,755
Employee training	500	140
Total museum	<u>135,480</u>	<u>134,750</u>
Less, capital outlay	<u>—</u>	<u>—</u>
Net museum	<u>135,480</u>	<u>134,750</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Parks:		
Salaries and wages	481,115	418,867
Overtime	1,500	394
Retirement, insurance and other benefits	231,515	196,435
Memberships and dues	625	497
Printing and office supplies	500	534
Postage	140	129
Telephone	10,000	12,322
Travel	750	(105)
Automotive operating	26,000	22,711
Electric and gas	23,000	18,754
Service contracts	2,842	4,701
Machinery and equipment repairs	12,000	15,710
Building repairs	4,525	3,637
Small hand tools	3,000	3,026
Signs and sign supplies	1,000	873
Safety supplies	6,000	6,212
Uniforms and clothing	10,500	9,799
Cleaning supplies	3,000	2,687
Chemicals	1,500	1,022
Medical supplies and physician expense	850	495
Insurance – vehicles	11,500	12,066
Insurance – general	9,900	9,330
Employee training	1,680	(308)
Specialized department supplies	6,500	5,909
Park expansion	6,000	5,896
Machinery and equipment – non-capital	2,500	2,306
Building improvements – capital outlay	3,975	3,975
Total parks	<u>862,417</u>	<u>757,874</u>
Less, capital outlay	<u>(3,975)</u>	<u>(3,975)</u>
Net parks	<u>858,442</u>	<u>753,899</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Garage:		
Salaries and wages	256,689	241,005
Overtime	—	59
Retirement, insurance and other benefits	107,937	105,368
Printing and office supplies	200	436
Travel	750	850
Automotive operating	5,000	3,362
Electric and gas	5,500	6,030
Telephone	2,700	2,487
Maintenance and service contracts	4,756	6,047
Machinery and equipment repairs	8,000	5,592
Building repairs	9,000	5,951
Small hand tools	11,500	8,242
Safety supplies	2,000	2,343
Uniforms and clothing	2,700	3,017
Insurance – vehicles	1,500	1,376
Insurance – general	3,000	2,747
Employee training	1,000	500
Specialized department supplies	7,500	8,499
Machinery and equipment – non-capital	10,200	3,529
Machinery and equipment – capital outlay	22,000	20,163
Total garage	<u>461,932</u>	<u>427,603</u>
Less, overhead allocation– Utility Fund	(114,445)	(114,445)
Less, capital outlay	(22,000)	(20,163)
Net garage	<u>325,487</u>	<u>292,995</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Non-departmental and Support Services:		
Retiree insurance expense	52,165	59,158
Capital outlay – equipment	552,618	292,618
Total non-departmental and support services	<u>604,783</u>	<u>351,776</u>
Less, overhead allocation – Utility Fund	(60,068)	(60,068)
Less, capital outlay	<u>(552,618)</u>	<u>(292,618)</u>
Net non-departmental and support services	<u>(7,903)</u>	<u>(910)</u>
Debt Service:		
Note and lease payments	377,316	352,471
Interest and fiscal agent charges	19,853	16,385
Total debt service	<u>397,169</u>	<u>368,856</u>
Less, overhead allocation – Utility Fund	(93,537)	(93,537)
Net debt service	<u>303,632</u>	<u>275,319</u>
Capital Outlay	<u>910,080</u>	<u>618,711</u>
Total expenditures	<u><u>\$ 13,617,120</u></u>	<u><u>\$ 12,889,538</u></u>

CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2020
(With comparative total figures at June 30, 2019)

	State Accommodations Tax	Local Accommodations Tax	Hospitality Tax	ABC Permit Fund	Law Enforcement Grant Fund	Museum Fund	Totals	
							2020	2019
Assets								
Cash and cash equivalents:								
Unrestricted	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 70,300	\$ 70,300	\$ 83,801
Restricted	87,428	190,524	536,801	21,129	19,565	—	855,447	859,883
Hospitality taxes receivable	—	—	15,816	—	—	—	15,816	—
Other receivables	28,078	—	—	—	—	—	28,078	4,466
Due from other funds	—	—	—	—	—	—	—	72
Total assets	\$ 115,506	\$ 190,524	\$ 552,617	\$ 21,129	\$ 19,565	\$ 70,300	\$ 969,641	\$ 948,222
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 8,276	\$ —	\$ 13,009	\$ —	\$ —	\$ —	\$ 21,285	\$ 1,733
Due to other funds	5,405	190,524	—	—	—	—	195,929	1,611
Total liabilities	13,681	190,524	13,009	—	—	—	217,214	3,344
Fund balance:								
Restricted for:								
Tourism and community development	101,825	—	539,608	—	—	—	641,433	748,496
ABC permit activities	—	—	—	21,129	—	—	21,129	94,696
Law enforcement	—	—	—	—	19,565	—	19,565	17,885
Total restricted	101,825	—	539,608	21,129	19,565	—	682,127	861,077
Assigned for:								
Museum improvement	—	—	—	—	—	70,300	70,300	83,801
Total fund balances	101,825	—	539,608	21,129	19,565	70,300	752,427	944,878
Total liabilities and fund balances	\$ 115,506	\$ 190,524	\$ 552,617	\$ 21,129	\$ 19,565	\$ 70,300	\$ 969,641	\$ 948,222

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2020
(With comparative total figures year ended June 30, 2019)

	State	Local	Hospitality	ABC	Law	Museum	Totals	
	Accommodations Tax	Accommodations Tax		Permit Fund	Enforcement Grant Fund		Fund	2020
Revenue								
Accommodations and hospitality taxes	\$ 180,390	\$ 190,618	\$ 1,153,260	\$ —	\$ —	\$ —	\$1,524,268	\$1,272,104
Federal and state grants	—	—	63,000	27,000	1,680	—	91,680	27,000
State shared revenue	—	—	—	12,026	—	—	12,026	19,050
Other	—	—	1,000	—	—	—	1,000	4,515
Total revenue	180,390	190,618	1,217,260	39,026	1,680	—	1,628,974	1,322,669
Expenditures								
Planning and community development:								
Tourism related	91,259	94	417,545	166,774	—	13,501	689,173	363,114
Less, capital outlay	—	—	(11,555)	(26,215)	—	—	(37,770)	—
Net tourism related	91,259	94	405,990	140,559	—	13,501	651,403	363,114
Capital outlay	—	—	11,555	26,215	—	—	37,770	—
Total expenditures	91,259	94	417,545	166,774	—	13,501	689,173	363,114
Excess (deficiency) of revenue over expenditures	89,131	190,524	799,715	(127,748)	1,680	(13,501)	939,801	959,555
Other Financing Sources (Uses)								
Transfers in	—	—	10,000	54,181	—	—	64,181	16,500
Transfers (out)	(71,823)	(190,524)	(934,086)	—	—	—	(1,196,433)	(884,041)
Net change in fund balances	17,308	—	(124,371)	(73,567)	1,680	(13,501)	(192,451)	92,014
Fund balances, beginning of year	84,517	—	663,979	94,696	17,885	83,801	944,878	852,864
Fund balances, end of year	\$ 101,825	\$ —	\$ 539,608	\$ 21,129	\$ 19,565	\$ 70,300	\$ 752,427	\$ 944,878

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND
BALANCE SHEET

JUNE 30, 2020

(With comparative amounts for June 30, 2019)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Restricted cash and cash equivalents	\$ 2,177,596	\$ 1,378,708
Property taxes receivable	3,795	—
Bond deposits	—	47,530
Due from other funds	—	—
Total assets	<u>\$ 2,181,391</u>	<u>\$ 1,426,238</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 472,481	\$ —
Total liabilities	<u>472,481</u>	<u>—</u>
Fund balance:		
Restricted for debt service	<u>1,708,910</u>	<u>1,426,238</u>
Total fund balance	<u>1,708,910</u>	<u>1,426,238</u>
Total liabilities and fund balance	<u>\$ 2,181,391</u>	<u>\$ 1,426,238</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2020
(With comparative figures year ended June 30, 2019)

	<u>Current Year</u>	<u>Prior Year</u>
Revenue		
Current property taxes	\$ 774,789	\$ 979,111
State shared revenue	70,691	65,279
Interest on investments	7,555	1,601
Total revenue	<u>853,035</u>	<u>1,045,991</u>
Expenditures		
Debt Service:		
Principal	300,000	290,000
Interest and fiscal charges	270,363	279,063
Total expenditures	<u>570,363</u>	<u>569,063</u>
Excess (deficiency) of revenue over expenditures	282,672	476,928
Other Financing Sources (Uses)		
Transfer (out) to Capital Projects Fund	<u>—</u>	<u>—</u>
Net change in fund balance	282,672	476,928
Fund balance, beginning of year	<u>1,426,238</u>	<u>949,310</u>
Fund balance, end of year	<u>\$ 1,708,910</u>	<u>\$ 1,426,238</u>

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND
BALANCE SHEET

JUNE 30, 2020

(With comparative figures at June 30, 2019)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Cash and cash equivalents – restricted	\$ 1,597,750	\$ 2,050,326
Due from other funds	—	—
Total assets	<u>\$ 1,597,750</u>	<u>\$ 2,050,326</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ —	\$ —
Construction and retainage payable	106,822	1,386
Total liabilities	<u>106,822</u>	<u>1,386</u>
Fund balance:		
Restricted for redevelopment plan	1,490,928	2,048,940
Total liabilities and fund balance	<u>\$ 1,597,750</u>	<u>\$ 2,050,326</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2020
(With comparative figures year ended June 30, 2019)

	<u>Current Year</u>	<u>Prior Year</u>
Revenue		
State grants	\$ —	\$ 65,730
Other	5,000	—
Interest income	7,035	19,038
Total revenue	<u>12,035</u>	<u>84,768</u>
Expenditures		
Capital outlay:		
Planning and community development	568,547	5,100,548
Other:		
Park	—	2,346
Infrastructure	1,500	1,500
Total expenditures	<u>570,047</u>	<u>5,104,394</u>
Excess (deficiency) of revenue over expenditures	<u>(558,012)</u>	<u>(5,019,626)</u>
Net change in fund balance	(558,012)	(5,019,626)
Fund balance, beginning of year	<u>2,048,940</u>	<u>7,068,566</u>
Fund balance, end of year	<u>\$ 1,490,928</u>	<u>\$ 2,048,940</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, 2020
(With comparative figures at June 30, 2019)

	<u>Current Year</u>	<u>Prior Year</u>		<u>Current Year</u>	<u>Prior Year</u>
Assets and Deferred Outflows			Liabilities, Deferred Inflows and Net Position		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 4,574,369	\$ 3,664,553	Accounts payable	\$ 238,871	\$ 190,240
Receivables:			Accrued salaries and wages	177,176	153,485
Water and sewer accounts (net of allowance for doubtful accounts, \$35,000 in 2020 and 2019)	2,616,456	2,419,062	Accrued compensated absences – current portion	93,865	83,333
Other accounts	392,263	51,072	Installment purchase contract payable – current portion	305,838	337,470
Note receivable – current portion	25,134	26,197	Construction contracts payable	—	68,268
Prepaid expense	34,203	44,906	Accrued interest payable	118	2,348
Inventories	211,466	225,939	Other liabilities	2,331	1,493
Total current assets	<u>7,853,891</u>	<u>6,431,729</u>	Due to other funds (internal balances)	55,905	56,510
Current restricted assets:			Customer deposits and prepayments	59,693	66,108
Cash and cash equivalents:				<u>933,797</u>	<u>959,255</u>
Cayce wastewater facilities replacement & renewal fund	1,633,469	1,083,469	Current liabilities payable from restricted assets:		
Bond and interest redemption	1,547,259	1,501,279	Accrued interest payable	231,384	315,193
Project and construction funds	6,490,379	8,031,886	SRF and bonds payable – current portion	3,310,801	3,242,855
Total current restricted assets	<u>9,671,107</u>	<u>10,616,634</u>	Construction contracts and retainages payable	79,503	785,864
Capital assets:			Total current liabilities payable from restricted assets	<u>3,621,688</u>	<u>4,343,912</u>
Land and rights-of-way	451,035	330,568	Total current liabilities	<u>4,555,485</u>	<u>5,303,167</u>
Equipment	10,419,013	8,206,017	Long-term liabilities:		
Utility plants in service	192,722,183	163,265,739	Accrued compensated absences	95,591	87,548
Construction in process	295,716	29,351,596	Unearned revenue – future capacity charges	3,190	3,190
	<u>203,887,947</u>	<u>201,153,920</u>	Unearned revenue – contract obligation credit	853,344	1,127,508
Less, accumulated depreciation	<u>(58,488,092)</u>	<u>(53,192,569)</u>	Installment purchase contract payable	234,709	540,547
Net capital assets	<u>145,399,855</u>	<u>147,961,351</u>	SRF loans payable	45,945,744	48,476,544
Other assets:			Revenue bonds payable (+/- bonds premium/discount net of amortization)	8,228,179	9,057,654
Note receivable	21,624	49,506	Total other post-employment benefits (OPEB) liability	583,946	571,524
Cost of purchased water/sewer rights	563,864	563,864	Net pensions liability	6,909,945	6,699,352
Less, accumulated amortization	<u>(197,352)</u>	<u>(183,255)</u>	Total long-term liabilities	<u>62,854,648</u>	<u>66,563,867</u>
Net other assets	<u>388,136</u>	<u>430,115</u>	Total liabilities	<u>67,410,133</u>	<u>71,867,034</u>
Total assets	<u>163,312,989</u>	<u>165,439,829</u>	Deferred inflows of resources:		
Deferred outflows of resources:			Deferred pension related inflows	218,595	283,272
Deferred outflows related to OPEB	105,608	128,869	Total deferred inflows of resources	<u>218,595</u>	<u>283,272</u>
Deferred outflows related to pension	1,040,327	1,304,747	Net position:		
Losses on bond refundings	1,266,428	1,266,428	Net investment in capital assets	87,328,355	87,473,689
Less, accumulated amortization	<u>(805,880)</u>	<u>(700,293)</u>	Restricted for debt and capital projects	9,406,448	8,820,448
Total deferred outflows of resources	<u>1,606,483</u>	<u>1,999,751</u>	Restricted for pension and employee benefits	543,520	501,729
Total assets and deferred outflows	<u>\$ 164,919,472</u>	<u>\$ 167,439,580</u>	Unrestricted (deficit)	12,421	(1,506,592)
			Total net position	<u>97,290,744</u>	<u>95,289,274</u>
			Total liabilities, deferred inflows and net position	<u>\$ 164,919,472</u>	<u>\$ 167,439,580</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, 2020
(With comparative figures year ended June 30, 2019)

	Current Year	Prior Year
Operating Revenue (pledged as security for loans and revenue bonds)		
Water:		
Sales	\$ 5,737,981	\$ 5,630,878
Connection fees	84,268	105,370
Sewer:		
Service charges	11,362,729	11,468,057
Connection fees	—	3,750
Septage/grease services:		
Sales and permits	1,379,501	754,003
Pretreatment set-up fees	97,457	93,875
Reconnection fees	18,140	30,890
Penalties	141,715	179,711
Miscellaneous income	165,459	175,525
Total operating revenue	18,987,250	18,442,059
Operating Expenses		
Administrative	728,404	697,255
Utility billing	896,620	799,786
Water treatment plant	1,586,524	1,596,206
Water distribution and maintenance	1,444,236	1,402,646
Wastewater treatment plant	3,469,591	3,054,456
Sewer collection and outfall lines	1,517,489	1,612,901
Septage and grease receiving station	616,326	893,187
Non-departmental and support services	1,800,000	1,800,000
Depreciation and amortization expense	5,342,310	4,895,008
Total operating expenses	17,401,500	16,751,445
Operating income	1,585,750	1,690,614
Non-Operating Revenue (Expenses)		
Grant revenue	393,259	—
Interest income	42,162	30,910
Gains (losses) from sale, disposal of capital assets	(64,773)	1,182
Interest expense	(1,191,216)	(1,349,059)
Amortization of bond refinancing losses	(105,587)	(105,587)
Fiscal agent fees	(7,984)	(9,194)
Total non-operating revenue (expenses)	(934,139)	(1,431,748)
Income (loss) before contributions	651,611	258,866
Capital Contributions		
Capacity charges and other capital contributions	1,349,859	2,701,677
Change in net position	2,001,470	2,960,543
Net position, beginning of year	95,289,274	92,328,731
Net position, end of year	\$ 97,290,744	\$ 95,289,274

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

YEAR ENDED JUNE 30, 2020
(With comparative actual figures year ended June 30, 2019)

	Current Year		Variance Positive (Negative)	Prior Year Actual
	Budget	Actual		
Departments				
<u>Administrative:</u>				
Salaries and wages	\$ 352,776	\$ 356,628	\$ (3,852)	\$ 334,325
Overtime	891	1,483	(592)	—
Retirement, insurance and other benefits	142,817	174,857	(32,040)	153,351
Other post-employment benefits (OPEB)	—	7,693	(7,693)	7,483
Printing and office supplies	9,900	7,145	2,755	7,338
Postage	7,000	6,440	560	6,440
Memberships and dues	760	463	297	313
Travel	6,460	2,484	3,976	4,242
Automotive operating expenses	8,000	9,730	(1,730)	5,324
Telephone	7,000	5,444	1,556	5,012
Maintenance and service contracts	20,076	23,796	(3,720)	17,952
Machinery and equipment repairs	900	156	744	—
Hand tools and supplies	1,500	1,113	387	49
Safety supplies	4,250	3,052	1,198	3,399
Uniforms and clothing	700	118	582	347
Doctor and medical expenses	4,000	2,303	1,697	2,738
Advertising	500	—	500	—
Insurance – vehicle	2,800	2,752	48	2,418
Insurance – general	2,500	2,349	151	1,991
Employee training – continuing education	4,115	1,848	2,267	1,281
Professional services	43,000	43,212	(212)	43,000
Professional services – human resources	500	—	500	—
Professional services – legal	30,000	11,421	18,579	16,614
Professional services – engineering	15,000	8,419	6,581	10,811
Professional services – consultant fees	66,000	50,739	15,261	67,606
Special contracts – CSX	500	—	500	100
Special contracts – copier	2,675	2,060	615	1,806
Machines and equipment – capital	38,000	—	38,000	—
Machines and equipment – non-capital	2,490	2,699	(209)	3,315
	<u>775,110</u>	<u>728,404</u>	<u>46,706</u>	<u>697,255</u>

— CONTINUED —

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

— CONTINUED —

	Current Year		Variance Positive (Negative)	Prior Year Actual
	Budget	Actual		
Departments				
<u>Utility Billing:</u>				
Salaries and wages	382,838	368,216	14,622	344,517
Overtime	24,597	24,687	(90)	27,555
Retirement, insurance and other benefits	170,107	204,014	(33,907)	182,593
Other post-employment benefits (OPEB)	—	7,991	(7,991)	7,711
Printing and office supplies	7,000	6,301	699	6,588
Postage	42,000	38,000	4,000	46,500
Memberships and dues	2,115	335	1,780	335
Travel	2,500	—	2,500	664
Automotive operating expenses	14,000	9,814	4,186	12,624
Telephone	8,000	8,567	(567)	8,202
Maintenance and service contracts	40,025	20,979	19,046	25,663
Equipment repairs	1,000	238	762	9
Machinery and equipment – capital	23,000	—	23,000	—
Hand tools and supplies	3,000	1,329	1,671	1,155
Safety supplies	2,000	1,256	744	1,012
Uniforms and clothing	3,500	2,079	1,421	2,904
Cleaning and sanitation supplies	1,000	20	980	—
Insurance – vehicle	3,950	4,870	(920)	3,626
Insurance – general	5,000	3,689	1,311	3,695
Employee training – continuing education	4,230	2,431	1,799	1,847
Special contracts – copier	3,000	433	2,567	—
Special contracts – collection expense	131,100	132,721	(1,621)	116,996
Machines and equipment – non-capital	103,700	58,650	45,050	5,590
	977,662	896,620	81,042	799,786
<u>Water Treatment Plant:</u>				
Salaries and wages	488,769	464,650	24,119	445,254
Overtime	47,563	52,412	(4,849)	50,863
Retirement, insurance and other benefits	228,670	280,302	(51,632)	256,760
Other post-employment benefits (OPEB)	—	10,120	(10,120)	5,863
Printing and office supplies	1,000	328	672	809
Postage	500	460	40	910
Permit fees	25,500	25,193	307	23,767
Memberships and dues	630	810	(180)	630
Travel	4,800	1,336	3,464	2,242
Automotive operating expense	4,600	7,901	(3,301)	4,318
Electric and gas	325,000	257,433	67,567	260,449
Telephone	7,000	7,294	(294)	6,700
Lubrication supplies	1,200	1,275	(75)	880
Maintenance and service contracts	178,689	171,474	7,215	223,200
Machinery and equipment repairs	62,000	39,508	22,492	44,693
Building repairs	7,000	10,573	(3,573)	6,718
Small hand tools	900	414	486	860

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	675	537	138	535
Safety supplies	2,000	1,888	112	1,982
Uniforms and clothing	3,000	2,972	28	2,771
Cleaning and sanitation supplies	600	606	(6)	483
Chemicals	202,746	162,541	40,205	184,635
Laboratory supplies	34,500	41,078	(6,578)	33,012
Insurance – vehicle	2,400	2,381	19	2,418
Insurance – general	18,400	19,027	(627)	18,418
Employee training	2,115	8,826	(6,711)	1,260
Consultant lab tests	13,000	10,569	2,431	12,488
Machines & equipment – capital	670,000	—	670,000	—
Machines & equipment – non-capital	13,065	4,616	8,449	3,288
	<u>2,346,322</u>	<u>1,586,524</u>	<u>759,798</u>	<u>1,596,206</u>
<u>Water Distribution and Maintenance:</u>				
Salaries and wages	628,029	606,006	22,023	523,119
Overtime	62,095	54,268	7,827	69,504
Retirement, insurance and other benefits	297,476	349,236	(51,760)	300,050
Other post-employment benefits (OPEB)	—	13,042	(13,042)	15,812
Printing and office supplies	3,000	425	2,575	507
Memberships and dues	2,600	3,018	(418)	2,472
Travel	10,900	1,714	9,186	3,514
Automotive operating expense	40,500	44,947	(4,447)	42,877
Electricity and gas	55,000	41,447	13,553	38,293
Telephone	9,000	9,062	(62)	8,055
Maintenance and service contracts	106,849	108,779	(1,930)	94,797
Machinery and equipment repairs	25,000	20,819	4,181	32,251
Building repairs	250,000	—	250,000	397
Small hand tools	10,000	3,368	6,632	9,230
Masonry supplies	5,000	932	4,068	2,082
Asphalt supplies	55,000	29,850	25,150	37,792
Safety supplies	7,000	5,432	1,568	4,554
Uniforms and clothing	10,000	15,300	(5,300)	13,605
Chemicals	736	—	736	—
Utility repair supplies and meters	85,000	75,111	9,889	124,443
Insurance – vehicle	11,500	12,383	(883)	10,879
Insurance – general	12,500	11,342	1,158	11,190
Employee training	9,345	3,796	5,549	8,638
Water distribution equipment meters	25,000	30,491	(5,491)	43,910
Machines & equipment – capital	85,000	—	85,000	—
Machines & equipment – non-capital	3,900	3,468	432	4,675
	<u>1,810,430</u>	<u>1,444,236</u>	<u>366,194</u>	<u>1,402,646</u>

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

— CONTINUED —

	Current Year		Variance Positive (Negative)	Prior Year Actual
	Budget	Actual		
Departments				
<u>Wastewater Treatment Plant:</u>				
Salaries and wages	736,266	650,728	85,538	602,080
Overtime	34,435	39,792	(5,357)	25,763
Retirement, insurance and other benefits	363,929	386,537	(22,608)	337,051
Other post-employment benefits (OPEB)	—	14,031	(14,031)	13,477
Printing and office supplies	9,100	8,961	139	5,691
Postage	500	567	(67)	276
Permit fees – DHEC	3,250	3,000	250	2,950
Memberships and dues	2,927	1,913	1,014	690
Travel	8,160	762	7,398	1,459
Automotive operating expense	54,600	47,246	7,354	54,262
Electric and gas	1,035,000	946,809	88,191	768,138
Telephone	28,500	31,286	(2,786)	29,387
Lubrication supplies	3,000	1,832	1,168	151
Maintenance and service contracts	112,441	152,476	(40,035)	126,112
Machinery and equipment repairs	253,000	128,322	124,678	167,024
Building repairs	2,000	8,064	(6,064)	1,138
Sludge disposal fees	400,000	329,634	70,366	305,114
Small hand tools	4,000	3,963	37	2,212
Electrical and lighting supplies	5,000	251	4,749	615
Safety supplies	10,000	7,592	2,408	3,972
Uniforms and clothing	9,000	7,267	1,733	10,490
Cleaning and sanitation supplies	2,000	2,615	(615)	4,291
Water	598,750	—	598,750	—
Chemicals	263,664	306,073	(42,409)	303,690
Laboratory supplies	46,000	44,424	1,576	46,379
Insurance – vehicle	10,600	13,125	(2,525)	10,592
Insurance – general	80,504	94,982	(14,478)	86,856
Employee training	6,265	1,649	4,616	2,364
Professional services – lab	35,000	51,934	(16,934)	26,036
Professional fees	70,000	138,953	(68,953)	105,557
Machines and equipment – capital	168,000	—	168,000	—
Machines and equipment – non-capital	10,573	44,803	(34,230)	10,639
	<u>4,366,464</u>	<u>3,469,591</u>	<u>896,873</u>	<u>3,054,456</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	704,370	599,529	104,841	610,282
Overtime	63,363	32,998	30,365	74,011
Retirement, insurance and other benefits	345,453	369,410	(23,957)	358,061
Other post-employment benefits (OPEB)	—	13,149	(13,149)	13,661
Memberships and dues	1,690	420	1,270	1,648
Travel	8,400	1,902	6,498	5,320
Automotive operating expense	70,000	69,384	616	83,262
Electricity and gas	125,000	128,400	(3,400)	119,654
Telephone	40,000	13,834	26,166	31,485
Lubrication supplies	300	—	300	—
Maintenance and service contracts	22,291	30,856	(8,565)	9,238
Machinery and equipment repairs	175,000	83,359	91,641	128,707
Small hand tools	8,000	7,492	508	7,862
Cement and masonry materials	2,500	613	1,887	850
Asphalt and grading supplies	35,000	17,423	17,577	23,240
Safety supplies	7,500	6,179	1,321	4,090
Uniforms and clothing	10,000	14,915	(4,915)	13,578
Cleaning and sanitation supplies	2,000	363	1,637	201
Chemicals	10,000	1,121	8,879	10,430
Utility repair supplies	85,000	91,435	(6,435)	75,403
Transmission line operations and maintenance	5,000	—	5,000	3
Insurance – vehicle	13,500	13,759	(259)	11,801
Insurance – general	16,560	17,127	(567)	16,189
Employee training	9,015	3,534	5,481	11,078
Machines & equipment – non-capital	—	287	(287)	2,847
	1,759,942	1,517,489	242,453	1,612,901

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	175,583	170,459	5,124	203,890
Overtime	26,806	6,085	20,721	11,723
Retirement, insurance and other benefits	90,799	122,620	(31,821)	119,409
Other post-employment benefits (OPEB)	—	3,781	(3,781)	4,564
Electricity and gas	3,000	2,538	462	1,412
Telephone	3,000	2,376	624	3,012
Printing and office supplies	4,000	4,016	(16)	2,958
Postage	850	782	68	645
Memberships and dues	585	520	65	240
Travel	3,600	602	2,998	1,799
Auto operating	7,000	2,343	4,657	6,953
Chemicals	89,000	76,826	12,174	78,665
Sludge disposal fees	60,000	107,553	(47,553)	58,662
Lubrication	850	120	730	465
Hand tools and supplies	5,000	4,456	544	4,074
Electric/light supplies	500	—	500	—
Safety program and supplies	3,000	5,810	(2,810)	16,680
Uniforms and clothing	3,750	4,624	(874)	5,108
Cleaning and sanitation supplies	1,500	553	947	155
Employee training	3,195	946	2,249	1,609
Professional services – lab testing	17,371	2,515	14,856	6,155
Lab supplies	750	3,983	(3,233)	80
Insurance – vehicle	1,250	1,005	245	1,209
Insurance – general	3,300	3,390	(90)	3,111
Building repairs	650	20,040	(19,390)	405
Equipment repairs	200,000	64,232	135,768	358,368
Maintenance and service contracts	16,800	3,006	13,794	1,836
Machine and equipment - capital	56,274	—	56,274	—
Machines & equipment – non-capital	1,500	1,145	355	—
	<u>779,913</u>	<u>616,326</u>	<u>163,587</u>	<u>893,187</u>
<u>Non-departmental and support services:</u>				
O&M indirect costs	1,800,000	1,800,000	—	1,800,000
Employee group hospital insurance	6,203	—	6,203	—
Capital improvement/project reserve	100,000	—	100,000	—
Capital equipment reserve	100,000	—	100,000	—
	<u>2,006,203</u>	<u>1,800,000</u>	<u>206,203</u>	<u>1,800,000</u>
Depreciation	550,000	5,328,213	(4,778,213)	4,880,912
Amortization	—	14,097	(14,097)	14,096
Total depreciation & amortization	<u>550,000</u>	<u>5,342,310</u>	<u>(4,792,310)</u>	<u>4,895,008</u>
Total operating expenses	<u>\$ 15,372,046</u>	<u>\$ 17,401,500</u>	<u>\$ (2,029,454)</u>	<u>\$ 16,751,445</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, 2020

	<u>Balance, June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2020</u>
Assets				
Cash and cash equivalents:				
Firemen's fund	\$ 112,094	\$ 50,030	\$ (25,279)	\$ 136,845
Police fund	56,997	15,711	(500)	72,208
Total assets	<u>\$ 169,091</u>	<u>\$ 65,741</u>	<u>\$ 25,779</u>	<u>\$ 209,053</u>
Liabilities				
Amounts due to others:				
Firemen's fund	\$ 112,094	\$ 50,030	\$ (25,279)	\$ 136,845
Police fund	56,997	15,711	(500)	72,208
Total liabilities	<u>\$ 169,091</u>	<u>\$ 65,741</u>	<u>\$ (25,779)</u>	<u>\$ 209,053</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, 2020

General capital assets and construction-in-progress, June 30, 2019	\$ 36,694,039
Add, expenditures by General Fund, Special Revenue Funds, and Capital Projects Fund:	
Land, buildings, other improvements, furniture and equipment	1,225,028
Add, donated capital equipment	—
Deduct, surplus sales and other deletions by General Fund:	
Land, building, furniture and equipment	<u>(58,456)</u>
General capital assets and construction-in-progress, June 30, 2020	<u>\$ 37,860,611</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, 2020

	Term Dates	Interest Rates	Bonds and Notes				Outstanding June 30, 2020	Debt Service Requirements Next Fiscal Year	
			Outstanding July 1, 2019	Long-Term Borrowing	Matured	Paid		Principal	Interest
General Long-Term Debt									
Tax Increment Financing Revenue Bond, Series 2017	2037	3.0—4.0%	\$ 7,425,000	\$ —	\$ 300,000	\$ (300,000)	\$ 7,125,000	\$ 310,000	\$ 261,363
Installment purchase contracts, monthly payments of principal and interest	various	1.33%	<u>645,572</u>	<u>364,000</u>	<u>352,477</u>	<u>(352,477)</u>	<u>657,095</u>	<u>288,510</u>	<u>12,122</u>
Total general long-term debt			<u>\$ 8,070,572</u>	<u>\$ 364,000</u>	<u>\$ 652,477</u>	<u>\$ (652,477)</u>	<u>\$ 7,782,095</u>	<u>\$ 598,510</u>	<u>\$ 273,485</u>
Water and Sewer Utility Fund Debt									
Clean Water State Revolving Fund Loan, Series 2002, interest and principal payable quarterly	2023	3.75%	\$ 425,226	\$ —	\$ 96,435	\$ (96,435)	\$ 328,791	\$ 98,624	\$ 6,570
Clean Water State Revolving Fund Loan, Series 2009, interest and principal payable quarterly	2032	2.25%	23,252,876	—	1,593,119	(1,593,119)	21,659,757	1,629,268	473,662
Clean Water State Revolving Fund Loan, Series 2015, interest and principal payable quarterly	2035	2.00%	3,026,231	—	159,254	(159,254)	2,866,977	162,463	56,126
Water and Sewer System Revenue Bonds, Series 2016 A&B, interest payable semi-annually, principal payable annually	2024— 2028	3.00%—4.00%	9,355,000	—	765,000	(765,000)	8,590,000	780,000	281,558
Clean Water State Revolving Funds Loan, Series 2017, interest and principal payable quarterly	2048	1.80%	24,250,066	—	629,046	(629,046)	23,621,020	640,446	420,892
Installment purchase contracts, monthly payments of principal and interest	2022	2.63%	<u>878,017</u>	<u>—</u>	<u>337,470</u>	<u>(337,470)</u>	<u>540,547</u>	<u>305,838</u>	<u>10,547</u>
Total water and sewer utility fund debt			<u>\$ 61,187,416</u>	<u>\$ —</u>	<u>\$ 3,580,324</u>	<u>\$ 3,580,324</u>	<u>\$ 57,607,092</u>	<u>\$ 3,616,639</u>	<u>\$1,249,335</u>

VICTIM'S RIGHTS ASSISTANCE

CITY OF CAYCE, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

YEAR ENDED JUNE 30, 2020

Court Fines and Assessments

Court fines and assessments collected	\$ 400,310
Court fines and assessments remitted to State Treasurer	<u>(222,269)</u>
Total court fines and assessments retained by the City	<u>\$ 178,041</u>

Surcharges and Assessments retained by City

Total surcharges collected	\$ 18,706
Total assessments	<u>3,041</u>
Total surcharges and assessments retained by City	<u>\$ 21,747</u>

Funds Allocated to Victims Services

Carryover funds from prior year	\$ —
Surcharges and assessments retained	21,747
Expenditures for victims services*	<u>(21,747)</u>
Total unexpended victims rights assistance funds	<u>\$ —</u>

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

STATISTICAL SECTION

Financial Trends – These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time. 121-123

Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property tax revenue. 124-131

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. 132-136

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. 137-140

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. 141-142

CITY OF CAYCE, SOUTH CAROLINA

NET POSITION BY COMPONENT
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Net investment in capital assets	\$ 16,893,546	\$ 17,383,993	\$ 16,595,971	\$ 15,430,572	\$ 13,078,235	\$ 11,187,075	\$ 4,809,369	\$ 4,317,009	\$ 3,847,244	\$ 3,542,010
Restricted	5,129,365	5,179,447	10,489,686	2,503,787	4,089,583	2,900,003	2,329,686	1,688,336	1,630,222	1,215,170
Unrestricted (deficit)	(9,109,828)	(8,521,214)	(13,118,929)	(5,338,793)	(6,446,015)	(5,968,176)	(10,307,729)	(1,149,730)	(858,419)	(985,075)
Total governmental activities net position	<u>\$ 12,913,083</u>	<u>\$ 14,042,226</u>	<u>\$ 13,966,728</u>	<u>\$ 12,595,566</u>	<u>\$ 10,721,803</u>	<u>\$ 8,118,902</u>	<u>\$ (3,168,674)</u>	<u>\$ 4,855,615</u>	<u>\$ 4,619,047</u>	<u>\$ 3,772,105</u>
Business-type Activities										
Net investment in capital assets	\$ 87,328,355	\$ 87,473,689	\$ 84,289,609	\$ 80,976,020	\$ 78,314,467	\$ 79,196,265	\$ 73,208,919	\$ 67,123,141	\$ 66,405,669	\$ 58,750,650
Restricted	9,949,968	9,322,177	9,501,428	9,802,563	7,255,808	8,302,471	11,443,354	12,941,313	12,186,134	8,300,588
Unrestricted (deficit)	12,421	(1,506,592)	(1,462,306)	(1,560,368)	(100,462)	(2,830,540)	(1,725,791)	6,271,966	3,377,568	4,663,182
Total business type activities net position	<u>\$ 97,290,744</u>	<u>\$ 95,289,274</u>	<u>\$ 92,328,731</u>	<u>\$ 89,218,215</u>	<u>\$ 85,469,813</u>	<u>\$ 84,668,196</u>	<u>\$ 82,926,482</u>	<u>\$ 86,336,420</u>	<u>\$ 81,969,371</u>	<u>\$ 71,714,420</u>
Primary Government										
Net investment in capital assets	\$ 104,221,901	\$ 104,857,682	\$ 100,885,580	\$ 96,406,592	\$ 91,392,702	\$ 90,383,340	\$ 78,018,288	\$ 71,440,150	\$ 70,252,913	\$ 62,292,660
Restricted	15,079,333	14,501,624	19,991,114	12,306,350	11,809,630	11,202,474	13,773,040	14,629,649	13,816,356	9,515,758
Unrestricted (deficit)	(9,097,407)	(10,027,806)	(14,581,235)	(6,899,161)	(6,533,114)	(8,798,716)	(12,033,520)	5,122,236	2,519,149	3,678,107
Total primary government net position	<u>\$ 110,203,827</u>	<u>\$ 109,331,500</u>	<u>\$ 106,295,459</u>	<u>\$ 101,813,781</u>	<u>\$ 96,669,218</u>	<u>\$ 92,787,098</u>	<u>\$ 79,757,808</u>	<u>\$ 91,192,035</u>	<u>\$ 86,588,418</u>	<u>\$ 75,486,525</u>

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

CITY OF CAYCE, SOUTH CAROLINA

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

LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities: ^{(1) (6) (7)}										
General government	\$ 581,990	\$ 432,879	\$ 370,008	\$ 592,721	\$ 481,829	\$ 434,485	\$ 340,913	\$ 255,392	\$ 224,912	\$ 497,316
Information technology	139,732	67,575	115,260	108,495	84,776	85,962	92,887	106,544	73,396	—
Finance	92,532	86,242	83,901	73,568	117,820	56,868	61,747	70,355	82,275	101,476
Public safety	8,437,530	7,434,457	6,869,407	6,116,479	5,719,168	4,976,924	4,964,652	4,758,297	4,514,375	3,878,041
Public works	1,434,404	1,365,137	1,663,974	1,310,352	1,477,526	1,331,873	1,307,718	1,398,634	1,305,014	1,187,652
Planning and community development	1,627,370	1,334,661	1,267,474	924,506	790,776	675,085	575,489	628,271	595,472	3,297,107
Parks and museum	936,572	889,747	903,950	1,230,689	804,149	636,000	669,385	576,023	541,286	469,933
Garage	315,109	262,379	266,391	276,484	295,422	243,925	245,638	262,443	244,377	200,620
Depreciation (unallocated) ⁽⁷⁾	1,456,515	1,389,879	1,032,413	896,646	708,459	651,325	671,572	721,268	671,692	593,095
Interest	286,664	274,356	266,732	16,513	36,977	55,817	84,250	109,691	123,814	128,429
Total governmental activities	<u>15,308,418</u>	<u>13,537,312</u>	<u>12,839,510</u>	<u>11,546,453</u>	<u>10,516,902</u>	<u>9,148,264</u>	<u>9,014,251</u>	<u>8,886,918</u>	<u>8,376,613</u>	<u>10,353,669</u>
Business-type activities: ^{(2) (6) (7)}										
Water and sewer utility ⁽⁷⁾	18,706,287	18,215,285	17,753,948	16,753,626	16,549,533	14,868,109	14,627,939	12,501,119	11,733,001	10,873,285
Total business-type activities	<u>18,706,287</u>	<u>18,215,285</u>	<u>17,753,948</u>	<u>16,753,626</u>	<u>16,549,533</u>	<u>14,868,109</u>	<u>14,627,939</u>	<u>12,501,119</u>	<u>11,733,001</u>	<u>10,873,285</u>
Total primary government expenses	<u>\$ 34,014,705</u>	<u>\$ 31,752,597</u>	<u>\$ 30,593,458</u>	<u>\$ 28,300,079</u>	<u>\$ 27,066,435</u>	<u>\$ 24,016,373</u>	<u>\$ 23,642,190</u>	<u>\$ 21,388,037</u>	<u>\$ 20,109,614</u>	<u>\$ 21,226,954</u>
Program Revenue										
Governmental activities:										
Fees for services ⁽³⁾	\$ 1,703,623	\$ 1,479,312	\$ 1,229,471	\$ 1,255,379	\$ 1,270,485	\$ 1,460,765	\$ 948,157	\$ 1,014,772	\$ 1,053,270	\$ 1,006,202
Operating grants and contributions ⁽¹⁾	292,158	407,577	1,327,406	340,742	402,575	242,087	66,562	25,727	163,049	387,123
Capital grants and contributions	144,287	100,043	139,354	695,130	618,648	6,649,664	4,249	100,000	267,131	49,323
Total governmental activities	<u>2,140,068</u>	<u>1,986,932</u>	<u>2,696,231</u>	<u>2,291,251</u>	<u>2,291,708</u>	<u>8,352,516</u>	<u>1,018,968</u>	<u>1,140,499</u>	<u>1,483,450</u>	<u>1,442,648</u>
Business-type activities:										
Fees for services ⁽⁴⁾	18,987,250	18,442,059	17,431,831	17,251,630	16,865,450	14,971,094	14,566,496	13,053,768	12,113,231	11,113,085
Operating grants and contributions	—	—	—	95,193	—	—	—	—	—	—
Capital grants and contributions	1,743,118	2,701,677	2,888,039	3,131,410	948,615	1,604,279	1,233,574	8,768,596	9,848,764	13,721,503
Total business-type activities	<u>20,730,368</u>	<u>21,143,736</u>	<u>20,319,870</u>	<u>20,478,233</u>	<u>17,814,065</u>	<u>16,575,373</u>	<u>15,800,070</u>	<u>21,822,364</u>	<u>21,961,995</u>	<u>24,834,588</u>
Total primary government program revenue	<u>\$ 22,870,436</u>	<u>\$ 23,130,668</u>	<u>\$ 23,016,101</u>	<u>\$ 22,769,484</u>	<u>\$ 20,105,773</u>	<u>\$ 24,927,889</u>	<u>\$ 16,819,038</u>	<u>\$ 22,962,863</u>	<u>\$ 23,445,445</u>	<u>\$ 26,277,236</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

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

— CONTINUED —

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenue and Other Changes										
Governmental activities:										
Property taxes	\$ 4,710,174	\$ 4,815,538	\$ 4,436,724	\$ 4,367,332	\$ 4,066,933	\$ 3,786,956	\$ 3,783,478	\$ 3,616,400	\$ 3,756,223	\$ 3,408,455
Accommodation and hospitality taxes	1,524,268	1,272,104	1,268,973	1,147,949	1,074,154	787,971	98,941	90,033	86,297	76,682
State shared and unallocated intergovernmental	498,302	480,101	408,982	458,807	425,994	410,874	370,738	400,669	326,500	363,225
Business licenses and other taxes	4,883,608	4,893,838	5,302,089	5,049,090	4,586,377	6,704,824	4,043,886	3,344,898	4,087,220	2,909,802
Unrestricted investment earnings	17,794	25,296	3,470	1,555	1,201	1,777	1,813	2,309	4,053	9,497
Gain from sale of assets	58,261	—	43,968	—	35,000	—	171,314	22,854	—	—
Other	346,800	139,001	441,369	104,232	638,436	390,922	422,976	514,157	520,318	63,069
Total governmental activities	<u>12,039,207</u>	<u>11,625,878</u>	<u>11,905,575</u>	<u>11,128,965</u>	<u>10,828,095</u>	<u>12,083,324</u>	<u>8,893,146</u>	<u>7,991,320</u>	<u>8,780,611</u>	<u>6,830,730</u>
Business-type activities:										
Unrestricted investment earnings	42,162	30,910	16,528	10,258	10,264	11,223	14,426	20,799	26,801	41,837
Gain (loss) on sale of assets	(64,773)	—	5,399	13,537	4,423	23,227	—	—	(844)	—
Other	—	1,182	—	—	—	—	—	14,619	—	4,247
Total business-type activities	<u>(22,611)</u>	<u>32,092</u>	<u>21,927</u>	<u>23,795</u>	<u>14,687</u>	<u>34,450</u>	<u>14,426</u>	<u>35,418</u>	<u>25,957</u>	<u>46,084</u>
Total primary government general revenue and other changes	<u>\$ 12,016,596</u>	<u>\$ 11,657,970</u>	<u>\$ 11,927,502</u>	<u>\$ 11,152,760</u>	<u>\$ 10,842,782</u>	<u>\$ 12,117,774</u>	<u>\$ 8,907,572</u>	<u>\$ 8,026,738</u>	<u>\$ 8,806,568</u>	<u>\$ 6,876,814</u>
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	\$ (1,129,143)	\$ 75,498	\$ 1,762,296	\$ 1,873,763	\$ 2,602,901	\$ 11,287,576	\$ 897,863	\$ 244,901	\$ 846,942	\$ (2,080,291)
Business-type activities	2,001,470	2,960,543	2,587,849	3,748,402	1,279,219	1,741,714	1,186,557	4,868,182	10,254,951	14,007,387
Total primary government changes in net position	<u>\$ 872,327</u>	<u>\$ 3,036,041</u>	<u>\$ 4,350,145</u>	<u>\$ 5,622,165</u>	<u>\$ 3,882,120</u>	<u>\$ 13,029,290</u>	<u>\$ 2,084,420</u>	<u>\$ 5,113,083</u>	<u>\$ 11,101,893</u>	<u>\$ 11,927,096</u>

(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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Function/Program										
<u>Governmental Activities:</u>										
General government (1)	\$ —	\$ —	\$ —	\$ 59,539	\$ 30,000	\$ 149,968	\$ —	\$ —	\$ —	\$ 51,694
Information technology	—	—	—	—	—	—	—	—	—	—
Finance	—	—	—	—	—	—	—	—	—	—
Public safety	991,567	1,055,568	1,010,363	573,876	900,140	822,249	626,967	545,554	752,605	924,772
Public works	774,947	777,579	1,497,301	1,199,282	531,233	832,971	381,066	472,833	432,704	414,308
Planning and community development	302,713	50,336	73,338	121,179	212,815	8,467	6,200	121,286	27,757	31,120
Parks and museum	70,841	103,449	115,229	337,375	617,520	6,538,861	4,735	826	270,384	20,754
Garage	—	—	—	—	—	—	—	—	—	—
Total governmental activities	<u>2,140,068</u>	<u>1,986,932</u>	<u>2,696,231</u>	<u>2,291,251</u>	<u>2,291,708</u>	<u>8,352,516</u>	<u>1,018,968</u>	<u>1,140,499</u>	<u>1,483,450</u>	<u>1,442,648</u>
<u>Business-type activities:</u>										
Water and sewer utility	<u>20,730,368</u>	<u>21,143,736</u>	<u>20,319,870</u>	<u>20,478,233</u>	<u>17,814,065</u>	<u>16,575,373</u>	<u>14,629,867</u>	<u>21,822,364</u>	<u>21,961,995</u>	<u>24,834,588</u>
Total business-type activities	<u>20,730,368</u>	<u>21,143,736</u>	<u>20,319,870</u>	<u>20,478,233</u>	<u>17,814,065</u>	<u>16,575,373</u>	<u>14,629,867</u>	<u>21,822,364</u>	<u>21,961,995</u>	<u>24,834,588</u>
Total program revenue by function and program	<u>\$ 22,870,436</u>	<u>\$ 23,130,668</u>	<u>\$ 23,016,101</u>	<u>\$ 22,769,484</u>	<u>\$ 20,105,773</u>	<u>\$ 24,927,889</u>	<u>\$ 15,648,835</u>	<u>\$ 22,962,863</u>	<u>\$ 23,445,445</u>	<u>\$ 26,277,236</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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nonspendable	\$ 181,605	\$ 181,733	\$ 65,085	\$ 150,444	\$ 64,979	\$ 559,143	\$ 48,921	\$ 51,930	\$ 41,613	\$ 35,177
Restricted	—	—	12,620	—	21,233	52,783	58,560	69,493	113,698	133,512
Committed	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	—	—
Assigned	1,002,831	964,941	971,072	968,388	930,600	923,610	4,107	9,944	17,261	20,267
Unassigned	6,475,532	6,104,929	6,592,195	5,374,540	4,859,534	4,124,328	1,090,810	476,052	694,031	430,901
Total general fund	<u>7,684,968</u>	<u>7,276,603</u>	<u>7,665,972</u>	<u>6,518,372</u>	<u>5,901,346</u>	<u>5,684,864</u>	<u>1,227,398</u>	<u>632,419</u>	<u>866,603</u>	<u>619,857</u>
All Other Governmental Funds										
Nonspendable	—	—	—	—	—	—	—	—	—	—
Restricted, reported in:										
Special revenue funds	682,127	861,077	769,063	761,222	587,173	391,426	131,568	149,493	246,509	406,477
Debt service funds	1,708,910	1,426,238	949,330	550,615	996,764	1,133,993	752,375	794,432	497,847	620,592
Capital projects funds	1,490,928	2,048,940	7,068,546	447,405	735,245	428,440	754,698	655,607	717,567	173,606
Assigned, reported in:										
Special revenue funds	70,300	83,801	83,801	83,801	83,801	83,801	83,801	83,801	—	636
Total all other governmental funds	<u>3,952,265</u>	<u>4,420,056</u>	<u>8,870,740</u>	<u>1,843,043</u>	<u>2,402,983</u>	<u>2,037,660</u>	<u>1,722,442</u>	<u>1,683,333</u>	<u>1,461,923</u>	<u>1,201,311</u>
Total primary government	<u>\$11,637,233</u>	<u>\$11,696,659</u>	<u>\$16,536,712</u>	<u>\$ 8,361,415</u>	<u>\$ 8,304,329</u>	<u>\$ 7,722,524</u>	<u>\$ 2,949,840</u>	<u>\$ 2,315,752</u>	<u>\$ 2,328,526</u>	<u>\$ 1,821,168</u>

CITY OF CAYCE, SOUTH CAROLINA

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

LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenue										
Property taxes	\$ 4,759,028	\$ 4,827,981	\$ 4,350,359	\$ 4,236,423	\$ 4,068,045	\$ 3,776,095	\$ 3,794,008	\$ 3,610,099	\$ 3,721,458	\$ 3,351,690
Accommodation and hospitality taxes	1,524,268	1,272,104	1,251,922	1,147,949	1,068,426	697,654	—	—	—	—
Licenses and permits	5,093,506	4,930,242	5,387,772	5,171,194	4,799,886	6,969,845	4,182,122	3,401,971	4,145,714	2,945,593
Fines and forfeitures	180,781	187,075	181,171	214,485	260,880	329,068	268,380	223,204	316,604	328,356
State shared revenue	498,302	480,101	408,982	454,835	425,994	497,025	470,411	504,646	447,544	489,425
Current services	1,439,177	1,348,045	1,028,901	1,035,625	796,448	848,100	534,410	692,536	658,095	620,316
Grants and other	724,578	462,345	1,865,441	985,667	1,658,789	1,953,891	502,037	697,009	970,574	504,317
Interest income ¹	17,794	25,296	3,470	1,555	1,201	1,777	1,813	2,308	4,054	9,497
Total revenue	14,237,434	13,533,189	14,478,018	13,247,733	13,079,669	15,073,455	9,753,181	9,131,773	10,264,043	8,249,194
Expenditures¹										
Current:										
General government	653,815	524,290	448,499	489,207	510,972	418,861	335,743	257,965	237,577	243,093
Information technology	119,188	62,989	105,329	97,066	74,890	78,293	90,231	106,187	73,396	—
Finance	86,987	69,722	56,895	72,419	86,021	49,747	62,061	69,766	87,707	69,582
Public safety	7,636,225	6,961,529	6,304,196	5,815,970	5,604,141	4,972,902	5,020,310	4,752,127	4,566,632	3,342,951
Public works	1,384,975	1,312,104	1,285,574	1,253,360	1,424,195	1,309,947	1,289,663	1,397,514	1,321,336	1,085,494
Planning and community development/relations	1,586,487	1,300,695	1,216,325	897,323	840,806	618,430	569,700	625,823	603,295	3,253,279
Parks and museum	888,649	834,950	839,029	847,583	766,762	662,474	661,278	590,580	549,481	407,817
Garage	292,995	240,244	234,362	263,316	260,589	237,940	249,836	261,917	250,402	165,610
Non-department and support services	(910)	(4,087)	31,055	5,976	268	26,476	15,601	24,853	511,974	863,085
Debt service and other financing:										
Principal	652,471	529,199	481,562	491,714	603,207	672,857	666,678	664,914	685,536	573,730
Interest	193,211	195,344	166,770	28,590	36,997	55,817	89,405	109,691	123,814	128,430
Debt issue costs	—	—	310,868	19,000	—	—	—	—	—	—
Capital outlay	1,225,028	6,669,964	3,677,500	3,431,151	2,324,016	1,213,999	323,518	473,210	460,431	804,800
Total expenditures	14,719,121	18,696,943	15,157,964	13,712,675	12,532,864	10,317,743	9,374,024	9,334,547	9,471,581	10,937,871
Excess (deficiency) of revenue over expenditures	(481,687)	(5,163,754)	(679,946)	(464,942)	546,805	4,755,712	379,157	(202,774)	792,462	(2,688,677)

— CONTINUED —

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

—CONTINUED—

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Other Financing Sources (Uses)										
Proceeds from TIF bond issue	—	—	8,436,275	—	—	—	—	—	—	—
Proceeds from sales of assets	58,261	40,145	44,968	3,028	35,000	16,972	254,931	—	—	—
Installment purchase contracts	364,000	283,556	374,000	519,000	—	—	—	190,000	755,402	499,493
Transfers in	1,196,433	884,041	911,911	1,761,120	1,404,441	423,300	456,887	42,589	437,747	939,470
Transfers (out)	(1,196,433)	(884,041)	(911,911)	(1,761,120)	(1,404,441)	(423,300)	(456,887)	(42,589)	(437,747)	(939,470)
Total other financing sources (uses)	422,261	323,701	8,855,243	522,028	35,000	16,972	254,931	190,000	755,402	499,493
Net change in fund balances before extraordinary item	(59,426)	(4,840,053)	8,175,297	57,086	581,805	4,772,684	634,088	(12,774)	1,547,864	(2,189,184)
Extraordinary Item – Fire	—	—	—	—	—	—	—	—	(1,040,506)	—
Net change in fund balances	(59,426)	(4,840,053)	8,175,297	57,086	581,805	4,772,684	634,088	(12,774)	507,358	(2,189,184)
Fund balances, beginning of year	11,696,659	16,536,712	8,361,415	8,304,329	7,722,524	2,949,840	2,315,752	2,328,526	1,821,168	4,010,352
Fund balances, end of year	<u>\$11,637,233</u>	<u>\$11,696,659</u>	<u>\$ 16,536,712</u>	<u>\$ 8,361,415</u>	<u>\$8,304,329</u>	<u>\$7,722,524</u>	<u>\$ 2,949,840</u>	<u>\$ 2,315,752</u>	<u>\$2,328,526</u>	<u>\$1,821,168</u>
Debt service as a percentage of non-capital expenditures	6.3%	6.0%	5.6%	5.1%	6.3%	8.0%	8.4%	8.7%	9.0%	6.9%

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

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

Fiscal Year	Real and Personal Property				Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Value	Percentage of Total Assessed Value to Estimated Actual Value
	Residential	Manufacturing/ Commercial/ Industrial	Motor Vehicles	Less: Tax Exempt (FILOT)				
2011*	\$ 32,002,480	\$ 31,373,060	\$ 4,414,160	\$ (20,893,160)	\$ 46,896,540	41.25	\$ 818,978,882	5.7%
2012	32,995,290	27,666,827	4,801,730	(18,539,870)	46,923,977	46.93	823,005,284	5.7%
2013	33,861,520	31,369,790	5,303,320	(22,674,050)	47,860,580	43.27	834,372,162	5.7%
2014	33,707,440	31,406,130	5,646,490	(22,208,610)	48,551,450	44.17	849,135,496	5.7%
2015	34,138,570	34,547,080	5,994,890	(24,197,850)	50,482,690	44.17	873,465,498	5.7%
2016	33,944,810	35,766,070	6,442,250	(24,673,760)	51,479,370	45.36	877,639,579	5.8%
2017	33,676,700	36,613,870	6,186,310	(23,992,750)	52,484,130	45.36	923,812,039	5.9%
2018	35,728,800	37,636,160	6,016,820	(24,118,800)	55,262,980	47.69	965,379,606	5.7%
2019	38,087,130	38,287,970	6,095,340	(24,671,560)	57,798,880	49.69	977,291,004	5.9%
2020	38,269,500	39,048,610	7,083,120	(24,710,220)	59,691,010	53.73	1,007,737,667	5.9%

Source: Lexington County Auditor, Final Tax Year Assessments.

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

* Results due to reassessment year.

CITY OF CAYCE, SOUTH CAROLINA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS
(Rate per \$1,000 of assessed value)

Fiscal Year	City Millage ⁽¹⁾	County Millage	School District Millage	All Other Districts	Total Millage
*2011	41.250	70.428	176.210	22.013	309.901
**2012	46.930	71.709	176.210	22.690	317.539
2013	43.270	73.768	176.210	22.402	315.650
2014	44.170	76.728	176.210	22.502	319.610
2015	44.170	77.178	176.210	24.002	321.560
2016	45.360	76.968	225.960	22.443	370.731
2017	45.360	77.298	225.960	22.663	371.281
2018	47.690	75.646	225.960	22.543	371.839
2019	49.690	76.797	225.960	22.343	374.790
2020	53.730	77.985	230.220	21.115	383.090

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 TAXPAYERS
 COMPARISON OF YEARS 2020 TO 2011

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Taxpayer	Type of Business	2020			2011		
		Assessment	Rank	Percentage of Total Assessed Valuation	Assessment	Rank	Percentage of Total Assessed Valuation
Dominion/SCANA	Electric Utility	\$ 26,641,970	1	32.29%	\$ 19,451,290	1	41.48%
Owen Electric Steel Co. of S.C.	Manufacturer, Steel	5,887,810	2	7.14%	5,326,750	2	11.36%
OTARRE Point Realty Partners LLC	Real Estate	1,331,040	3	1.61%	—	—	—
SN Riverside LLC	Apartments	1,078,420	4	1.31%	742,560	4	1.58%
One Eleven Apartments (Tremont)	Apartments	959,080	5	1.16%	—	—	—
Martin Marietta Materials	Rock Quarry	970,730	6	1.18%	—	—	—
Cayce NNN LLC	Construction Management	780,000	7	0.95%	614,290	6	1.31%
PEP-USC LLC (Point West)	Apartments	735,750	8	0.89%	1,149,550	3	2.74%
Springriver Hotel LLC	Hotel	556,710	9	0.67%	—	—	—
Granby Crossing, L.P.	Apartments	516,150	10	0.63%	412,500	9	0.88%
Parkland Partnership	Shopping Center	508,330	11	0.62%	508,990	8	1.09%
Farm Bureau Insurance of S.C.	Insurance	486,550	12	0.59%	712,570	5	1.52%
Bell South Telecommunication, Inc.	Telecommunication	470,930	13	0.57%	951,460	3	2.03%
Mondelez Global LLC	Wholesale Food	397,720	14	0.48%	—	—	—
PS Southeast TWO LLC	Mini Warehousing	342,070	15	0.41%	—	—	—
PJ 827 Harrodsburg LLC Etal	Real Estate	270,000	16	0.33%	—	—	—
Southern First Bank National	Banking	262,870	17	0.32%	259,190	10	0.55%
CSI Leasing Inc	Equipment Leasing	246,310	18	0.30%	—	—	—
AVTX Edenwood Associates LLC	Real Estate	241,820	19	0.29%	—	—	—
WRH Edenwood LTD	Apartments	231,070	20	0.28%	202,900	15	0.43%
Kraft Foods Global Inc	Wholesale Food	—	—	0.00%	607,130	7	1.29%
Southeastern Concrete Products	Manufacturer, Concrete	158,860	—	0.19%	234,570	11	0.50%
Virginia American Industries	Manufacturer, Tanks	154,720	—	0.19%	228,100	12	0.49%
Small, Jr., Robert S.	Real Estate	—	—	0.00%	225,940	13	0.48%
WED Properties LLC	Real Estate	214,780	—	0.26%	203,750	14	0.43%
Cayce Crossing, L.P.	Shopping Center	148,350	—	0.18%	200,650	16	0.43%
Cayce Retail Investors LLC	Real Estate	—	—	0.00%	195,000	17	0.42%
W.P. Hylton, LLC (Park Place 440)	Real Estate	210,000	—	0.25%	190,780	18	0.41%
AMBE Corporation	Mote.	157,730	—	0.19%	174,940	19	0.37%
Food Lion LLC	Grocer	—	—	0.00%	163,820	20	0.35%
Total		\$ 43,959,770		53.28%	\$ 32,756,730		70.14%

Total Assessed Value (Includes FILOT) \$ 82,509,100

Total Assessed Value (Not Including FILOT) \$ 59,691,010

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
2011	\$ 1,826,802	\$ 1,624,572	\$ 122,353	\$ 1,746,925	96%	\$ 1,873,739
2012	2,165,282	1,878,733	66,713	1,945,446	90%	1,945,144
2013	2,027,828	1,788,626	80,266	1,868,892	92%	1,884,856
2014	2,068,820	1,832,965	64,948	1,897,913	92%	1,926,015
2015	2,162,503	1,912,049	78,505	1,990,554	92%	2,007,323
2016	2,265,998	2,000,127	78,254	2,078,381	92%	2,066,543
2017	2,483,514	2,171,828	58,509	2,230,337	90%	2,246,633
2018	2,551,700	2,296,538	106,756	2,403,294	94%	2,400,868
2019	2,738,058	2,498,154	2,848	2,501,002	91%	2,505,786
2020	3,084,105	2,965,319	22,470	2,815,705	91%	2,765,959

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

Source: Lexington County Treasurer.

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

Fiscal Year Ended June 30	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Total Income	Amount Per Capita (Population)
	General Obligation Bonds	Tax Increment Financing (TIF) Revenue Bonds	Promissory Notes and Installment Purchase Contracts Payable	Water and Sewer System Revenue Bonds	Clean Water State Revolving Fund Loans	Installment Purchase Contracts Payable			
2011	\$ —	\$ 2,610,109	\$ 756,680	\$ 21,705,000	\$ 1,119,864*	\$ —	\$ 26,191,653	10.1%	\$ 2,091
2012	—	2,219,547	1,217,108	20,110,000	35,574,548	—	59,121,203	21.7%	4,640
2013	—	1,813,087	1,002,799	18,445,000	34,104,337	—	55,365,223	19.2%	4,367
2014	—	1,390,082	600,862	16,715,000	32,609,883	—	51,315,827	17.0%	3,990
2015	—	949,858	224,242	13,945,000	33,825,489	—	48,944,589	16.1%	3,779
2016	—	491,714	—	12,970,000	32,144,429	507,532	46,113,675	15.0%	3,563
2017	—	—	423,778	12,275,000	54,841,328	362,630	67,902,736	19.8%	4,771
2018	—	7,715,000	593,591	10,600,000	53,072,889	1,330,951	73,312,431	21.3%	5,205
2019	—	7,425,000	645,572	9,355,000	50,954,399	878,017	69,257,988	19.9%	4,919
2020	—	7,125,000	657,095	8,590,000	48,476,545	540,547	65,389,187	16.6%	4,668

*The 2009 State Revolving Fund Construction Loan of approximately \$35 million not included in this amount.
Note: See "Demographic and Economic Statistics" table for personal income and per capita data.

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

<u>Fiscal Year</u>	<u>Total General Bonded Indebtedness</u>	<u>Percentage of Assessed Value of Taxable Property</u>	<u>Per Capita</u>
2011	—	—	—
2012	—	—	—
2013	—	—	—
2014	—	—	—
2015	—	—	—
2016	—	—	—
2017	—	—	—
2018	—	—	—
2019	—	—	—
2020	—	—	—

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, 2020

<u>Political Subdivisions</u>	<u>Assessed Value</u>	<u>General Bonded Debt Outstanding</u>		
		<u>Debt Outstanding</u>	<u>Percentage Applicable to Cayce Taxpayers²</u>	<u>Cayce's Taxpayers Share of Debt¹</u>
Lexington County	\$ 1,356,226,900	\$ 24,810,000	6.30%	\$ 1,563,030
Lexington School District 2	315,483,190	222,449,000	27.08%	60,239,189
Lexington Recreation District	1,029,509,970	23,540,000	8.30%	1,953,820
Columbia Metropolitan Airport	1,356,226,900	3,835,000	6.30%	\$241,605
Riverbanks Zoo	1,356,226,900	27,935,000	6.30%	1,759,905
Total Overlapping General Bonded Debt		<u>\$ 302,569,000</u>		<u>\$ 65,757,549</u>
<u>Direct City Debt Outstanding</u>				
Governmental Activities:				
Tax Increment Financing (TIF)				\$ —
Revenue Bonds				—
Installment Purchase Contracts				—
				<u>\$ —</u>
Business—type Activities:				
Water and Sewer System Revenue				\$ —
Bonds				—
Clean Water State Revolving				—
Fund Loans (SRF)				—
Installment purchase contracts				—
				<u>\$ —</u>
Total Direct & Overlapping Debt				<u>\$ —</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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Assessed Valuation	\$59,691,010	\$57,798,880	\$55,262,980	\$ 52,484,130	\$51,479,370	\$50,482,690	\$48,551,450	\$47,860,580	\$46,923,977	\$46,896,540
Maximum General Obligation Debt limited to 8% of total assessed valuation (1)	4,775,281	4,623,910	4,421,038	4,198,730	4,118,350	4,038,615	3,884,116	3,828,846	3,753,918	3,751,723
Outstanding bonds chargeable to bond limit	—	—	—	—	—	—	—	—	—	—
Legal debt margin	<u>\$ 4,775,281</u>	<u>\$ 4,623,910</u>	<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>
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,									
	2020	2019	2018	2017	2016	2015	2014 ⁽²⁾	2013	2012	2011
Gross Revenues	\$19,029,412	\$18,474,151	\$17,453,758	\$17,370,618	\$16,899,283	\$15,005,544	\$ 14,580,922	\$13,899,383	\$12,140,032	\$11,159,169
Capital Facility Charges	1,057,084	1,162,128	743,423	1,622,762	465,468	1,604,279	1,592,759	5,145,064	9,848,764	13,721,503
Expenses of Operating and Maintaining the System ⁽³⁾	(12,415,300)	(12,337,412)	(12,045,106)	(11,239,920)	(10,627,732)	(9,159,617)	(9,089,535)	(7,886,067)	(8,014,258)	(7,391,785)
Net Earnings/Net Revenues ⁽¹⁾	\$ 7,671,196	\$ 7,298,867	\$ 6,152,025	\$ 7,753,460	\$ 6,737,019	\$ 7,450,206	\$ 7,084,146	\$11,158,380	\$13,974,538	\$17,488,887
Combined Debt Service Requirements ⁽⁴⁾	\$ 4,551,013	\$ 4,518,463	\$ 4,439,485	\$ 3,387,085	\$ 4,551,866	\$ 4,774,334	\$ 4,835,493	\$ 4,881,806	\$ 3,240,906	\$ 2,707,437
Debt Service Coverage ⁽⁵⁾	169%	162%	139%	229%	148%	156%	147%	229%	431%	646%
Debt Service Coverage Without Capital Facility Charges ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	122%	114%	123%	127%	139%

- 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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Alterations	\$ 2,261,394	\$ 3,367,800	\$ 2,662,932	\$ 4,093,414	\$ 3,663,392	\$ 2,024,358	\$ 1,433,524	\$ 4,355,520	\$ 583,964	\$ 1,485,764
Additions	584,065	8,500	827,622	53,388	1,067,481	—	1,159,300	1,171,880	368,348	94,692
New Construction	<u>9,456,428</u>	<u>—</u>	<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>
Sub-total:	12,301,887	3,376,300	5,758,376	5,082,542	12,889,359	2,230,268	12,405,097	6,612,024	1,030,732	1,686,286
Signage	<u>137,846</u>	<u>129,552</u>	<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>
Commercial Totals	<u>\$12,439,733</u>	<u>\$ 3,505,852</u>	<u>\$ 6,088,376</u>	<u>\$ 5,117,928</u>	<u>\$12,974,583</u>	<u>\$ 2,294,182</u>	<u>\$12,483,527</u>	<u>\$ 6,685,441</u>	<u>\$ 1,074,862</u>	<u>\$ 1,774,391</u>

RESIDENTIAL PERMITS VALUES TEN FISCAL YEAR REPORT

Occurrence	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Alterations	\$ 2,249,536	\$ 1,934,119	\$2,328,763	\$ 2,040,385	\$ 1,722,156	\$ 1,227,438	\$ 959,069	\$ 1,558,973	\$ 976,387	\$ 804,757
Additions	255,285	97,610	195,294	239,353	132,485	311,499	258,552	297,543	192,946	226,930
Multi-Family	—	—	—	—	—	35,670,684	—	—	1,354,057	—
Single-Family	<u>2,749,725</u>	<u>951,000</u>	<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>
Residential Totals	<u>\$ 5,254,546</u>	<u>\$ 2,982,729</u>	<u>\$ 3,838,402</u>	<u>\$ 4,696,963</u>	<u>\$11,286,616</u>	<u>\$43,894,568</u>	<u>\$ 9,447,885</u>	<u>\$ 9,773,832</u>	<u>\$ 6,629,308</u>	<u>\$ 1,708,365</u>
Yearly Grand Total	<u>\$ 17,694,279</u>	<u>\$ 6,488,581</u>	<u>\$ 9,926,778</u>	<u>\$ 9,814,891</u>	<u>\$24,261,199</u>	<u>\$46,188,750</u>	<u>\$21,931,411</u>	<u>\$16,459,273</u>	<u>\$ 7,704,170</u>	<u>\$ 3,482,756</u>

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

Per Year 2010 Census¹	Cayce⁵	Lexington County⁴	South Carolina⁴	
Total Population (City 2018, County 2017, State 2019 Estimate)	14,009	298,750	5,148,714	
Per Capita Income (In 2019 Inflation Adjusted Dollars)	\$ 28,137	\$ 31,671	\$ 29,426	
Median Household Income (In 2019 Inflation Adjusted Dollars)	\$ 52,582	\$ 61,173	\$ 53,199	
Median Family Income (In 2019 Inflation Adjusted Dollars)	\$ 69,630	\$ 74,529	\$ 66,357	
Total Personal Income (In 2019 Inflation Adjusted Dollars)	\$ 394,171,233	\$ 9,461,711,250	\$ 151,506,058,164	
Population Estimates¹ (July 1, 2019)	Cayce	Lexington County	South Carolina	
2010	13,084	263,357	4,635,649	
2011	13,109	266,362	4,671,994	
2012	13,157	269,787	4,717,354	
2013	13,255	273,248	4,764,080	
2014	13,359	277,423	4,823,617	
2015	13,463	281,675	4,891,938	
2016	14,020	286,277	4,957,968	
2017	14,060	290,338	5,021,268	
2018	14,028	294,350	5,084,156	
2019	14,009	298,750	5,148,714	
Unemployment Rates² (Annual Average)³	Cayce	Lexington County	South Carolina	
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	6.5	
2015	N/A	4.9	6.0	
2016	N/A	4.1	5.0	
2017	N/A	3.6	4.3	
2018	N/A	2.9	3.5	
2019	N/A	2.7	3.3	
2020 ³	N/A	3.5	4.8	
Cayce's Income Demographics⁵	Households		Families	
	Number	Percentage	Number	Percentage
\$0 — \$10,000	433	7.2%	70	2.5%
10,000 — 14,999	313	5.2%	53	1.9%
15,000 — 24,999	662	11.0%	263	9.4%
25,000 — 34,999	529	8.8%	212	7.6%
35,000 — 49,999	975	16.2%	346	12.4%
50,000 — 74,999	1,227	20.4%	550	19.7%
75,000 — 99,999	872	14.5%	469	16.8%
100,000 — 149,999	710	11.8%	584	20.9%
150,000 — 199,999	205	3.4%	201	7.2%
200,000 and over	90	1.5%	45	1.6%
Totals	6,016	100.0%	2,793	100.0%

Sources: ¹ U.S. Bureau of the Census. Census 2010, 2019 latest estimates was population only.

² S.C. Department of Employment and Workforce.

³ Twelve month average from July 1, 2019 through June 30, 2020

⁴ State demographic information for all categories, updated as of July 1, 2017.

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

N/A = Not Available

CITY OF CAYCE, SOUTH CAROLINA

PRINCIPAL EMPLOYERS
(Ten Largest)

JUNE 30, 2020

(With comparative data from CAFR dated, June 30, 2011)

Taxpayer		2020			2011		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Dominion Energy	Electric Utility	1,185	1	13.98%	1,700	1	20.99%
USPS	Mail Distribution	733	2	8.65%	450	—	0.00%
CMC Steel	Manufacturer, Steel	389	3	4.59%	405	2	4.9%
Lexington School District 2	Insurance	341	4	4.02%	—	0	0.00%
Bi-Lo, LLC	Grocer	160	5	1.89%	142	6	1.75%
Farm Bureau Insurance of S.C.	Insurance	150	6	1.77%	170	3	2.10%
Walmart	Grocer	134	7	1.58%	—	—	0.00%
McDonalds	Restaurant	111	8	1.31%	—	0	0.00%
CINTAS	Uniform Provider	110	9	1.30%	110	5	1.36%
Pace Analytical Services, LLC	Contractor Services	85	10	1.00%	—	0	0.00%
Total		<u>3,398</u>		<u>40.09%</u>	<u>2,527</u>		<u>31.10%</u>
Approximate number employed within the City limits		<u>8,475</u>			<u>8,200</u>		

Note: Information obtained from Business License applications and phone calls to businesses.
Information does not include the City of Cayce's 217 employees.

CITY OF CAYCE, SOUTH CAROLINA

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Employees by Function/Program										
<u>Governmental Activities</u>										
General government:										
Legislative	5	5	5	5	5	5	5	5	5	5
Administrative	7	6	6	6	6	6	5	4	4	5
Recorder's court	4	4	3	3	3	3	2	2	1	1
IT	2	1	1	1	1	1	1	1	N/A	N/A
Finance:										
Accounting	3	3	3	3	3	3	3	3	3	4
Public safety:										
Animal control	1	1	1	1	1	2	2	2	2	2
Dispatchers	6	6	6	5	5	5	5	5	5	5
Administrative	7	7	4	4	4	4	4	4	4	4
Detectives	8	8	9	8	8	8	8	8	8	9
Traffic/Victim's Advocate	44	42	43	37	39	41	38	38	39	47
Fire	22	19	16	16	15	15	12	9	9	—
Parks	4	4	4	4	4	2	N/A	N/A	N/A	N/A
Planning and community development:										
Administrative	7	7	7	7	5	4	4	6	5	5
Public works:										
Public buildings	1	1	1	1	1	1	1	1	1	1
Sanitation	18	17	17	17	15	17	17	17	17	16
Garage	5	5	5	5	5	5	5	5	5	5
Parks and museum:										
Museum	2	2	3	3	2	2	2	2	2	2
Parks	14	12	12	12	12	10	10	9	9	8
Subtotals	160	150	146	138	134	134	124	122	119	119
<u>Business-type Activities</u>										
Water and sewer utility:										
Administrative	5	5	5	4	4	4	12	8	8	7
Water billing*	9	9	9	9	8	8	N/A	N/A	N/A	N/A
Water treatment plant	10	10	10	10	10	10	9	10	10	10
Water distribution and maintenance	14	13	13	13	13	13	13	14	14	14
Sewer collection and outfall lines	16	15	15	14	13	13	12	12	12	10
Wastewater treatment plant	16	15	14	13	12	12	12	12	12	11
Wastewater Pre-treatment Plant**	4	5	5	4	3	3	1	—	—	—
Subtotals	74	72	71	67	63	63	59	56	56	52
Total	234	222	217	205	197	197	183	178	175	171

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

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

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Function/Program										
<u>Governmental Activities</u>										
General government:										
Area in Square Miles	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2
Population of City ¹	14,009	14,081	14,086	14,233	13,625	13,496	13,366	13,240	13,152	13,089
Public safety:										
Number of stations	3	3	4	4	4	4	6	6	6	6
Number of Police Officers	17	17	10	5	1	1	2	2	2	2
Number of Firefighters	15	11	9	8	6	6	12	9	9	3
Number of Public Safety Officers*	41	45	57	56	57	54	48	49	49	49
Dispatchers and Victim's Advocate	8	7	8	8	8	8	8	9	8	9
Number of arrests	508	676	956	850	700	685	1,121	887	728	830
Number of emergency incidents	6,731	7,046	6,796	6,192	5,800	8,470	6,800	2,968	5,295	9,388
Planning and community development:										
Permits issues	855	428	427	442	452	744	300	917	276	239
Estimated cost of construction	21,898,481	6,488,581	9,926,778	9,814,891	24,261,198	46,188,750	21,931,411	16,459,273	7,704,170	3,482,756
Public works:										
Active vehicles in vehicle replacement plan	214	201	179	179	168	156	146	152	149	130
Refuse collected (average tons per day)	30.0	29.5	36.5	36.0	24.5	25.0	23.19	44.4	35.3	48.0
Recyclables collected (average tons per day)	2.5	1.8	4.0	3.5	2.5	2.0	1.26	1.18	1.06	1.05
Parks and museum:										
Number of parks	10	9	9	9	9	9	9	9	9	8
Number of playgrounds	6	6	6	6	6	5	5	5	5	5
Museum complex	1	1	1	1	1	1	1	1	1	1

— CONTINUED —

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

— CONTINUED —

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Business-type activities</u>										
Water and sewer utility:										
Number of water customers – end of period*	7,917	7,865	7,822	7,776	7,760	8,436	8,245	8,222	8,490	8,337
Number of sewer customers – end of period*	12,838	12,917	12,714	12,583	11,625	12,146	11,595	11,893	12,150	10,812
Water plant filtration capacity per day – gallons (GPD)	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000
Maximum daily pumping capacity of water – gallons	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Average daily filtration flow – water GPD	2,920,000	3,360,000	3,080,000	3,004,000	3,000,160	2,730,000	2,790,000	2,730,000	3,070,000	3,090,000
Peak average filtration flow - water GPD	3,560,000	4,160,000	3,890,000	3,660,000	3,721,000	3,620,000	3,740,000	3,750,000	4,300,000	3,790,000
Peak daily filtration flow – water GPD	4,506,000	5,126,700	4,313,000	4,663,000	4,408,000	4,232,400	4,771,900	4,020,000	4,389,000	4,130,000
Wastewater plant treatment capacity per day – gallons	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	9,500,000	9,500,000
Average daily treated flow – wastewater GPD	10,480,000	9,956,000	9,193,000	9,652,000	9,803,000	7,743,000	8,222,000	6,666,000	5,733,000	4,303,000
Peak average treated flow – wastewater GPD	13,942,000	12,578,000	11,886,000	11,462,000	13,458,000	8,900,000	10,123,000	7,417,000	6,184,000	6,002,000
Peak daily treated flow – wastewater GPD	24,959,000	23,321,000	15,812,000	21,547,000	23,647,000	16,490,000	17,075,000	13,181,000	9,557,000	10,871,000
Number of miles of water mains owned by City	221.8	221.5	221.2	219.3	217.7	216.3	215.9	214.8	214.0	210.5
Number of miles of sewage collection lines owned by City	282.2	281.4	279.9	272.9	270.1	268.5	266.3	265.7	265	260

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

Source: City of Cayce Departments.

CITY OF CAYCE, SOUTH CAROLINA

COVER STORY

PHOTOGRAPHS: The City of Cayce is revitalizing its historical downtown by establishing a River Arts District. Here, at the southern end of State Street and eastern end of Frink Street, the City is infusing public art and attracting new businesses. Some of the public art includes murals, sculptures, and painting private properties, converting them into iconic art buildings. The new City-owned Art Lot, in the heart of the River Arts District, provides a unique combination of public parking, art and recreational space.



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