



Annual Comprehensive Financial Report

**Fiscal Year Ended
June 30, 2024**

City of Cayce, South Carolina
www.caycesc.gov

CITY OF CAYCE, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Issued by:
Finance Department

City of Cayce, South Carolina

CITY OF CAYCE, SOUTH CAROLINA
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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INTRODUCTORY SECTION

City of Cayce, South Carolina



Contact Us
803-796-9020



Visit Our Website
www.caycesc.gov



December 11, 2024

To the Honorable Mayor, Members of City Council, and the Citizens of Cayce:

We are pleased to submit the Annual Comprehensive Financial Report of the City of Cayce, South Carolina for the Fiscal Year Ended June 30, 2024 (FY 2024). 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 combined 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 Mauldin and Jenkins, CPAs and Advisors. 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, 2024, 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, 2024.

Mayor
Elise Partin

Mayor Pro-Tem
Tim James

Council Members
Phil Carter
Byron Thomas
Hunter Sox

Interim City Manager
James E. Crosland

Interim Deputy City Manager
Michael Conley

Assistant City Manager
Vacant

City Treasurer
Kelly McMullen,
CGFO

City Clerk
Mendy Corder

(803) 796-9020
Fax: (803) 796-9072

1800 12th Street
PO Box 2004
Cayce, SC 29171

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and governmental auditing standards. The introductory section includes this transmittal letter, the government's organizational chart, and a list of principal officials. The financial section includes the general-purpose financial statements, the combining and individual fund financial statements, and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The governmental auditing standards section includes the auditor's reports on the internal control structure and compliance with applicable laws and regulations.

This report includes all funds of the City of Cayce. The City provides a full range of services, which include police and fire protection; sanitation services; the maintenance of highways, streets, and infrastructure; recreational activities; planning and zoning, in addition to general government activities. The City also has a hospitality tax fund that accounts for tourism related activities. The City owns and operates a municipal water and sewer system serving residents and businesses within its corporate limits and in the territory adjacent thereto. Therefore, this activity also is included in the reporting entity.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Cayce's MD&A can be found immediately following the independent auditors' report.

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 is also the 6th largest sewer provider in South Carolina.

The City serves a population of approximately 13,660 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 council is elected on a non-partisan basis. Council members serve four-year staggered terms, with two council members elected every two years. The mayor is elected to serve a four-year term. All four council members are elected by district. The mayor is elected at large.

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 of the General Fund, and the Water and Sewer Utility Fund are budgeted annually. 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, the City continues to meet its responsibility for sound financial management.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Cayce operates.

Local Economy – The City of Cayce, with a population of over 13,000, embodies the charm of a small town while offering a respite from the fast pace of city life. Nestled along the banks of the Congaree River, it's just a stone's throw from the South Carolina state capital. The City and its neighbors, the Cities of West Columbia and 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 is part of the Three Rivers Greenway project, extending from the border with 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. 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. Cayce boasts over 12 miles of trails in the Cayce Riverwalk Park and the Timmerman Trail. Both are easily accessible and overlook the beautiful Congaree River. These trails are popular destinations for walking, jogging, bicycling, and taking in the beauty of nature since they also include amenities such as lighted boardwalks and concrete walkways, picnic shelters, park benches, and river over-looks with magnificent views of the Columbia skyline. The Riverwalk Park also incorporates the Thomas Newman Boat Ramp, which is a public boat ramp in Phase 4 of the Cayce Riverwalk Park. A new access ramp has been constructed for tubers and kayakers at the Kelly Jones Park. Development on both sides of the river is a driving force in the continuing economic development of the City of Cayce.

As part of the Columbia Metropolitan Statistical Area, Cayce has enjoyed stable economic conditions, making it an attractive place to live and thrive. The 12th Street Extension Corridor is home to a plethora of businesses. Dominion Energy, Lexington Regional Rehabilitation Hospital, Core Concrete, and Lexington Medical Center Otarre Point are a few of the successful businesses in the 12th Street Extension Corridor. Dominion Energy and Lexington Regional Rehabilitation Hospital are listed as 2 of the top 31 businesses in the City. In 2024, Dominion Energy had 1,283 employees at the Cayce location.

The 12th Street Extension Corridor is a gateway into the City and an attractive area for existing and upcoming ventures that add to the economic development of the City. The LCRAC Cayce Tennis and Fitness Center hosts National, International, and State tennis tournaments. SC Department of Public Health is relocating to the 12th Street Extension Corridor and will bring 2,300 employees with it. Sitework and planning continues for the City to develop a Visitors Center at the 12,000-year history park, which is being spurred by two (2) separate million-dollar investments from the State. The 12,000-year history Park is a unique archeological site in Cayce where remnants of at least 12,000 years of continuous human activity have been found. The City provides guided walking tours of the Park throughout the year and other special events. The Visitor's Center is slated to be completed within in the next couple of years and is projected to attract 150,000 visitors per year.

In December 2019, Steel Hands Brewing opened. Steel Hands Brewing is the City's first and only on-premise brewery. It is family friendly with a full restaurant and special events. Steel Hands Brewing has live entertainment as well as unique events like "goat yoga". Customers travel from near and far to join in, increasing hospitality funds and business license revenue for the City. The City is in the planning stages of creating a safe walking path that will connect Steel Hands Brewing to the Arts Design Overlay District. The Arts Design Overlay District links Foreman, Frink and State Streets. The Arts Design Overlay District was created to promote a work- live community in the City. Established businesses like Piecewise Coffee and State of the Art Gallery and Pottery Studio have been in operation for several years. They bring customers from various locations, adding to the City's hospitality and business license revenues. State Street is also home to the City's annual Soiree on State. The Soiree on State has live entertainment and vendors from all around, drawing participants from various regions of the State.

Knox Abbott Drive serves as a major thoroughfare in the City and it features a diverse mix of uses like restaurants, retail, medical, financial, and entertainment businesses. Dukes Pad Thai restaurant, located on Knox Abbott Drive, was honored as Best Restaurant in Cayce/West Columbia and Best Thai Restaurant by Free Times Columbia. This restaurant has successfully attracted visitors to Knox Abbott Drive, for its exceptional Thai cuisine.

Additionally, Knox Abbott Drive is home to nationally recognized businesses such as CVS and Walmart, which rank among the top 31 revenue-generating enterprises for Cayce. The Capital Climbing Gym and the 24-hour Planet Fitness further enhance the City's appeal, attracting an increasing number of visitors. The strategic location of Knox Abbott Drive effectively attracts residents from neighboring cities and towns.

Cayce continues to demonstrate robust economic growth. We are pleased to announce the opening of a new Starbucks on Charleston Highway, bringing the total number of Starbucks locations to two. Additionally, Five Below, a specialty discount retailer, will be relocating to Parkland Plaza on Knox Abbott Drive. A new Sonic restaurant is currently under construction on Airport Boulevard, bringing the total number of locations to three and staff are in discussions with developers regarding the potential addition of a hotel near the Airport. Staff regularly addresses inquiries about bringing a new business to Cayce. With its proximity to the Congaree River and the State Capitol, along with amenities such as Riverwalk Park and popular dining options like Dukes Pad Thai, the City of Cayce is well-positioned for continued economic development. Furthermore, the City is in the process of preparing a Request for Qualifications (RFQ) for a retail specialist to enhance our growth initiatives.

Cayce remains dedicated to the expansion of its River Arts District to encourage an artistic community and revitalize the historic downtown State Street area. The multi-purpose Art Lot serves as a community gathering spot and is often reserved for small events related to art, music, and recreational activities. Lexington County also continues to seek expansion of the Saxe Gotha Industrial Park that is located just outside the Cayce city limits, but Cayce provides water and sewer services to the businesses located in the park.

The City of Cayce and Lexington County have consistently demonstrated a commitment to provide adequate infrastructure, services and quality of life initiatives for the citizens and businesses in the Cayce greater area. By offering the Fee-in-Lieu Abatement Programs, the County and City encourage expansion and relocation of new industries into the City to establish a spirit of opportunity for those living in this area.

Long-Term Financial Planning – Revenue forecasts for the next several years suggests that new residential and commercial construction, along with continued economic growth throughout the City and region will help the City keep pace with the operational needs of its various departments. The City also continues to closely monitor economic inflation and its impact to budgetary spending. Also, the City is aggressive (and successful) in its pursuit of grants to assist in the provision of excellent services without burdening our residents through tax increases.

The City continues to promote tourism with the Cayce Riverwalk Park on the Congaree River, the Cayce Historical Museum, and at the 12,000 Year History Park, which includes regular tours and the planned development of a Visitors Center to showcase this unique feature. These resources, as well as our abundant art, food and entertainment offerings are part of an ongoing targeted marketing effort to attract tourists to the City, which increase revenue sources such as business licenses, hospitality taxes and accommodations taxes.

Financial Information – Management of the government is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) The cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls – In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the government's governing body. Activities of the general fund only are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within an individual fund.

The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. The City Ordinances also provide for a non-appropriated budget for the proprietary and special revenue funds to facilitate the management review and approval process. As demonstrated by the statements and schedules included in the financial section of this report, the government continues meeting its responsibility for sound financial management.

Proprietary Operations – The government’s enterprise operation is comprised of the water and sewer utility system. Several of the government’s major initiatives directly relate to the water and sewer activities. The demand for housing in the City’s water service area is at an all-time high, resulting in the construction of many new housing developments and an increased demand on water services.

Cash Management Policies and Practices – The government’s investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the government, its agent or a financial institution’s trust department in the government’s name. It is the policy of the City of Cayce to hold investments to maturity.

Risk Management – The City maintains an employee health insurance plan for all full-time employees through the South Carolina Public Employee Benefit Authority (PEBA), which is a state funded insurance program administered by Blue Cross / Blue Shield of South Carolina and workmen’s compensation insurance through a municipal pool, the South Carolina Municipal Insurance Trust (SCMIT). Specific excess insurance, such as liability insurance, is provided through the South Carolina Municipal Insurance and Risk Financing Fund (SCMIRF).

Other Information

Awards – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cayce for its Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2023. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. 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. Such ACFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements and are submitting it to the GFOA.

Acknowledgments – The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff and finance department. Each member of the department has our sincere appreciation for the contributions made in preparation of this report. In closing, without the leadership and support of the Mayor and City Council, preparation of this report would not have been possible. We gratefully acknowledge the role played by the governing body.

Sincerely,



Kelly McMullen, CGFO
City Treasurer



James E. Crosland, Jr.
Interim City Manager

CAYCE CITY COUNCIL

Elise Partin, Mayor

COUNCIL MEMBERS

Tim James, Mayor Pro-Tempore

Phil Carter

Byron Thomas

Hunter Sox

CITY ADMINISTRATION

James E. Crosland, Interim City Manager

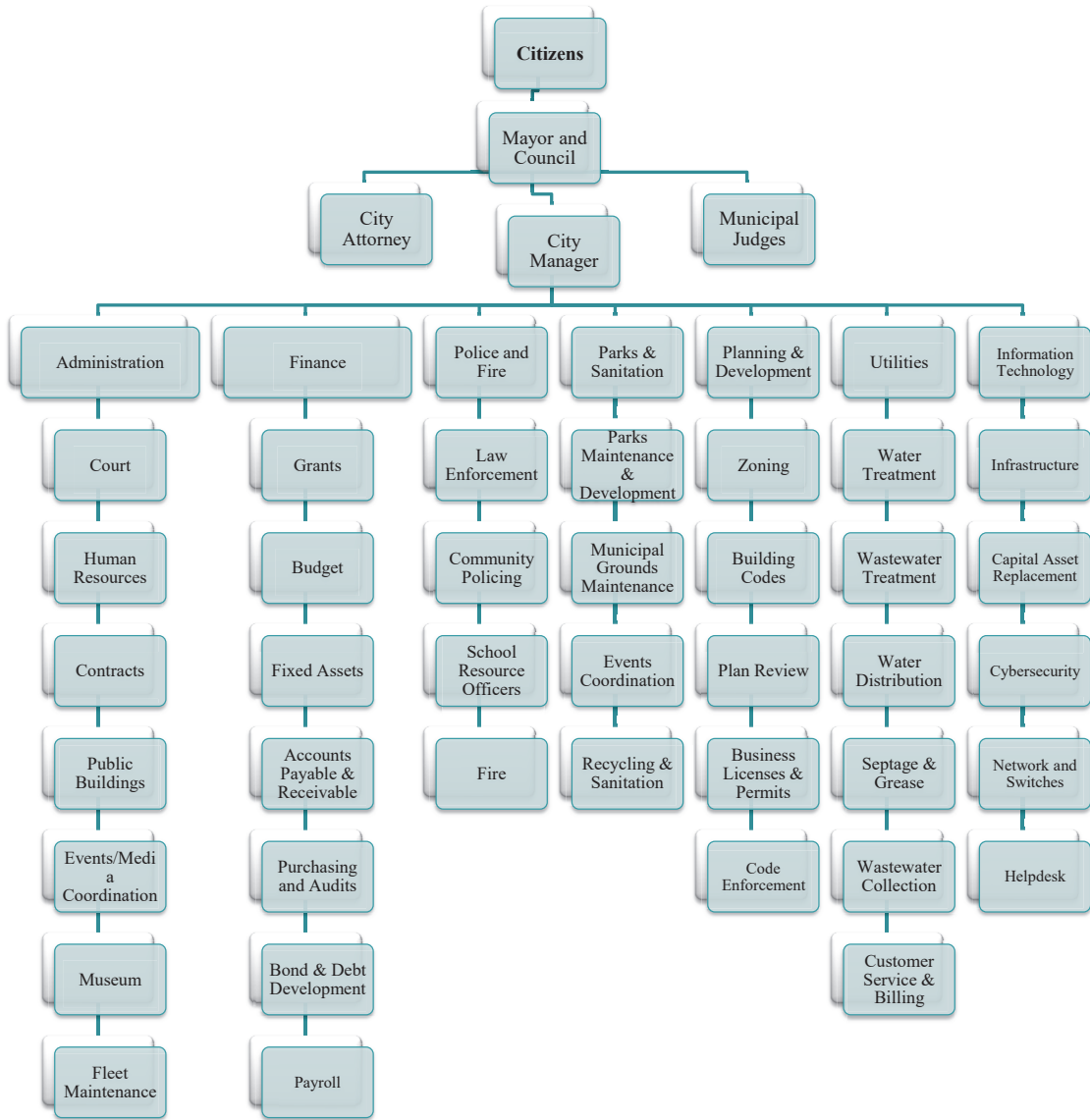
Michael Conley, Interim Deputy City Manager

Vacant, Assistant City Manager

Kelly McMullen, CGFO, City Treasurer

Betsy Catchings, Utilities Director

City of Cayce Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Cayce
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION

City of Cayce, South Carolina



Contact Us
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INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and Members
of the City Council
Cayce, South Carolina**

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Cayce, South Carolina** (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 11), the budgetary comparison for the General Fund (on page 73), the Schedule of Changes in the City's Total OPEB Liability and Related Ratios (on page 75), the Schedule of the City's Proportionate Share of the Net Pension Liability (on page 76), and the Schedule of the City's Contributions (on pages 77 and 78) be presented to supplement the basic financial statements.

Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries 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 we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the enterprise fund budget and actual schedules, the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), as required by the State of South Carolina, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements, the enterprise fund budget and actual schedules, the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 of Cayce, South Carolina's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 11, 2024

City of Cayce, SC

Management's Discussion and Analysis

The City of Cayce's (the "City") discussion and analysis offers readers of the City's financial statements a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, in the financial statements and the notes to the financial statements.

Financial Highlights

- Total assets and deferred outflows exceeded its total liabilities and deferred inflows on June 30, 2024, by \$120,060,719 (net position). Of the total net position at June 30, 2024, \$482,657 was unrestricted.
- Total net position increased \$4,153,170 from the prior year, as revenues of \$46,490,286 exceeded expenses of \$42,337,116. Governmental Activities contributed \$3,137,370 and Business-type activities contributed \$1,015,800 of the overall increase in net position.
- Total assets decreased \$1,004,137 over the prior year. Though current assets increased \$4,058,827 from the prior year, the Net Investment in Capital Assets decreased \$5,373,080 due to capital depreciation (reductions) exceeding capital additions. For more information regarding assets and depreciation, please see Note 6 (Capital Assets) in the accompanying Notes to Financial Statements.
- Total liabilities decreased \$4,779,883 from the prior year. This decrease is attributable to the continued use of American Rescue Plan Funds in anticipation of the upcoming obligation deadline of December 31, 2024, and the decrease of bonds and loans payable due to principal payments during the year.
- General fund unassigned fund balance at June 30, 2024, was \$8,174,721, or approximately 41.4 percent of total fund expenditures.
- Total bonds, notes, contracts, leases, and compensated absences payable totaled \$73,558,256 at June 30, 2024, a decrease of \$4,460,209 from the prior year. The decrease is due primarily to repayments of principal during the fiscal year.
- Total capital assets for the City totaled \$244,220,564 at June 30, 2024, an increase of \$6,292,457 from the prior year. This increase was due to an expansion at the Septage Receiving Station, improvements at the Wastewater Treatment Plant, replacement of aged fleet vehicles, building improvements, and Riverwalk improvements.
- The General Fund's total revenues (including other financing sources) at June 30, 2024, totaled \$19,520,243 and expenses totaled \$18,732,907, which accounts for the \$787,336 net increase in fund balance at year end. Of that increase in fund balance, \$1 million is for the receipt of a grant for the 12K Park Visitor's Center. Total expenses included \$1,344,683 in capital outlay.
- The Water and Sewer Utility Fund's total revenues (including capital contributions) at June 30, 2024, totaled \$23,111,252 and expenses totaled \$22,095,452, which accounts for the \$1,015,800 net increase in net position at year end. Of that increase in net position, \$1,015,800 is directly related to capacity charges and other capital contributions to the system.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) governmentwide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other 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 the City's assets, liabilities, and deferred inflows/outflows of resources with the difference between them being 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 City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (uncollected taxes 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 (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City's governmental activities include general administration, police, fire, public works, and hospitality tax. The City's business-type activities include a water and sewer utility system.

The government-wide financial statements can be found on pages 12-13 of this report.

Fund financial statements – 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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All 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. However, unlike the government-wide financial statements, governmental fund financial statements 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintained two major governmental funds during the fiscal year 2023-2024. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Projects Fund which are both major funds.

The City adopts an annual appropriated budget for its General fund. Budgetary comparison statements have been provided for this fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Overview of the Financial Statements (Continued)

Proprietary funds – The City maintains one type of proprietary fund. 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 system.

Financial statements of proprietary funds provide the same type of information as the government-wide financial statements, but in greater detail. The proprietary fund financial statements provide separate information for the City's water and sewer utility system, which is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages 18-20 of this report

Fiduciary funds – The City acts as agent, or fiduciary, for other resources. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

The fiduciary fund financial statements can be found on page 21-22 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 23-72 of this report.

Government-wide Financial Analysis

The government-wide financial statements are provided as part of the approach mandated by the GASB, which sets the uniform standards for presenting government financial reports. These reports provide complete comparative information as summarized in this Management's Discussion and 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, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$120,060,719 at the close of the most recent fiscal year. The City's increase in net position for this fiscal year amounts to \$4,153,170. The City's increase in net position can be largely accounted for with significant changes to total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources. The largest significant impacts to net position for fiscal year 2023-2024 was related to SLFRF funding and decreases in long-term debt due to principal payments made during the fiscal year.

The City's governmental activities' current liabilities decreased by approximately \$1.68 million due to continued use of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), which decreases the City's unearned revenue (unspent SLFRF funds) at June 30, 2024.

The City's business-type activities' long-term liabilities decreased by approximately \$3.90 million due, primarily, to the principal payments made on revenue bonds and loans payable during the year.

The following page is a 'condensed' Statement of Net Position at June 30, 2024, which depicts the major components of the City's assets, deferred outflows, liabilities, and net position (with comparative amounts for June 30, 2023).

Government-wide Financial Analysis (Continued)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current assets and other	\$ 26,612,878	\$ 25,061,513	\$ 24,801,269	\$ 22,293,807	\$ 51,414,147	\$ 47,355,320
Capital assets, net	<u>23,094,644</u>	<u>23,244,543</u>	<u>128,760,788</u>	<u>133,673,853</u>	<u>151,855,432</u>	<u>156,918,396</u>
Total assets	<u>49,707,522</u>	<u>48,306,056</u>	<u>153,562,057</u>	<u>155,967,660</u>	<u>203,269,579</u>	<u>204,273,716</u>
Deferred outflows	<u>2,859,814</u>	<u>2,868,688</u>	<u>1,418,530</u>	<u>1,573,619</u>	<u>4,278,344</u>	<u>4,442,307</u>
Total assets and deferred outflows	<u>52,567,336</u>	<u>51,174,744</u>	<u>154,980,587</u>	<u>157,541,279</u>	<u>207,547,923</u>	<u>208,716,023</u>
Long-term liabilities	22,075,898	22,634,369	51,482,358	55,384,096	73,558,256	78,018,465
Other liabilities	<u>7,682,247</u>	<u>8,449,559</u>	<u>4,858,336</u>	<u>4,410,698</u>	<u>12,540,583</u>	<u>12,860,257</u>
Total liabilities	<u>29,758,145</u>	<u>31,083,928</u>	<u>56,340,694</u>	<u>59,794,794</u>	<u>86,098,839</u>	<u>90,878,722</u>
Deferred Inflows	<u>1,030,522</u>	<u>1,449,517</u>	<u>357,843</u>	<u>480,235</u>	<u>1,388,365</u>	<u>1,929,752</u>
Net Position						
Net investment in capital assets	16,041,897	17,012,398	81,520,009	83,112,486	97,561,906	100,124,884
Restricted	9,919,652	5,730,872	12,096,504	9,949,968	22,016,156	15,680,840
Unrestricted	<u>(4,182,880)</u>	<u>(4,101,971)</u>	<u>4,665,537</u>	<u>4,203,796</u>	<u>482,657</u>	<u>101,825</u>
Total net position	<u>\$ 21,778,669</u>	<u>\$ 18,641,299</u>	<u>\$ 98,282,050</u>	<u>\$ 97,266,250</u>	<u>\$120,060,719</u>	<u>\$ 115,907,549</u>

An additional portion of the City's net position represents resources that are restricted as to how they may be used. The remaining balance of unrestricted assets may be used to meet the government's ongoing obligations to citizens, creditors, and customers within the respective governmental and business-type activities. At the end of the current fiscal year, the City is able to report positive balances in both categories of total net position.

The changes in net position displayed below show the governmental and business-type activities during the fiscal year. The increase in entity-wide net position is due, in large part, to the governmental activities revenues being in excess over expenses. Property taxes, franchise fees, and interest income all exceeded projected revenues during the fiscal year. Property tax revenues for the year increased primarily due to an increase of overall assessment values in the City, which grew 4.2% from the prior year and is driven by local real estate market values. Please see the table "Assessed Value and Estimated Actual Value of Taxable Property" for a more detailed view. Business-type activities experienced an increase of approximately 6.4% in operating revenues from the prior year. This increase is mainly attributed to the growth of the City's sewer system, which provides retail sewer to City residents and wholesale sewer to surrounding agencies. Total business-type expenses increased by \$903,008, or approximately 4.26% from the prior year. This is mainly due to increases in product costs across all operating expense categories.

Government-wide Financial Analysis (Continued)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Property taxes	\$ 6,601,717	\$ 6,153,903	\$ -	\$ -	\$ 6,601,717	\$ 6,153,903
Accommodation and hospitality taxes	2,081,550	1,918,615	-	-	2,081,550	1,918,615
Licenses and permits	5,453,873	5,226,170	-	-	5,453,873	5,226,170
Fines and forfeitures	162,671	197,280	-	-	162,671	197,280
State shared revenue	754,251	690,395	-	-	754,251	690,395
Charges for services	1,720,124	1,702,922	21,442,999	20,154,448	23,163,123	21,857,370
Grants and other	6,068,132	5,256,126	1,105,339	1,181,118	7,173,471	6,437,244
Interest income	536,716	248,435	562,914	245,052	1,099,630	493,487
Total revenues	23,379,034	21,393,846	23,111,252	21,580,618	46,490,286	42,974,464
Expenses						
General government	4,179,684	4,148,479	-	-	4,179,684	4,148,479
Public safety	8,717,151	8,092,126	-	-	8,717,151	8,092,126
Public works	2,280,415	2,254,766	-	-	2,280,415	2,254,766
Community relations	203,180	151,849	-	-	203,180	151,849
Planning and development	866,435	744,273	-	-	866,435	744,273
Parks and museum	1,108,670	975,063	-	-	1,108,670	975,063
Depreciation	2,657,612	2,343,719	-	-	2,657,612	2,343,719
Interest	228,517	259,677	-	-	228,517	259,677
Water and sewer utility	-	-	22,095,452	21,192,444	22,095,452	21,192,444
Total expenses	20,241,664	18,969,952	22,095,452	21,192,444	42,337,116	40,162,396
Increase (decrease) in net position	3,137,370	2,423,894	1,015,800	388,174	4,153,170	2,812,068
Net Position - July 1	18,641,299	16,217,405	97,266,250	96,878,076	115,907,549	110,628,941
Net Position - June 30	\$ 21,778,669	\$ 18,641,299	\$ 98,282,050	\$ 97,266,250	\$ 120,060,719	\$ 115,907,549

Financial Analysis of the City's Funds

As noted earlier, the City utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the city's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the city's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2024, the City governmental funds reported combined fund balances of \$19,512,756, an increase of \$1,996,292 from prior year balances. A total of \$8,174,721, or approximately 42% of this total amount constitutes unassigned fund balance, which is available for spending at the City's discretion.

Financial Analysis of the City's Funds (Continued)

The remainder of the fund balance is split between a nonspendable amount of \$248,155; a restricted amount of \$9,919,652 that is not available for new spending since it has already been restricted for specific purposes; \$25,000 being committed by City Council; and \$1,145,228 being assigned.

The General Fund is the primary operating fund of the City. On June 30, 2024, the total fund balance in the general fund was \$11,349,185. The General Fund's fund balance increased by \$787,336 during the current fiscal year. This increase is primarily the result of a grant received by the City in the current fiscal year for \$1 million. This grant, provided by the South Carolina Parks and Recreation department is to aid the City in the design and construction of a 12,000 Year History Park Visitor's Center, and is accounted for in the General Fund's restricted fund balance at June 30, 2024.

Proprietary Funds – The City's Proprietary Fund provides the same type of information found in the government-side financial statements, but with greater detail. On June 30, 2024, total net position of the Water and Sewer Utility System totaled \$98,282,050 as compared to a balance of \$97,266,250 at June 30, 2023. The increase in net position of \$1,015,800 for the current fiscal year is due to the receipt of \$1,094,689 in capacity charges and other capital contributions that are charged for new development connections to cover the cost of system expansions to service additional water and sewer volume.

General Fund Highlights

A budget to actual statement is provided for the General Fund. Columns for both the original budget adopted for fiscal year 2024, as well as the final actuals are presented. No budget amendments were approved during the 2023-2024 budget year.

The General Fund current year revenues of \$17,311,371 before other financing sources exceeded prior year revenues of \$15,865,579 before other financing sources. This is mainly due to unanticipated one-time grant funding being received in the fiscal year. Expenditures in the current year were \$18,732,907 before other uses, which exceeded prior year expenditures of \$17,202,478. Expenditures increased mainly as a result of increased product and service costs for Public Safety.

Capital Assets and Debt Administration

Capital assets – The City's investments in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$151,545,308 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, and equipment. More details can be found in Notes 1(J) and 6. Major capital asset events in the current year include:

- In order for the City to meet the needs of its citizens and continue to provide high quality services, the City purchased new body camera and reporting software, totaling \$572,668.
- The City has multiple water, sewer, and stormwater capital projects in progress, which accounts for an increase in non-departmental expenses. This includes the completion of the Septage Receiving Station expansion project that was completed in the fiscal year.
- The City issued a General Fund Installment Purchase in September 2023 in an amount not to exceed \$500,000. The purpose of the lease-purchase was to fund the purchase of eight vehicles for various departments.

Long-term Debt – At June 30, 2024, the City's total bonded debt outstanding was \$51,873,883, consisting of tax increment financing (TIF) bonds of \$5,835,000, revenue bonds totaling \$20,345,000 and State Revolving Fund (SRF) loans totaling \$24,679,915. The City also had installment notes totaling \$1,013,968 for Governmental Activities at June 30, 2024. See Notes 1(L) and 7 for more details.

Capital Assets and Debt Administration (Continued)

The TIF bonds outstanding debt is secured by the incremental property tax revenues generated within the Redevelopment District, as well as a pledge of Net Revenues from the Water and Sewer Utility System resulting in a junior lien of the Water and Sewer Utility. The outstanding balance of the revenue bonds is secured by a pledge of the gross revenue of the Water and Sewer Utility System..

The net pension liability was introduced in fiscal year 2014-2015 with the adoption of GASB No. 67 and represents the long-term liabilities for payments to retirees, net of the City's current pension investments. For additional information concerning net pension liability, please see Notes 1(Q) and 8 in the Notes to the Financial Statements. In the fiscal year 2017-2018, GASB No. 75 was implemented and represents the long-term liabilities associated with the City's other post-employment benefits (OPEB) plan. For additional information concerning this plan, please see Notes 1(R) and 9.

Economic Factors and Next Year's Budgets and Rates

- At June 30, 2024, the only unallocated SLFRF funds consist of interest income, which are budgeted in the fiscal year 2024-2025 budget process. The fiscal year 2024-2025 budget process is the first budget in several years in which SLFRF funds is not available as a funding source.
- The City continues to struggle with open positions. The agencies surrounding Cayce have strengthened their wage offerings, making it difficult for Cayce to designate additional funding to compete in the new wage market.
- The City completed a utility rate study in FY 2023-2024, which ultimately recommended a 40% increase to water and sewer rates. City Council chose to adopt a 25% rate increase in the FY 2024-2025 budget process and may consider additional increases in future budgets.
- City Council approved a millage increase of 4 mils in the FY 2024-2025 budget. The City is anticipating additional revenues of \$271,600 from increased property taxes.

These factors were considered when adopting the general fund budget for 2024-2025. Amounts available for appropriation in the general fund budget are \$18,406,288, a decrease of roughly \$1.39 million from the final 2024 budget of \$19,795,516. The budget increase is mainly attributable to City Council's desire to limit funding for the General Fund so as to not increase fees or taxes. It should also be noted that the appropriated budget for fiscal year 2024-2025 includes \$444,950 in budgeted revenues to service current installment purchase obligations of the City. No additional installment purchase is planned for FY 2024-2025.

Property tax revenues for the coming year are projected to increase slightly due to a 4 mil property tax increase in FY2025 that should help offset the real estate market stabilization in the area. The City will monitor economic conditions closely and make necessary budget adjustments as deemed appropriate. More information on property tax revenues can be found in Note 1(T).

Requests for Information

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kelly McMullen, CGFO, City of Cayce, Treasurer.

BASIC FINANCIAL STATEMENTS

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2024

ASSETS	Governmental Activities	Business-type Activities	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 13,731,246	\$ 9,688,419	\$ 23,419,665
Accounts receivables, net	1,837,158	3,102,128	4,939,286
Internal balances	(25,513)	25,513	-
Inventory	87,706	357,724	445,430
Prepaid items	151,445	74,500	225,945
Restricted cash and cash equivalents	10,830,836	11,552,985	22,383,821
Total current assets	<u>26,612,878</u>	<u>24,801,269</u>	<u>51,414,147</u>
NONCURRENT ASSETS			
Capital assets, non-depreciable	8,904,409	1,199,380	10,103,789
Capital assets, net of accumulated depreciation	14,190,235	127,251,284	141,441,519
Other assets, net of accumulated amortization	-	310,124	310,124
Total noncurrent assets	<u>23,094,644</u>	<u>128,760,788</u>	<u>151,855,432</u>
Total assets	<u>49,707,522</u>	<u>153,562,057</u>	<u>203,269,579</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	2,532,525	1,100,937	3,633,462
Deferred outflows related to OPEB	327,289	87,355	414,644
Deferred refunding charges	-	230,238	230,238
Total deferred outflows of resources	<u>2,859,814</u>	<u>1,418,530</u>	<u>4,278,344</u>
Total assets and deferred outflows of resources	<u>\$ 52,567,336</u>	<u>\$ 154,980,587</u>	<u>\$ 207,547,923</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	\$ 3,030,912	\$ 761,180	\$ 3,792,092
Accrued salaries and related expenses	591,798	277,326	869,124
Accrued compensated absences - current portion	296,290	129,755	426,045
Accrued interest payable	8,853	188,758	197,611
Other liabilities	-	6,580	6,580
Customer deposits	46,233	104,593	150,826
Unearned revenue	2,800,126	-	2,800,126
Installment purchase contracts payable - current portion	414,630	-	414,630
Revenue bonds and loans payable - current portion	355,000	3,387,349	3,742,349
Total other post-employment benefit (OPEB) liability - current portion	138,405	2,795	141,200
Total current liabilities	<u>7,682,247</u>	<u>4,858,336</u>	<u>12,540,583</u>
LONG-TERM LIABILITIES			
Accrued compensated absences	179,870	129,940	309,810
Unearned revenue - future capacity charges and credits	-	3,190	3,190
Installment purchase contracts payable	599,338	-	599,338
Revenue bonds and loans payable	5,683,779	43,773,544	49,457,323
Net pension liability	14,393,302	7,265,023	21,658,325
Total other post-employment benefit (OPEB) liability	1,219,609	310,661	1,530,270
Total long-term liabilities	<u>22,075,898</u>	<u>51,482,358</u>	<u>73,558,256</u>
Total liabilities	<u>29,758,145</u>	<u>56,340,694</u>	<u>86,098,839</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	511,785	177,001	688,786
Deferred inflows related to OPEB	518,737	180,842	699,579
Total deferred inflows of resources	<u>1,030,522</u>	<u># 357,843</u>	<u>1,388,365</u>
NET POSITION			
Net investment in capital assets	16,041,897	81,520,009	97,561,906
Restricted:			
Debt service	5,046,605	11,552,984	16,599,589
Capital projects and redevelopment plan	960,330	-	960,330
Tourism and community development	1,883,247	-	1,883,247
Opioid Recovery	83,230	-	83,230
ABC permit activities	71,681	-	71,681
Pension and employee benefits	-	543,520	543,520
PRT Visitors Center Grant	1,806,182	-	1,806,182
PRT Wayfinding Signage Grant	68,377	-	68,377
Unrestricted	<u>(4,182,880)</u>	<u>4,665,537</u>	<u>482,657</u>
Total net position	<u>21,778,669</u>	<u>98,282,050</u>	<u>120,060,719</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 52,567,336</u>	<u>\$ 154,980,587</u>	<u>\$ 207,547,923</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CAYCE, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 3,362,258	\$ 9,919	\$ 1,873,837	\$ -	\$ (1,478,502)	\$ -	\$ (1,478,502)
Information technology	386,445	-	-	-	(386,445)	-	(386,445)
Finance	430,981	-	-	-	(430,981)	-	(430,981)
Public safety	8,717,151	736,968	201,330	-	(7,778,853)	-	(7,778,853)
Public works	1,846,924	1,135,908	1,016,177	-	305,161	-	305,161
Planning and community development	1,069,615	-	172,116	-	(897,499)	-	(897,499)
Parks and museum	1,108,670	-	167,101	-	(941,569)	-	(941,569)
Garage	433,491	-	-	-	(433,491)	-	(433,491)
Depreciation (unallocated)	2,657,612	-	-	-	(2,657,612)	-	(2,657,612)
Interest	228,517	-	-	-	(228,517)	-	(228,517)
Total governmental activities	<u>20,241,664</u>	<u>1,882,795</u>	<u>3,430,561</u>	<u>-</u>	<u>(14,928,308)</u>	<u>-</u>	<u>(14,928,308)</u>
Business-type activities:							
Water and sewer utility	22,095,452	21,442,999	-	1,094,689	-	442,236	442,236
Total business-type activities	<u>\$ 22,095,452</u>	<u>\$ 21,442,999</u>	<u>\$ -</u>	<u>\$ 1,094,689</u>	<u>-</u>	<u>442,236</u>	<u>442,236</u>
General revenues:							
Property taxes					6,601,717	-	6,601,717
Accommodation and hospitality taxes					2,081,550	-	2,081,550
State shared and unallocated intergovernmental					754,251	-	754,251
Business licenses, taxes, and penalties					5,453,873	-	5,453,873
Unrestricted investment earnings					536,716	562,914	1,099,630
Gain on sale of assets					83,720	10,650	94,370
Miscellaneous					2,553,851	-	2,553,851
Total general revenues					<u>18,065,678</u>	<u>573,564</u>	<u>18,639,242</u>
Change in net position					3,137,370	1,015,800	4,153,170
Net position, beginning of year					18,641,299	97,266,250	115,907,549
Net position, end of year					<u>\$ 21,778,669</u>	<u>\$ 98,282,050</u>	<u>\$ 120,060,719</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2024

	General Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 10,759,637	\$ 2,893,444	\$ 78,165	\$ 13,731,246
Receivables, net of allowance	1,774,495	-	62,663	1,837,158
Due from other funds	57,605	6,096	20,790	84,491
Inventory	87,706	-	-	87,706
Prepaid items	111,297	40,148	-	151,445
Restricted assets:				
Restricted cash and cash equivalents	981,877	-	9,848,959	10,830,836
Total assets	\$ 13,772,617	\$ 2,939,688	\$ 10,010,577	\$ 26,722,882
LIABILITIES				
Accounts payable	\$ 1,064,858	\$ 28,160	\$ 1,937,894	\$ 3,030,912
Accrued liabilities	591,798	-	-	591,798
Deposits and prepayments	46,233	-	-	46,233
Due to other funds	77,595	23,481	8,928	110,004
Unearned revenue	11,895	2,788,231	-	2,800,126
Total liabilities	1,792,379	2,839,872	1,946,822	6,579,073
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	631,053	-	-	631,053
Total deferred inflows of resources	631,053	-	-	631,053
FUND BALANCES				
Nonspendable in:				
Inventories and prepaid items	208,007	40,148	-	248,155
Restricted for:				
Debt service	-	-	5,046,605	5,046,605
Tourism and community development	-	-	1,883,247	1,883,247
ABC permit activities	-	-	71,681	71,681
Capital projects and redevelopment plan	-	59,668	900,662	960,330
Opioid recovery	-	-	83,230	83,230
PRT Visitors Center grant	1,806,182	-	-	1,806,182
PRT Wayfinding Signage grant	68,377	-	-	68,377
Committed for:				
UST program	25,000	-	-	25,000
Assigned for:				
Christmas in Cayce	6,047	-	-	6,047
Congaree Blue Grass Festival	38,974	-	-	38,974
Museum	-	-	78,330	78,330
History park	981,877	-	-	981,877
Grant matches	40,000	-	-	40,000
Unassigned	8,174,721	-	-	8,174,721
Total fund balances	11,349,185	99,816	8,063,755	19,512,756
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,772,617	\$ 2,939,688	\$ 10,010,577	\$ 26,722,882

The accompanying notes are an integral part of these financial statements.

CITY OF CAYCE, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds	\$	19,512,756
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	\$	43,219,637
Accumulated depreciation		<u>(20,124,993)</u>
		23,094,644
Other long-term assets not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Property taxes receivable		631,053
Deferred outflows of resources related to the recording of net pension and liability and total OPEB liability are recognized as expense over time and, therefore, are not reported in the funds.		
Deferred outflows related to other post-employment benefits	\$	327,289
Deferred outflows related to pensions		<u>2,532,525</u>
		2,859,814
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and installment purchase contracts payable	\$	(7,052,747)
Accrued interest payable		(8,853)
Compensated absences payable		(476,160)
Total other postemployment benefits liability		(1,358,014)
Net pension liability		<u>(14,393,302)</u>
		(23,289,076)
Deferred inflows of resources related to pensions and other post-employment benefits are not due and payable in the current period and, therefore, are not reported in the funds.		
Deferred inflows related to other post-employment benefits	\$	(518,737)
Deferred inflows related to pensions		<u>(511,785)</u>
		<u>(1,030,522)</u>
Net position of governmental activities	\$	<u><u>21,778,669</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 5,000,552	\$ -	\$ 1,133,595	\$ 6,134,147
Accommodation and hospitality taxes	-	-	2,081,550	2,081,550
Licenses and permits	5,453,873	-	-	5,453,873
Fines and forfeitures	162,671	-	-	162,671
State shared revenue	536,695	-	217,556	754,251
Charges for services	1,720,124	-	-	1,720,124
Intergovernmental	1,648,655	1,609,790	110,907	3,369,352
Interest income	234,950	99,816	201,950	536,716
Miscellaneous	2,553,851	-	61,209	2,615,060
Total revenues	17,311,371	1,709,606	3,806,767	22,827,744
Expenditures:				
Current:				
General government	1,778,105	1,592,615	-	3,370,720
Information technology	387,553	-	-	387,553
Finance	440,173	-	-	440,173
Public safety	9,769,873	-	28,143	9,798,016
Public works	1,865,534	-	-	1,865,534
Community relations	203,180	-	-	203,180
Planning and community development	695,026	-	174,752	869,778
Parks and museum	1,125,490	-	-	1,125,490
Garage	452,440	-	-	452,440
Non-departmental and support services	186,568	17,175	-	203,743
Capital outlay	1,344,683	-	299,967	1,644,650
Debt service:				
Principal retirement	454,930	-	340,000	794,930
Interest	29,352	-	229,613	258,965
Total expenditures	18,732,907	1,609,790	1,072,475	21,415,172
Excess (deficiency) of revenues over (under) expenditures	(1,421,536)	99,816	2,734,292	1,412,572
Other financing sources (uses):				
Issuance of debt	500,000	-	-	500,000
Sales of assets	83,720	-	-	83,720
Transfers in	1,625,152	-	6,342	1,631,494
Transfers out	-	-	(1,631,494)	(1,631,494)
Total other financing sources (uses), net	2,208,872	-	(1,625,152)	583,720
Net change in fund balances	787,336	99,816	1,109,140	1,996,292
Fund balances, beginning of year	10,561,849	-	6,954,615	17,516,464
Fund balances, end of year	\$ 11,349,185	\$ 99,816	\$ 8,063,755	\$ 19,512,756

The accompanying notes are an integral part of these financial statements.

CITY OF CAYCE, SOUTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds	\$	1,996,292
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.

Capital outlay	\$	2,507,713	
Depreciation expense		<u>(2,657,612)</u>	(149,899)

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. These amounts are:

Property taxes	\$	<u>467,570</u>	467,570
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.

Issuance of debt	\$	(500,000)	
Principal payments		<u>794,930</u>	294,930

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. The details are as follows:

Compensated absences	\$	35,559	
Accrued interest on long-term debt		557	
Net pension liability and related deferred inflows and outflows of resources		277,347	
Amortization of bond premiums and discounts		29,891	
Total other postemployment benefits liability, net of related deferred outflows and inflows of resources		<u>185,123</u>	<u>528,477</u>

Change in net position of governmental activities	\$	<u><u>3,137,370</u></u>
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CITY OF CAYCE, SOUTH CAROLINA

**STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 JUNE 30, 2024**

	Water and Sewer Utility Fund
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 9,688,419
Receivables, net:	
Water and sewer	3,010,565
Other	91,563
Prepaid items	74,500
Inventory	357,724
Due from other funds	53,819
Restricted cash and cash equivalents	11,552,985
Total current assets	24,829,575
NONCURRENT ASSETS	
Capital assets, non-depreciable	1,199,380
Capital assets, net of accumulated depreciation	127,251,284
Other assets, net of accumulated amortization	310,124
Total noncurrent assets	128,760,788
Total assets	153,590,363
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	87,355
Deferred outflows related to pensions	1,100,937
Deferred refunding charges	230,238
Total deferred outflows of resources	1,418,530
Total assets and deferred outflows of resources	\$ 155,008,893
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	\$ 761,180
Accrued payroll and related taxes	277,326
Accrued compensated absences - current portion	129,755
Accrued interest payable	188,758
Other liabilities	6,580
Due to other funds	28,306
Customer prepayments	104,593
Revenue bonds and loans payable - current portion	3,387,349
Total other post-employment benefit (OPEB) liability - current portion	2,795
Total current liabilities	4,886,642
LONG-TERM LIABILITIES	
Accrued compensated absences	129,940
Unearned revenue - future capacity charges and credits	3,190
Revenue bonds and loans payable	43,773,544
Net pension liability	7,265,023
Total other post-employment benefit (OPEB) liability	310,661
Total long-term liabilities	51,482,358
Total liabilities	56,369,000
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	180,842
Deferred inflows related to pensions	177,001
Total deferred inflows of resources	357,843
NET POSITION	
Net investment in capital assets	81,520,009
Restricted:	
Debt and capital projects	11,552,984
Pension and employee benefits	543,520
Unrestricted	4,665,537
Total net position	98,282,050
Total liabilities, deferred inflows of resources and net position	\$ 155,008,893

The accompanying notes are an integral part of these financial statements.

CITY OF CAYCE, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Water and Sewer Utility Fund
Operating Revenue	
Water:	
Sales	\$ 6,036,815
Connection fees	65,668
Sewer:	
Service charges	13,127,877
Connection fees	2,250
Septage/grease services:	
Sales and permits	1,641,442
Pretreatment set-up fees	72,770
Reconnection fees	40,544
Penalties	263,588
Miscellaneous	192,045
Total operating revenue	21,442,999
Operating Expenses	
Administrative	661,353
Utility billing	930,184
Water treatment plant	1,774,170
Water distribution and maintenance	1,751,352
Wastewater treatment plant	5,192,571
Sewer collection and outfall lines	1,598,116
Septage and grease receiving station	710,433
Non-departmental and support services	2,117,784
Depreciation and amortization	6,343,799
Total operating expenses	21,079,762
Operating income	363,237
Non-operating Revenue (Expenses)	
Interest income	562,914
Gain from sale of capital assets	10,650
Interest expense	(843,173)
Amortization of bond refunding losses	(162,658)
Fiscal agent fees	(9,859)
Total non-operating expenses, net	(442,126)
Loss before capital contributions	(78,889)
Capital Contributions	
Capacity charges and other capital contributions	1,094,689
Change in net position	1,015,800
Net position, beginning of year	97,266,250
Net position, end of year	\$ 98,282,050

The accompanying notes are an integral part of these financial statements.

CITY OF CAYCE, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Water and Sewer Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 21,334,185
Cash paid to suppliers	(9,414,011)
Cash paid to employees	(5,275,072)
Net cash provided by operating activities	6,645,102
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from sale of capital assets	10,650
Acquisition and construction of capital assets	(1,106,513)
Interest and fiscal agent fees paid on capital related debt	(1,425,409)
Principal payments on debt	(3,283,587)
Proceeds from the issuance of loans	432,670
Capacity charges and other capital contributions	1,094,689
Net cash used in capital and related financing activities	(4,277,500)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned on investments	562,914
Net cash provided by investing activities	562,914
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,930,516
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	18,310,888
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 21,241,404
CLASSIFIED AS:	
CASH AND CASH EQUIVALENTS	\$ 9,688,419
CASH AND CASH EQUIVALENTS, RESTRICTED	11,552,985
	\$ 21,241,404
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 363,237
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	6,343,799
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
(Increase) decrease in assets and deferred outflows:	
Change in accounts receivable	288,950
Change in other receivables	(343,410)
Change in prepaid items	211
Change in inventory	(123,607)
Change in due from other funds	(53,819)
Change in deferred outflows or resources - pension and OPEB	(7,568)
Increase (decrease) in liabilities and deferred inflows:	
Change in accounts payable	278,853
Change in accrued payroll and related taxes	31,026
Change in other liabilities	4,322
Change in due to other funds	(60,155)
Change in customer deposits	30,317
Change in accrued compensated absences	38,786
Change in unearned revenue	(30,852)
Change in net pension liability	10,923
Change in OPEB liability	(3,519)
Change in deferred inflows of resources - pension and OPEB	(122,392)
Net cash provided by operating activities	\$ 6,645,102

The accompanying notes are an integral part of these financial statements.

CITY OF CAYCE, SOUTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024**

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents - unrestricted	\$ 15,976
Cash and cash equivalents - restricted	<u>152,027</u>
Total assets	<u>168,003</u>
LIABILITIES	
Amounts due to others	<u>161,260</u>
Total liabilities	<u>161,260</u>
FIDUCIARY NET POSITION	
Restricted for individuals, organizations and other governments	<u>6,743</u>
	<u>\$ 6,743</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CAYCE, SOUTH CAROLINA

**STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Custodial Funds</u>
ADDITIONS	
Insurance fees	\$ 65,187
Seizures	3,591
Interest income	2,167
Miscellaneous	18
	<hr/>
Total additions	70,963
	<hr/>
DEDUCTIONS	
Other custodial disbursements	69,591
	<hr/>
Total deductions	69,591
	<hr/>
Change in fiduciary net position	1,372
Fiduciary net position, beginning of year	5,371
	<hr/>
Fiduciary net position, end of year	\$ 6,743
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

CITY OF CAYCE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

NOTE 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, 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, the basic financial statements of the City present the reporting entity that consists of the primary government and those legally separate organizations for which the elected officials of the primary government are 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 has no component units as of June 30, 2024.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

Government-wide 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 nonfiduciary activities of the government as a whole. All fiduciary activities are reported only in the fund financial statements. 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 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

The City reports the General Fund and the ARPA Grant Fund as the major governmental funds and the Water and Sewer Utility Fund as the major proprietary fund. Combining schedules for the non-major funds are presented in the supplementary information section of this report. Because of the basis of accounting and reporting differences, summary reconciliations to the Government-wide financial statements are presented as a part of the basic financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City's general operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **ARPA Grant Fund** is used to account for the activities associated with the City's allocation of grant monies under the Coronavirus State and Fiscal Recovery Funds program.

The City reports the following major proprietary fund:

The **Water & Sewer Utility 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.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** are 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 and opioid recovery; state restricted funds for accommodation taxes and alcohol permits; restricted hospitality taxes; plus, the Cayce Museum Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

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 tax increment financing (TIF) district used for retirement of long-term debt.

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 TIF district.

Fiduciary Funds - All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in fiduciary Net Position.

Accordingly, the **Custodial Funds** are 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, 2024, these included the Police Fund and the Firemen's Fund. Accordingly, the **Firemen's Fund** accounts for monies collected from the State for the benefit of the fire department. The **Police Fund** accounts for monies collected through drug seizures and other similar activities. For the two custodial funds of the City, the assets of the funds are for the benefit of other entities and individuals and the assets are not derived from the City providing goods or services to these other entities and individuals.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds, when applicable) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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.

Fiduciary Fund statements reflect net position 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.

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

Budgets and Encumbrances (Continued)

The General Fund operated under a final expenditure budget totaling \$19,731,716. Final budgeted revenues totaled \$17,436,300 and other financing sources (uses) totaled \$2,295,416, leaving a net change in fund balance of \$0. 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 final expenditure budget totaling \$16,691,724 (including operation and maintenance, capital improvements, debt service principal amounts and coverages). Actual operating expenses totaled \$21,079,762 (including a charge of \$6,343,799 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, 2024.

E. Cash and Cash Equivalents

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.

F. Receivables and Allowance for Doubtful Accounts

Accounts receivable include amounts receivable from customers, users, others, and other governments and such amounts are stated net of any applicable allowance for uncollectible accounts.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Restricted Assets

Restricted assets 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.

H. Interfund Receivables and 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.

I. 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. Prepaid items are accounted for under the consumption method.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. 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, 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.

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, 2024. 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:

	<u>Years</u>
Buildings	15 to 40
Improvements	10 to 30
Machinery and equipment	3 to 20
Water and sewer systems	10 to 50

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences (Accrued Vacation and Sick Leave)

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

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

L. 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 effective interest method. Other long-term obligations represent outstanding net present value portions due on installment purchase contracts, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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 and grants received in advance of eligibility requirements having been met.

N. 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, 2024, the current credit balance outstanding equals \$30,852.

O. Deferred Outflows/Inflows of Resources

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net assets 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 assets 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 and the Governmental Funds Balance Sheet.

At June 30, 2024, 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 outflows/inflows of resources related to pensions and OPEB at June 30, 2024, as follows.

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four (4) items that qualify for reporting in this category, which are related to pension and OPEB obligations as follows:

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows/Inflows of Resources (Continued)

Deferred Outflows of Resources (Continued)

1. Pension and OPEB contributions made subsequent to the measurement date, which will be recognized as a reduction of the net pension liability and the total OPEB liability in the subsequent year.
2. The differences between expected and actual experience are amortized into pension and OPEB expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
3. The changes in proportion and differences between employer contribution and proportionate share of contributions, which will be deferred and amortized over the remaining service lives of all plan participants.
4. Changes in assumptions, which will be amortized into pension and OPEB expense over a closed five-year period.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category, which are related to pension and OPEB obligations as follows:

1. The differences between expected and actual experience are amortized into pension and OPEB expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
2. The changes in proportion and differences between employer contribution and proportionate share of contributions, which will be deferred and amortized over the remaining service lives of all plan participants.
3. Changes in assumptions, which will be amortized into OPEB expense over a closed five-year period.
4. The net difference between the projected and actual earnings on pension plan investments which is deferred and amortized over a closed five-year period.

The City also has inflows which arise under the modified accrual basis of accounting that qualify for reporting in this category. The item, *unavailable revenue*, is reported only in the governmental funds balance sheet. As such, under the modified accrual basis of accounting, the governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amount became available.

Unearned Revenue

The City also defers revenue recognition in connection with resources that have been billed or received, but not yet earned.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. 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.

R. 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 Plan has 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.

The City's valuation method is the Entry Age Normal 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).

S. Net Position and Fund Balance

In the Government-wide financial statements, the difference between the City's total assets and deferred outflows of resources, less total liabilities and deferred inflows of resources represents net position. Net position for both the governmental activities 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Net Position and Fund Balance (Continued)

Fund equity at the governmental fund financial reporting level is classified as fund balance. Fund equity for all other reporting is classified as net position.

Fund Balance – Generally, fund balance represents the difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources under the current financial resources measurement focus and modified accrual basis of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either; (a) not in a spendable form; or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws and regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Council through the passage of an ordinance. Only the Council may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Intent can be expressed by the Council or by an official or body to which the Council delegates the authority. The Council has delegated such authority to the City Manager.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Property Taxes

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

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

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

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

U. 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 charges 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).

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. 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.

W. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the General Fund during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. For budget purposes, encumbrances and unused expenditure appropriations lapse at year-end.

X. Accounting 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.

Y. Proprietary Funds Operating and Non-operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. The City's business-type activities accounted for in proprietary funds are water and sewer sales and services. Operating expenses for proprietary 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

1. Budgets are adopted on a GAAP basis. During the spring, the City's Administration, with other department input, develops a preliminary budget model for operational and capital expenditures, and develops revenue projections as a proposed means of financing the proposed expenditures.
2. Upon receipt of the budget estimates, the City Council holds a first reading of the budget ordinance. Information about the budget ordinance is then published in the local newspaper. The ordinance sets the limit at the fund level, for which expenditures may not exceed appropriations. After two readings of the budget, the City Council legally adopts the budget through the passage of the ordinance.
3. Budget accountability rests primarily with the operating departments of the City. In accomplishing the programs and objectives for which the budget was authorized, department directors are responsible for ensuring that their respective expenditures do not exceed the prescribed funding levels.
4. For each assigned function, a department is obligated to stay within budget for his area. The City Manager has the authority to make transfers across departments and funds. Such transfers are entered on the City's records. All unused expenditure appropriations lapse at year-end. However, the City Council must approve any revisions that alter the total expenditures of any fund.
5. Budgeted amounts are as originally adopted, or as amended by the City Council.

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2024, expenses exceeded appropriations in the Water and Sewer Utility Fund in the amount of \$4,388,038. These over-expenditures were financed by certain revenues, capital contributions, and the use of fund balance/net position.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

As of June 30, 2024, the City had the following cash and cash equivalent balances:

Cash on hand	\$	850
Carrying amount of cash and cash equivalents		45,970,639
	\$	<u>45,971,489</u>
Statement of Net Position:		
Cash and cash equivalents	\$	23,419,665
Cash and cash equivalents - restricted		22,383,821
Statement of Fiduciary Net Position:		
Cash and cash equivalents		168,003
	\$	<u>45,971,489</u>

Certain cash and cash equivalents of the City are legally restricted for specified purposes. The major types of restrictions at June 30, 2024, were those imposed by the revenue source (i.e., hospitality tax, drug fund, etc.) and as stipulated in the bond offering documents.

Under State law, the City is authorized to hold funds in deposit accounts with banking institutions and invest funds in the following items: obligations of the United States and agencies thereof, obligations of the State of South Carolina or any of its political units, banks and savings and loan associations to the extent insured by an agency of the federal government, and/or certificates of deposit where the certificates are federally insured or collaterally secured by collateral of the types in the previously mentioned items.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. The City does not have a deposit policy for custodial credit risk. At June 30, 2024, the carrying amount of the City's cash deposits with financial institutions was \$45,970,639 and the financial institution's balances totaled \$49,058,577. As of June 30, 2024, all of the City's deposits were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust department in the City's name. The City's cash on hand at June 30, 2024, amounted to \$850. Accordingly, the City was not exposed to custodial credit risk.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. 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, 2024, the City had no investments subject to interest rate risk.

Credit Risk – Investments

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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 fair 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. As of June 30, 2024, the City had no investments subject to credit risk.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of a bank failure, the government 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, 2024, the City had no investments subject to custodial credit risk.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

As of June 30, 2024, the City reported no investments subject to reporting in the fair value hierarchy.

NOTE 4. RECEIVABLES

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Water and Sewer Utility Fund	Nonmajor Governmental Funds
Receivables:			
Property taxes	\$ 772,566	\$ -	\$ -
Sanitation and fire hydrant fees	100,460	-	-
Water and sewer accounts	-	2,756,591	-
Wastewater Treatment Plant contribution	-	445,643	-
Grants receivable	95,757	-	-
Accommodations taxes	-	-	57,526
Other	935,749	91,563	5,137
Gross receivables	1,904,532	3,293,797	62,663
Less allowance for uncollectible	(130,037)	(191,669)	-
Net receivables	\$ 1,774,495	\$ 3,102,128	\$ 62,663

NOTES TO FINANCIAL STATEMENTS

NOTE 5. DUE TO/FROM OTHER FUNDS (INTERNAL BALANCES)

The composition of interfund balances at June 30, 2024, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water and Sewer Fund	General Fund	\$ 53,819
Nonmajor Governmental Funds	General Fund	20,790
General Fund	Water and Sewer Fund	28,306
General Fund	ARPA Fund	23,481
General Fund	Nonmajor Governmental Funds	5,818
ARPA Fund	Nonmajor Governmental Funds	3,110
ARPA Fund	General Fund	2,986
		<u>\$ 138,310</u>

The composition of interfund transfers as of June 30, 2024, consisted of the following:

<u>Transfer in</u>	<u>Transfer out</u>	<u>Amount</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	\$ 6,342
General Fund	Nonmajor Governmental Funds	1,625,152
		<u>\$ 1,631,494</u>

Interfund balances largely result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended June 30, 2024, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land and rights-of-way	\$ 7,838,828	\$ -	\$ -	\$ -	\$ 7,838,828
Construction in progress	390,664	744,127	-	(69,210)	1,065,581
Total	<u>8,229,492</u>	<u>744,127</u>	<u>-</u>	<u>(69,210)</u>	<u>8,904,409</u>
Capital assets, being depreciated:					
Land improvements	18,114,670	292,965	-	69,210	18,476,845
Buildings and improvements	2,430,791	85,362	-	-	2,516,153
Furniture, vehicles, and equipment	12,251,361	1,385,259	(314,390)	-	13,322,230
Total	<u>32,796,822</u>	<u>1,763,586</u>	<u>(314,390)</u>	<u>69,210</u>	<u>34,315,228</u>
Less accumulated depreciation for:					
Land improvements	(7,242,485)	(1,372,731)	-	-	(8,615,216)
Buildings and improvements	(1,805,120)	(108,131)	-	-	(1,913,251)
Furniture, vehicles, and equipment	(8,734,166)	(1,176,750)	314,390	-	(9,596,526)
Total	<u>(17,781,771)</u>	<u>(2,657,612)</u>	<u>314,390</u>	<u>-</u>	<u>(20,124,993)</u>
Total capital assets, being depreciated, net	<u>15,015,051</u>	<u>(894,026)</u>	<u>-</u>	<u>69,210</u>	<u>14,190,235</u>
Governmental activities capital assets, net	<u>\$ 23,244,543</u>	<u>\$ (149,899)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,094,644</u>

Depreciation expense totaled \$2,657,612 for the year ended June 30, 2024.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the business-type activities for the year ended June 30, 2024, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 451,035	\$ -	\$ -	\$ -	\$ 451,035
Construction in progress	4,415,883	290,389	-	(3,957,927)	748,345
Total	<u>4,866,918</u>	<u>290,389</u>	<u>-</u>	<u>(3,957,927)</u>	<u>1,199,380</u>
Capital assets, being depreciated:					
Water plant and distribution system	73,626,573	160,000	-	-	73,786,573
Wastewater plant and collection system	119,190,891	9,739	-	-	119,200,630
Septage and grease facility	1,556,300	-	-	3,957,927	5,514,227
Furniture, vehicles, and equipment	10,757,521	646,385	-	-	11,403,906
Total	<u>205,131,285</u>	<u>816,124</u>	<u>-</u>	<u>3,957,927</u>	<u>209,905,336</u>
Less accumulated depreciation for:					
Water plant and distribution system	(28,271,349)	(2,284,465)	-	-	(30,555,814)
Wastewater plant and collection system	(39,714,754)	(3,094,492)	-	-	(42,809,246)
Septage and grease facility	(471,416)	(250,174)	-	-	(721,590)
Furniture, vehicles, and equipment	(7,866,831)	(700,571)	-	-	(8,567,402)
Total	<u>(76,324,350)</u>	<u>(6,329,702)</u>	<u>-</u>	<u>-</u>	<u>(82,654,052)</u>
Total capital assets, being depreciated, net	<u>128,806,935</u>	<u>(5,513,578)</u>	<u>-</u>	<u>3,957,927</u>	<u>127,251,284</u>
Business-type activities capital assets, net	<u>\$ 133,673,853</u>	<u>\$ (5,223,189)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,450,664</u>

Depreciation expense totaled \$6,329,702 for the year ended June 30, 2024. Depreciation expense charged to Governmental Activities on the previous page was not allocated to specific functions in the Statement of Activities, as the City does not have a reasonable basis for allocation.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT OBLIGATIONS

Long-term debt of the City at June 30, 2024, 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.	\$ 5,835,000
Installment purchase contract - (vehicles) \$429,034, dated December 16, 2021, interest at 1.38% per annum (payable monthly with principal), final payment due December 2025.	163,409
Installment purchase contract - (sanitation vehicle) \$250,000, dated November 21, 2022, interest at 4.05% per annum (payable monthly with principal), final payment due November 2026.	155,846
Installment purchase contract - (vehicles) \$488,000, dated September 28, 2022, interest at 2.86% per annum (payable monthly with principal), final payment due September 2026.	281,343
Installment purchase contract - (vehicle) \$500,000, dated September 6, 2023, interest at 4.78% per annum (payable monthly with principal), final payment due August 2025.	413,370
	6,848,968
Less, current portions due within one year:	
TIF Junior lien bonds, Series 2017	(355,000)
Installment purchase contracts	(414,630)
Add, bond premium:	
Series 2017 bond premium (\$436,275 net of \$232,496 accumulated amortization)	203,779
Total bonds and installment purchase contracts, Governmental Activities	\$ 6,283,117

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).

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT OBLIGATIONS (CONTINUED)

A. Governmental Activities (Continued)

Series 2017 TIF Junior Lien Bonds (Continued)

The annual debt service requirements for the 2017 TIF bonds are as follows at June 30, 2024:

TIF Bond, Series 2017 Year ending June 30,	Principal	Interest	Total
2025	\$ 355,000	\$ 216,013	\$ 571,013
2026	365,000	201,813	566,813
2027	380,000	187,213	567,213
2028	395,000	172,013	567,013
2029	415,000	156,213	571,213
2030-2034	2,325,000	522,900	2,847,900
2035-2038	1,600,000	109,721	1,709,721
Total	<u>\$ 5,835,000</u>	<u>\$ 1,565,886</u>	<u>\$ 7,400,886</u>

Installment Purchase Contracts

The City has entered into certain financed purchase agreements (installment purchase contracts) for the acquisition of various machinery, equipment, and vehicles. The notes are collateralized by certain equipment and vehicles used in the Governmental Activities (General Fund) operation. The annual debt service requirements for the installment purchase contracts are as follows at June 30, 2024:

Installment Purchase Contracts Year ending June 30,	Principal	Interest	Total
2025	\$ 414,630	\$ 30,318	\$ 444,948
2026	372,594	30,318	402,912
2027	192,621	5,524	198,145
2028	34,123	272	34,395
Total	<u>\$ 1,013,968</u>	<u>\$ 66,432</u>	<u>\$ 1,080,400</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT OBLIGATIONS (CONTINUED)

B. Business-type Activities

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.	\$ 765,000
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.	20,960,320
Water and Sewer System Refunding Revenue Bonds, Series 2020, \$20,535,000. dated July 21, 2020, principal and interest (2.05% - 5.00%), payable semi-annually, final payment due June 2036.	15,080,000
Clean Water State Revolving Funds (SRF) Loan, Series 2021, \$4,086,660, dated December 1, 2002, principal and interest (1.80% to 2.20% per annum), payable quarterly in one hundred twenty (120) installments, first payment due January 2023.	3,719,595
	45,024,915
Add/Subtract:	
Series 2016A bond discount (\$44,769 net of \$44,122 accumulated amortization)	(647)
Series 2016B bond premium (\$660,846 net of \$478,930 accumulated amortization)	181,916
Series 2020 bond premium (\$4,109,478 net of \$2,154,769 accumulated amortization)	1,954,709
Current portion, State Revolving Fund loans (Series 2002 and 2017)	(842,349)
Current portion, revenue bonds (Series 2016A and 2020)	(2,545,000)
	\$ 43,773,544

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 Utility Fund infrastructure improvements. The Series 2017 loan is 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT OBLIGATIONS (CONTINUED)

B. Business-type Activities (Continued)

Series 2017 SRF Loan (Continued)

The annual debt service requirements for the 2017 SRF loan are as follows at June 30, 2024:

SRF Loan, Series 2017 Year ending June 30,	Principal	Interest	Total
2025	\$ 687,215	\$ 372,664	\$ 1,059,879
2026	699,669	360,210	1,059,879
2027	712,348	347,531	1,059,879
2028	725,257	334,622	1,059,879
2029	738,400	321,479	1,059,879
2030-2034	3,897,633	1,401,763	5,299,396
2035-2039	4,263,829	1,035,567	5,299,396
2040-2044	4,664,431	634,966	5,299,397
2045-2049	4,571,538	197,919	4,769,457
Total	<u>\$ 20,960,320</u>	<u>\$ 5,006,721</u>	<u>\$ 25,967,041</u>

Series 2021 SRF Loan

The City issued \$4,086,550 Clean Water State Revolving Fund Loan, Series 2021 for the purpose of defraying costs associated with certain Water and Sewer Fund infrastructure improvements. The Series 2021 loan is 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. At June 30, 2024, the loan remained in the drawdown phase with \$4,008,579 of the total loan amount drawn.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT OBLIGATIONS (CONTINUED)

B. Business-type Activities (Continued)

Series 2016 A&B Bonds and Defeasance 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 \$61,476 for the year ended June 30, 2021. Proceeds from the Series 2016A&B bonds were used to (1) redeem the callable portion of the Series 2007A bonds and (2) 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.

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 annual debt service requirements for the 2016A bonds are as follows at June 30, 2024:

Revenue Bond, Series 2016A			
Year ending June 30,	Principal	Interest	Total
2025	\$ 765,000	\$ 12,317	\$ 777,317
Total	<u>\$ 765,000</u>	<u>\$ 12,317</u>	<u>\$ 777,317</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT OBLIGATIONS (CONTINUED)

C. Business-type Activities (Continued)

Series 2016 A&B Bonds and Defeasance of Series 2007A Bonds (Continued)

The annual debt service requirements for the 2016B bonds are as follows at June 30, 2024:

Revenue Bond, Series 2016B Year ending June 30,	Principal	Interest	Total
2025	\$ 215,000	\$ 174,625	\$ 389,625
2026	1,015,000	151,100	1,166,100
2027	1,060,000	109,600	1,169,600
2028	1,100,000	66,400	1,166,400
2029	1,110,000	22,200	1,132,200
Total	<u>\$ 4,500,000</u>	<u>\$ 523,925</u>	<u>\$ 5,023,925</u>

Series 2020 Bond and Defeasance of Series 2009 and Series 2015 SRF Loans

The City issued \$20,535,000 Water and Sewer System Refunding Revenue Bonds, Series 2020, dated July 21, 2020, 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. 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. 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 defeasance transaction of the Series 2009, 2015, and 2020 bonds resulted in an economic gain of \$1,174,594, a cash flow savings of \$1,377,638, and a deferred loss on the refunding of \$360,147, which is being amortized over the shorter life of the new refunding debt or the refunded (old) debt, with such amount being reported as a deferred outflow of resources on the Statement of Net Position.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT OBLIGATIONS (CONTINUED)

B. Business-type Activities (Continued)

Series 2020 Bond and Defeasance of Series 2009 and Series 2015 SRF Loans (Continued)

The annual debt service requirements for the 2020 bonds are as follows at June 30, 2024:

Revenue Bond, Series 2020 Year ending June 30,	Principal	Interest	Total
2025	\$ 1,565,000	\$ 659,523	\$ 2,224,523
2026	1,645,000	581,273	2,226,273
2027	1,725,000	499,023	2,224,023
2028	1,815,000	412,773	2,227,773
2029	1,935,000	322,023	2,257,023
2030-2034	6,140,000	435,263	6,575,263
2035-2036	255,000	6,045	261,045
Total	<u>\$ 15,080,000</u>	<u>\$ 2,915,923</u>	<u>\$ 17,995,923</u>

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 involve State Revolving Fund loans.

Springdale Agreement

On August 30, 2001, the City and the City 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 City of Springdale. The Series 2002 SRF Loan matures on September 1, 2024.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT OBLIGATIONS (CONTINUED)

B. Business-type Activities (Continued)

Lexington and Commission Agreement

On August 28, 2009, the City entered into a Wastewater Services Agreement with the City 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.

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NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT OBLIGATIONS (CONTINUED)

Changes in the long-term debt of the City during the year ended June 30, 2024, were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due within One Year
Governmental Activities:					
TIF Revenue Bonds - Series 2017	\$ 6,175,000	\$ -	\$ (340,000)	\$ 5,835,000	\$ 355,000
Premium on bonds	233,670	-	(29,891)	203,779	-
Total revenue bonds	6,408,670	-	(369,891)	6,038,779	355,000
Installment purchase contracts (direct borrowings)	968,898	500,000	(454,930)	1,013,968	414,630
Accrued compensated absences	511,719	260,731	(296,290)	476,160	296,290
Net pension liability	14,417,179	1,367,609	(1,391,486)	14,393,302	-
Total OPEB liability	1,386,486	100,411	(128,883)	1,358,014	138,405
	<u>\$ 23,692,952</u>	<u>\$ 2,228,751</u>	<u>\$ (2,641,480)</u>	<u>\$ 23,280,223</u>	<u>\$ 1,204,325</u>
Business-type Activities:					
State revolving loans (direct borrowings)	\$ 25,506,495	\$ 42,007	\$ (868,587)	\$ 24,679,915	\$ 842,349
Water and Sewer System revenue bonds	22,760,000	-	(2,415,000)	20,345,000	2,545,000
Premium on bonds	2,690,436	-	(553,811)	2,136,625	-
Discount on bonds	(2,669)	-	2,022	(647)	-
Total revenue bonds	25,447,767	-	(2,966,789)	22,480,978	2,545,000
Accrued compensated absences	220,909	168,540	(129,754)	259,695	129,755
Net pension liability	7,254,100	1,329,844	(1,318,921)	7,265,023	-
Total OPEB liability	316,975	12,410	(15,929)	313,456	2,795
	<u>\$ 58,746,246</u>	<u>\$ 1,552,801</u>	<u>\$ (5,299,980)</u>	<u>\$ 54,999,067</u>	<u>\$ 3,519,899</u>

For the City's governmental activities, the General Fund is used to liquidate the installment purchase contracts, the accrued compensated absences, the net pension liability, and the total OPEB liability.

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 include Capital Facility Charges.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT OBLIGATIONS (CONTINUED)

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 TIF Bonds is an irrevocable 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS

Retirement Plan

Overview:

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, and governed by an 11-member Board, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR of the state.

Plan Description:

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Retirement Plan (Continued)

Plan Description (Continued):

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

Membership:

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is described below.

South Carolina Retirement System - Generally, all employees of covered employers are required to participate in and contribute to the SCRS as a condition of employment. This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the SCRS with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the SCRS with an effective date of membership on or after July 1, 2012, is a Class Three member.

South Carolina Police Officers Retirement System - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits:

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms for each system is presented below.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Retirement Plan (Continued)

Benefits (Continued):

South Carolina Retirement System - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

South Carolina Police Officers Retirement System - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Retirement Plan (Continued)

Contributions:

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contributions rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The Board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year, if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded. For the fiscal year ended June 30, 2024, the City contributed \$1,547,573 to the SCRS plan and \$999,132 to the PORS plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Retirement Plan (Continued)

Contributions (Continued):

Required employee contribution rates for the year ended June 30, 2024, are as follows:

South Carolina Retirement System

Employee class two	9.00% of earnable compensation
Employee class three	9.00% of earnable compensation

South Carolina Police Officers Retirement System

Employee class two	9.75% of earnable compensation
Employee class three	9.75% of earnable compensation

Required employer contribution rates for the year ended June 30, 2024, are as follows:

South Carolina Retirement System

Employer class two	18.41% of earnable compensation
Employer class three	18.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employer class two	20.84% of earnable compensation
Employer class three	20.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

Net Pension Liability:

The June 30, 2023, (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2023, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of June 30, 2024, (measurement date of June 30, 2023), the net pension liability amounts associated with the SCRS and PORS plans on the following page.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Retirement Plan (Continued)

Net Pension Liability (Continued):

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	City's Proportionate Share of the Collective Net Pension Liability
SCRS	\$ 58,464,402,454	\$ 34,286,961,942	\$ 24,177,440,512	58.6%	0.058584%
PORS	\$ 9,450,021,576	\$ 6,405,925,370	\$ 3,044,096,206	67.8%	0.246191%

Actuarial Assumptions and Methods:

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2022, valuations for SCRS and PORS.

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
	3.0% to 11.0%	3.5% to 10.5%
Projected salary increases	(varied by service)	(varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumption, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued):

Former Job Class	Males	Females
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity	9.0%	10.91%	0.98%
Private Debt	7.0%	6.16%	0.43%
Real Assets	12.0%		
Real Estate (Private)	9.0%	6.41%	0.58%
Infrastructure (Public)	3.0%	6.62%	0.20%
	100.0%		
		Total expected real return	5.31%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	<u>7.56%</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Retirement Plan (Continued)

Discount Rate:

The discount rate used to measure the TPL was 7.00 percent. 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, the System's fiduciary net position was projected to be available to make all the 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 TPL. The following table presents the sensitivity of the net pension liability.

Sensitivity of the Net Position Liability to Changes in the Discount Rate

Fiscal Year	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
SCRS	\$ 18,301,290	\$ 14,164,040	\$ 10,725,300
PORS	10,571,822	7,494,285	4,973,398

Pension Expense:

For the year ended June 30, 2024, the City recognized its proportionate share of collective pension expense of \$1,398,600 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of (\$33,158) for a total of \$1,365,442 for the SCRS plan. Additionally, for the year ended June 30, 2024, the City recognized its proportionate share of collective pension expense of \$881,978 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of (\$67,897) for a total of \$814,081 for the PORS plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Retirement Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
South Carolina Retirement System		
Differences between expected and actual experience	\$ 245,912	\$ 39,279
Changes of assumptions	217,014	-
Net difference between projected and actual earnings on pension plan investments	-	19,388
Changes in proportion and differences between employer contributions and proportionate share of contributions	99,333	269,165
Employer contributions subsequent to the measurement date	1,547,573	-
Total	\$ 2,109,832	\$ 327,832
South Carolina Police Officers Retirement System		
Differences between expected and actual experience	\$ 352,688	\$ 92,388
Changes of assumptions	163,017	-
Net difference between projected and actual earnings on pension plan investments	-	12,862
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,793	255,704
Employer contributions subsequent to the measurement date	999,132	-
Total	\$ 1,523,630	\$ 360,954

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Retirement Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued): City contributions subsequent to the measurement date of \$1,547,573 and \$999,132 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	SCRS	PORS
2025	\$ 181,614	\$ 82,735
2027	(365,598)	(245,514)
2028	426,719	334,253
2029	(8,308)	(7,839)

Pension Plan Fiduciary Net Position:

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for SCRS and PORS. The ACFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, P.O. Box 11960, Columbia, SC 29211-1960.

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NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

In addition to the pension benefits described in Note 8, the City's single employer defined benefit OPEB plan (the "Plan"), 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, as approved by 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 plan does not issue separate stand-alone financial statements and is not included in the financial statements of another entity.

Plan Membership

As of June 30, 2024, measurement date of June 30, 2023, the Plan membership consisted of the following:

Active participants	28
Retirees and beneficiaries currently receiving benefits	14
Total	<u>42</u>

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 \$513 to \$527 for the retiree, and from \$526 to \$539 for the spouse for the program year ended June 30, 2023. The retirees pay nothing for retiree only coverage and pay 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 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, 2024, the City had 14 retired employees with an average age of 62 years covered by the program with monthly premium costs averaging \$619 per participant.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Net OPEB Liability

At June 30, 2024, the City's total OPEB liability equaled \$1,671,470, of which \$1,358,014 was for Governmental Activities (General Fund) and \$313,456 was for Business-type Activities. This amount was based on an actuarial valuation as of June 30, 2022.

The components of the net OPEB Liability of the City as of June 30, 2023 (the measurement date), were as follows:

	Total OPEB Liability (a)
Balances, beginning of year	\$ 1,703,461
Changes for the year:	
Service cost	46,038
Interest	66,783
Difference between expected and actual experience	-
Assumption changes	(3,582)
Benefit payments, including refunds of employee contributions	(141,230)
Net changes	(31,991)
Balances, end of year	\$ 1,671,470

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NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions

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	4.13%
Health care trend - medical	5.50%
Health care trend - dental	2.00%
Health care trend - life insurance	0.00%
Retiree contribution	0% for retiree, 100% for spouse
Mortality, disability, retirement, and withdrawal rates	South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS) Pension Valuation Reports as of July 1, 2021
Morbidity rates	Under age 65 - 4.00% per age South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS) Pension Valuation Reports as of July 1, 2021
Election at retirement	100%
Marital status	5% of retirees electing coverage will cover a spouse

Since the last actuarial valuation dated June 30, 2022, the discount rate was adjusted to 4.13% per GASB 75, which state that the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 4.13% was used for the measurement period ending June 30, 2023 (used for financial reporting at June 30, 2024), which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2023.

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 postemployment benefit (OPEB) liabilities and the actuarial value of other OPEB assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following exhibit presents the net OPEB liability of the Plan, calculated using current health care cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates.

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$ 1,549,695	\$ 1,671,470	\$ 1,805,812

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following exhibits present the net OPEB liability of the Plan, calculated using the discount rate of 4.09%, as well as what the Plan's net OPEB liability would be if it were calculated using a Discount Rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Sensitivity of the Net OPEB Liability to Changes in the Discount Rates

1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
\$ 1,763,508	\$ 1,671,470	\$ 1,583,355

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 OPEB plan, 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 OPEB assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Deferred Outflows and Inflows of Resources Related to OPEB

Since certain expense items are recognized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts will increase OPEB expense they are classified as *Deferred Outflows of Resources*. If they serve to reduce OPEB expense they are classified as *Deferred Inflows of Resources*. The recognition of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions or other inputs, if any, are recognized over the average expected remaining service life of the active and inactive Plan members at the beginning of the measurement period. Investment gains and losses are recognized over a fixed six-year period.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 101,749	\$ 540,936
Changes of assumptions	179,631	158,643
City contributions subsequent to the measurement date	133,264	-
Total	\$ 414,644	\$ 699,579

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

Year ended June 30:	
2025	\$ (197,490)
2026	(211,540)
2027	(9,021)
2028	(148)
	\$ (418,199)

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Deferred Outflows and Inflows of Resources Related to OPEB (Continued)

The City made contributions of \$133,264 subsequent to the measurement date of June 30, 2023, but within the fiscal year ended June 30, 2024, which will be recognized as a reduction in the total OPEB liability in fiscal year June 30, 2025.

NOTE 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.

NOTE 11. NET INVESTMENT IN CAPITAL ASSETS

Reported amounts for net investment in capital assets were as follows as of June 30, 2024:

Net Investment in Capital Assets	Governmental Activities	Business-type Activities
Net capital assets	\$ 23,094,644	\$ 128,450,664
Less, capital related debt (net of unamortized bond premium/discount)	(7,052,747)	(47,160,893)
Add, deferred refunding charges	-	230,238
Total net investment in capital assets	\$ 16,041,897	\$ 81,520,009

NOTES TO FINANCIAL STATEMENTS

NOTE 12. COMMITMENTS AND CONTINGENCIES

Tax Abatements

The City's property tax revenues were reduced by \$1,205,424 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, 2024. The State of South Carolina reimbursed Lexington County for \$5,615 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 ensure 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CAYCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 4,950,805	\$ 4,950,805	\$ 5,000,552	\$ 49,747
Licenses and permits	5,327,268	5,327,268	5,453,873	126,605
Fines and forfeitures	200,000	200,000	162,671	(37,329)
State shared revenue	516,500	516,500	536,695	20,195
Current services	1,712,500	1,712,500	1,720,124	7,624
Grants and other	2,224,727	2,224,727	1,648,655	(576,072)
Interest income	27,000	27,000	234,950	207,950
Miscellaneous	2,477,500	2,477,500	2,553,851	76,351
Total revenues	<u>17,436,300</u>	<u>17,436,300</u>	<u>17,311,371</u>	<u>(124,929)</u>
Expenditures:				
Current:				
Legislative	148,283	148,283	157,350	(9,067)
Administrative	1,277,862	1,277,862	1,197,760	80,102
Recorder's court	286,019	286,019	251,628	34,391
Legal	156,825	156,825	171,367	(14,542)
Information technology	451,186	451,186	387,553	63,633
Finance and accounting	415,524	415,524	417,518	(1,994)
Tax collector	23,000	23,000	22,655	345
Public safety:				
Administrative	1,333,546	1,333,546	1,270,572	62,974
Detectives	949,661	949,661	885,481	64,180
Police	4,599,441	4,599,441	3,846,444	752,997
Fire	2,746,429	2,746,429	2,285,665	460,764
Parks	405,798	405,798	417,831	(12,033)
School resource officer	554,056	554,056	598,055	(43,999)
Dispatch	440,203	440,203	465,825	(25,622)
Street lighting	380,000	380,000	389,842	(9,842)
Sanitation	1,425,745	1,425,745	1,349,595	76,150
Public buildings	118,934	118,934	126,097	(7,163)
Community relations	140,150	140,150	203,180	(63,030)
Planning and development	727,474	727,474	695,026	32,448
Museum	180,843	180,843	156,406	24,437
Parks	1,001,927	1,001,927	969,084	32,843
Garage	479,683	479,683	452,440	27,243
Non-departmental and support services	180,000	180,000	186,568	(6,568)
Debt service	484,920	484,920	484,282	638
Capital outlay	824,207	824,207	1,344,683	(520,476)
Total expenditures	<u>19,731,716</u>	<u>19,731,716</u>	<u>18,732,907</u>	<u>998,809</u>
Deficiency of revenues under expenditures	<u>(2,295,416)</u>	<u>(2,295,416)</u>	<u>(1,421,536)</u>	<u>873,880</u>
Other financing sources:				
Issuance of debt	500,000	500,000	500,000	-
Sale of assets	50,000	50,000	83,720	33,720
Transfers from other funds	1,745,416	1,745,416	1,625,152	(120,264)
Total other financing sources	<u>2,295,416</u>	<u>2,295,416</u>	<u>2,208,872</u>	<u>(86,544)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>787,336</u>	<u>787,336</u>
Fund balances, beginning of year	<u>10,561,849</u>	<u>10,561,849</u>	<u>10,561,849</u>	<u>-</u>
Fund balances, end of year	<u>\$ 10,561,849</u>	<u>\$ 10,561,849</u>	<u>\$ 11,349,185</u>	<u>\$ 787,336</u>

CITY OF CAYCE, SOUTH CAROLINA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2023

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 City 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 unassigned and applicable reserved fund balances and/or additional unbudgeted revenue and transfers.

Budget to Actual Deficits

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

CITY OF CAYCE, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 46,038	\$ 61,265	\$ 63,564	\$ 60,434	\$ 135,600	\$ 131,268	\$ 127,074
Interest	66,783	38,785	46,088	91,865	114,361	112,960	85,251
Differences between expected and actual experience	-	158,943	-	(1,682,277)	-	-	63,702
Changes in assumptions or other inputs	(3,582)	(275,238)	52,049	75,091	-	-	524,476
Contributions - employer	-	-	-	-	(60,331)	(62,184)	-
Benefit payments	(141,230)	(118,848)	(111,567)	(98,700)	(164,106)	(140,597)	(147,565)
Other changes	-	-	-	(66,972)	-	-	107,931
Net change in total OPEB liability	(31,991)	(135,093)	50,134	(1,620,559)	25,524	41,447	760,869
Total OPEB liability - beginning	1,703,461	1,838,554	1,788,420	3,408,979	3,383,455	3,342,008	2,581,139
Total OPEB liability - ending	<u>\$ 1,671,470</u>	<u>\$ 1,703,461</u>	<u>\$ 1,838,554</u>	<u>\$ 1,788,420</u>	<u>\$ 3,408,979</u>	<u>\$ 3,383,455</u>	<u>\$ 3,342,008</u>
Discount Rate	4.13%	4.09%	2.18%	2.66%	3.40%	3.40%	4.50%
Covered-employee payroll	\$ 1,924,162	\$ 1,924,162	\$ 2,508,259	\$ 2,434,067	\$ 2,585,616	\$ 2,492,104	\$ 2,581,289
Total OPEB liability as a percentage of covered-employee payroll	86.9%	88.5%	73.3%	73.5%	131.8%	135.8%	129.5%

Notes:

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

The schedule will present 10 years of information once it is accumulated.

CITY OF CAYCE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30, 2024

South Carolina Retirement System					
Plan Year Ended June 30,	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.0585840%	\$ 14,164,040	\$ 7,406,733	191.2%	58.6%
2022	0.0583360%	14,141,884	6,218,339	227.4%	57.1%
2021	0.0608000%	13,157,959	6,872,912	191.4%	60.7%
2020	0.0597260%	15,261,150	6,663,289	229.0%	50.7%
2019	0.0590170%	13,475,973	6,232,005	216.2%	54.4%
2018	0.0583940%	13,084,337	6,017,697	217.4%	54.1%
2017	0.0584570%	12,315,961	5,897,743	223.1%	53.3%
2016	0.0562080%	12,005,946	5,443,028	220.6%	52.9%
2015	0.0547510%	10,383,791	5,133,635	202.3%	57.0%
2014	0.0535100%	9,212,648	4,849,702	190.0%	59.9%

South Carolina Police Officers Retirement System					
Plan Year Ended June 30,	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.246191%	\$ 7,494,285	\$ 4,313,491	173.7%	67.8%
2022	0.251065%	7,529,395	3,520,629	213.9%	66.4%
2021	0.258010%	6,638,370	3,879,663	171.1%	70.4%
2020	0.264984%	8,787,447	4,002,981	219.5%	58.8%
2019	0.257188%	7,370,866	3,730,414	197.6%	62.7%
2018	0.240951%	6,827,440	3,336,280	204.6%	61.7%
2017	0.234710%	6,430,105	3,160,823	203.4%	60.9%
2016	0.228800%	5,803,556	2,916,939	199.0%	60.4%
2015	0.225160%	4,907,354	2,789,410	175.9%	64.6%
2014	0.228990%	4,383,771	2,762,383	158.7%	67.5%

CITY OF CAYCE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE CITY'S CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30,

South Carolina Retirement System					
Fiscal Year Ended June 30,	Actuarially required contribution	Contributions in relation to the actuarially required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2024	\$ 1,547,573	\$ 1,547,573	\$ -	\$ 8,337,733	18.6%
2023	1,300,654	1,300,654	-	7,406,911	17.6%
2022	1,029,757	1,029,757	-	6,218,339	16.6%
2021	1,069,425	1,069,425	-	6,872,912	15.6%
2020	1,026,813	1,026,813	-	6,663,289	15.4%
2019	898,032	898,032	-	6,232,005	14.4%
2018	811,322	811,322	-	6,017,697	13.5%
2017	667,638	667,638	-	5,897,743	11.3%
2016	635,004	635,004	-	5,443,028	11.7%
2015	557,599	557,599	-	5,133,635	10.9%

South Carolina Police Officers Retirement System					
Fiscal Year Ended June 30,	Actuarially required contribution	Contributions in relation to the actuarially required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2024	\$ 999,132	\$ 999,132	\$ -	\$ 4,704,010	21.2%
2023	873,050	873,050	-	4,313,491	20.2%
2022	677,369	677,369	-	3,520,629	19.2%
2021	707,651	707,651	-	3,879,663	18.2%
2020	714,132	714,132	-	4,002,981	17.8%
2019	628,202	628,202	-	3,730,414	16.8%
2018	528,467	528,467	-	3,336,280	15.8%
2017	422,067	422,067	-	3,160,823	13.4%
2016	406,098	406,098	-	2,916,939	13.9%
2015	374,067	374,067	-	2,789,410	13.4%

CITY OF CAYCE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO THE SCHEDULE OF THE CITY'S CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Actuarial assumptions used in determining the statutorily required contributions are as follows:

System	SCRS	PORS
Calculation date	July 1, 2021	July 1, 2021
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	26 years maximum, closed period	26 years maximum, closed period
Investment return	7.00%	7.00%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service.	3.50% plus step-rate increases for members with less than 21 years of service.
Mortality	The 2020 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale UMP from the year 2020. Male rates multiplied by 97% for non-educators and 95% for educators. Female rates multiplied by 107% for non-educators and 94% for educators.	The 2020 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale UMP from the year 2020. Male rates are multiplied by 127% and female rates are multiplied by 107%.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL NONMAJOR FUND
FINANCIAL STATEMENTS AND SCHEDULES**

CITY OF CAYCE, SOUTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds								Total Nonmajor Governmental Funds	
	State Accommodations Tax	Local Accommodations Tax	Hospitality Tax	ABC Permit Fund	Opioid Recovery Grant Fund	Law Enforcement Grant Fund	Museum Fund	Capital Projects Fund		Debt Service Fund
ASSETS										
Cash and cash equivalents:										
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,165	\$ -	\$ -	\$ 78,165
Restricted	162,102	-	1,697,940	71,381	83,278	-	-	1,173,485	6,660,773	9,848,959
Other receivables	57,526	-	-	150	-	-	-	-	4,987	62,663
Due from other funds	342	-	3,577	150	175	-	165	2,472	13,909	20,790
Total assets	219,970	-	1,701,517	71,681	83,453	-	78,330	1,175,957	6,679,669	10,010,577
LIABILITIES										
Accounts payable	14,614	-	14,812	-	109	-	-	275,295	1,633,064	1,937,894
Due to other funds	8,814	-	-	-	114	-	-	-	-	8,928
Total liabilities	23,428	-	14,812	-	223	-	-	275,295	1,633,064	1,946,822
FUND BALANCES										
Restricted:										
Tourism and community development	196,542	-	1,686,705	-	-	-	-	-	-	1,883,247
ABC permit activities	-	-	-	71,681	-	-	-	-	-	71,681
Capital projects	-	-	-	-	-	-	-	900,662	-	900,662
Debt service	-	-	-	-	-	-	-	-	5,046,605	5,046,605
Opioid recovery activities	-	-	-	-	83,230	-	-	-	-	83,230
Assigned										
Museum improvement	-	-	-	-	-	-	78,330	-	-	78,330
Total fund balances	196,542	-	1,686,705	71,681	83,230	-	78,330	900,662	5,046,605	8,063,755
Total liabilities, deferred inflows of resources, and fund balances	\$ 219,970	\$ -	\$ 1,701,517	\$ 71,681	\$ 83,453	\$ -	\$ 78,330	\$ 1,175,957	\$ 6,679,669	\$ 10,010,577

CITY OF CAYCE, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Special Revenue Funds								Total Nonmajor Governmental Funds	
	State Accommodations Tax	Local Accommodations Tax	Hospitality Tax	ABC Permit Fund	Opioid Recovery Grant Fund	Law Enforcement Grant Fund	Museum Fund	Capital Projects Fund		Debt Service Fund
Revenues:										
Accommodations and hospitality taxes	\$ 166,378	\$ 280,404	\$ 1,634,768	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,081,550
Property taxes	-	-	-	-	-	-	-	-	1,133,595	1,133,595
Intergovernmental	-	-	-	-	110,907	-	-	-	-	110,907
State shared revenue	-	-	-	15,450	-	-	-	-	202,106	217,556
Interest on investments	3,440	-	-	-	404	-	1,900	29,624	166,582	201,950
Other	-	3,491	56,151	1,567	-	-	-	-	-	61,209
Total revenues	169,818	283,895	1,690,919	17,017	111,311	-	1,900	29,624	1,502,283	3,806,767
Expenditures:										
Planning and community development:										
Tourism related	70,650	-	104,102	-	-	-	-	-	-	174,752
Capital outlay	-	-	14,940	-	-	-	8,232	276,795	-	299,967
Public safety:										
Debt service:										
Principal	-	-	-	-	-	-	-	-	340,000	340,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	229,613	229,613
Total expenditures	70,650	-	119,042	-	28,081	62	8,232	276,795	569,613	1,072,475
Excess (deficiency) of revenues over (under) expenditures	99,168	283,895	1,571,877	17,017	83,230	(62)	(6,332)	(247,171)	932,670	2,734,292
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	6,342	-	-	6,342
Transfers out	(47,057)	(283,895)	(1,300,542)	-	-	-	-	-	-	(1,631,494)
Total other financing sources (uses), net	(47,057)	(283,895)	(1,300,542)	-	-	-	6,342	-	-	(1,625,152)
Net change in fund balances	52,111	-	271,335	17,017	83,230	(62)	10	(247,171)	932,670	1,109,140
Fund balances, beginning of year	144,431	-	1,415,370	54,664	-	62	78,320	1,147,833	4,113,935	6,954,615
Fund balances, end of year	\$ 196,542	\$ -	\$ 1,686,705	\$ 71,681	\$ 83,230	\$ -	\$ 78,330	\$ 900,662	\$ 5,046,605	\$ 8,063,755

WATER AND SEWER UTILITY FUND

CITY OF CAYCE, SOUTH CAROLINA

**WATER AND SEWER UTILITY FUND
SCHEDULE OF REVENUE, EXPENSES AND
CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Operating Revenue				
Water:				
Sales	\$ 6,120,000	\$ 6,120,000	\$ 6,036,815	\$ (83,185)
Connection fees	110,000	110,000	65,668	(44,332)
Sewer:				
Service charges	12,336,300	12,336,300	13,127,877	791,577
Connection fees	1,000	1,000	2,250	1,250
Septage/grease services:				
Sales and permits	1,651,000	1,651,000	1,641,442	(9,558)
Pretreatment set-up fees	88,000	88,000	72,770	(15,230)
Reconnection fees	38,000	38,000	40,544	2,544
Penalties	200,000	200,000	263,588	63,588
Miscellaneous	125,000	125,000	192,045	67,045
Total operating revenue	<u>20,669,300</u>	<u>20,669,300</u>	<u>21,442,999</u>	<u>773,699</u>
Operating Expenses				
Administrative	744,708	744,708	661,353	83,355
Utility billing	1,010,148	1,010,148	930,184	79,964
Water treatment plant	1,945,921	1,945,921	1,774,170	171,751
Water distribution and maintenance	1,900,627	1,900,627	1,751,352	149,275
Wastewater treatment plant	6,111,735	6,111,735	5,192,571	919,164
Sewer collection and outfall lines	2,015,088	2,015,088	1,598,116	416,972
Septage and grease receiving station	806,197	806,197	710,433	95,764
Non-departmental and support services	2,157,300	2,157,300	2,117,784	39,516
Depreciation and amortization	-	-	6,343,799	(6,343,799)
Total operating expenses	<u>16,691,724</u>	<u>16,691,724</u>	<u>21,079,762</u>	<u>(4,388,038)</u>
Operating income	<u>3,977,576</u>	<u>3,977,576</u>	<u>363,237</u>	<u>(3,614,339)</u>
Non-operating Revenues (Expenses)				
Interest income	55,000	55,000	562,914	507,914
Gains from sale of capital assets	-	-	10,650	10,650
Interest expense	-	-	(843,173)	(843,173)
Amortization of bond refinancing losses	-	-	(162,658)	(162,658)
Fiscal agent fees	(8,000)	(8,000)	(9,859)	(1,859)
Total non-operating revenues (expenses), net	<u>47,000</u>	<u>47,000</u>	<u>(442,126)</u>	<u>(489,126)</u>
Income (loss) before contributions	<u>4,024,576</u>	<u>4,024,576</u>	<u>(78,889)</u>	<u>(4,103,465)</u>
Capital Contributions				
Capacity charges and other capital contributions	<u>1,237,000</u>	<u>1,237,000</u>	<u>1,094,689</u>	<u>(142,311)</u>
Change in net position	<u>5,261,576</u>	<u>5,261,576</u>	<u>1,015,800</u>	<u>(4,245,776)</u>
Net position, beginning of year	<u>97,266,250</u>	<u>97,266,250</u>	<u>97,266,250</u>	<u>-</u>
Net position, end of year	<u>\$ 102,527,826</u>	<u>\$ 102,527,826</u>	<u>\$ 98,282,050</u>	<u>\$ (4,245,776)</u>

CUSTODIAL FUNDS

CITY OF CAYCE, SOUTH CAROLINA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024**

	Custodial Funds		Total Custodial Funds
	Firemen's Fund	Police Fund	
ASSETS			
Cash and cash equivalents - unrestricted	\$ -	\$ 15,976	\$ 15,976
Cash and cash equivalents - restricted	72,404	79,623	152,027
Total assets	<u>72,404</u>	<u>95,599</u>	<u>168,003</u>
LIABILITIES			
Amounts due to others	72,404	88,856	161,260
Total liabilities	<u>72,404</u>	<u>88,856</u>	<u>161,260</u>
Net position, beginning of year (restated)	<u>-</u>	<u>5,371</u>	<u>5,371</u>
NET POSITION			
Restricted for individuals, organizations and other governments	-	6,743	6,743
	<u>\$ -</u>	<u>\$ 6,743</u>	<u>\$ 6,743</u>

CITY OF CAYCE, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Custodial Funds		Total
	Firemen's Fund	Police Fund	Custodial Funds
ADDITIONS			
Insurance fees	\$ 65,187	\$ -	\$ 65,187
Seizures	-	3,591	3,591
Interest income	2,167	-	2,167
Miscellaneous	18	-	18
Total additions	67,372	3,591	70,963
DEDUCTIONS			
Other custodial disbursements	67,372	2,219	69,591
Total deductions	67,372	2,219	69,591
Change in fiduciary net position	-	1,372	1,372
Net position, beginning of year	-	5,371	5,371
Net position, end of year	\$ -	\$ 6,743	\$ 6,743

VICTIM'S RIGHTS ASSISTANCE

CITY OF CAYCE, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2024

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected			\$ 208,816	\$ 208,816
Court fines and assessments remitted to State Treasurer			189,440	189,440
Total Court Fines and Assessments retained	N/A	N/A	\$ 19,376	\$ 19,376
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			\$ 2,344	\$ 2,344
Assessments retained			17,032	17,032
Total Surcharges and Assessments retained for victim services	N/A	N/A	\$ 19,376	\$ 19,376

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	\$ -	N/A	\$ -
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	-	N/A	-
Victim Service Assessments Retained by City/County Treasurer	17,032	N/A	17,032
Victim Service Surcharges Retained by City/County Treasurer	2,344	N/A	2,344
Interest Earned	-	N/A	-
Grant Funds Received			
Grant from:	-	N/A	-
General Funds Transferred to Victim Service Fund	104,970	N/A	104,970
Contribution Received from Victim Service Contracts:			
(1) Town of	-	N/A	-
(2) Town of	-	N/A	-
(3) City of	-	N/A	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 124,346	N/A	\$ 124,346

**CITY OF CAYCE, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2024**

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$ 121,321	N/A	\$ 121,321
Operating Expenditures	3,025	N/A	3,025
Victim Service Contract(s):			
(1) Entity's Name	-	N/A	-
(2) Entity's Name	-	N/A	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	-	N/A	-
(2) Rape Crisis Center:	-	N/A	-
(3) Other local direct crime victims service agency:	-	N/A	-
Transferred to General Fund		N/A	-
Total Expenditures from Victim Service Fund/Program (B)	124,346	N/A	124,346
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	N/A	-
Less: Prior Year Fund Deficit Repayment	-	N/A	-
Carryforward Funds – End of Year	\$ -	N/A	\$ -



STATISTICAL SECTION

City of Cayce, South Carolina



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STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

Contents

	<u>Page</u>
Financial Trends	86 - 92
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	93 - 96
<i>These schedules contain information to help the reader assess the County's most significant local revenue sources.</i>	
Debt Capacity	97 - 102
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	103 and 104
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
Operating Information	105 - 107
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year.

CITY OF CAYCE, SOUTH CAROLINA

NET POSITION BY COMPONENT
(Accrual basis of accounting)
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities										
Net investment in capital assets	\$ 16,041,897	\$ 17,012,398	\$ 17,125,855	\$ 16,250,911	\$ 16,893,546	\$ 17,383,993	\$ 16,595,971	\$ 15,430,572	\$ 13,078,235	\$ 11,187,075
Restricted	9,919,852	5,730,872	4,595,760	3,709,498	5,129,365	5,179,447	10,489,686	2,503,787	4,089,583	2,900,003
Unrestricted	(4,182,880)	(4,101,971)	(5,504,210)	(6,110,682)	(9,109,828)	(8,521,214)	(13,118,929)	(5,338,793)	(6,446,015)	(5,968,176)
Total governmental activities net position	\$ 21,778,669	\$ 18,641,299	\$ 16,217,405	\$ 13,849,727	\$ 12,913,083	\$ 14,042,226	\$ 13,966,728	\$ 12,595,566	\$ 10,721,803	\$ 8,118,902
Business-type Activities										
Net investment in capital assets	\$ 81,520,009	\$ 83,112,486	\$ 84,354,649	\$ 86,040,717	\$ 87,328,355	\$ 87,473,689	\$ 84,289,609	\$ 80,976,020	\$ 78,314,467	\$ 79,196,265
Restricted	12,096,504	9,949,968	9,949,968	9,949,968	9,949,968	9,322,177	9,501,428	9,802,563	7,255,808	8,302,471
Unrestricted	4,665,537	4,203,796	2,573,459	788,529	12,421	(1,506,592)	(1,462,306)	(1,560,368)	(100,462)	(2,830,540)
Total business-type activities net position	\$ 98,282,050	\$ 97,266,250	\$ 96,878,076	\$ 96,779,214	\$ 97,290,744	\$ 95,289,274	\$ 92,328,731	\$ 89,218,215	\$ 85,469,813	\$ 84,668,196
Primary Government										
Net investment in capital assets	\$ 97,561,906	\$ 100,124,884	\$ 101,480,504	\$ 102,291,628	\$ 104,221,901	\$ 104,857,682	\$ 100,885,580	\$ 96,406,592	\$ 91,392,702	\$ 90,383,340
Restricted	22,016,156	15,680,840	14,545,728	13,659,466	15,079,333	14,501,624	19,991,114	12,306,350	11,345,391	11,202,474
Unrestricted	482,657	101,825	(2,930,751)	(5,322,153)	(9,097,407)	(10,027,806)	(14,581,235)	(6,899,161)	(6,546,477)	(8,798,716)
Total primary government net position	\$ 120,060,719	\$ 115,907,549	\$ 113,095,481	\$ 110,628,941	\$ 110,203,827	\$ 109,331,500	\$ 106,295,459	\$ 101,813,781	\$ 96,191,616	\$ 92,787,098

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

CITY OF CAYCE, SOUTH CAROLINA

**CHANGES IN NET POSITION ⁽⁵⁾
(Accrual basis of accounting)
LAST TEN FISCAL YEARS**

Expenses	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities: ^{(1) (6) (7)}										
General government	\$ 3,362,258	\$ 3,535,487	\$ 2,003,498	\$ 1,157,105	\$ 581,990	\$ 432,879	\$ 370,008	\$ 592,721	\$ 481,829	\$ 434,485
Information technology	386,445	276,670	334,331	351,880	139,732	67,575	115,260	108,495	84,776	85,962
Finance	430,981	336,322	345,974	346,966	92,532	86,242	83,901	73,568	117,820	56,868
Public safety	8,717,151	8,092,126	7,364,700	8,198,600	8,437,530	7,434,457	6,869,407	6,116,479	5,719,168	4,976,924
Public works	1,846,924	1,797,991	1,388,387	1,830,793	1,434,404	1,365,137	1,663,974	1,310,352	1,477,526	1,331,873
Planning and community development	1,069,615	896,122	1,108,388	1,138,277	1,627,370	1,334,661	1,267,474	924,506	790,776	675,085
Parks and museum	1,108,670	975,063	991,524	1,008,511	936,572	889,747	903,950	1,230,689	804,149	636,000
Garage	433,491	456,775	440,166	450,752	315,109	262,379	266,391	276,484	295,422	243,925
Depreciation (unallocated) ⁽⁷⁾	2,657,612	2,343,719	1,481,478	1,412,158	1,456,515	1,389,879	1,032,413	896,646	708,459	651,325
Interest	228,517	259,677	241,207	257,668	286,664	274,356	266,732	16,513	36,977	55,817
Total governmental activities	20,241,664	18,969,952	15,699,653	16,152,710	15,308,418	13,537,312	12,839,510	11,546,453	10,516,902	9,148,264
Business-type Activities: ^{(2) (6) (7)}										
Water and sewer utility ⁽⁷⁾	22,095,452	21,192,444	20,334,698	20,701,383	18,706,287	18,215,285	17,753,948	16,753,626	16,549,533	14,868,109
Total business-type activities	22,095,452	21,192,444	20,334,698	20,701,383	18,706,287	18,215,285	17,753,948	16,753,626	16,549,533	14,868,109
Total primary government expenses	\$ 42,337,116	\$ 40,162,396	\$ 36,034,351	\$ 36,854,093	\$ 34,014,705	\$ 31,752,597	\$ 30,593,458	\$ 28,300,079	\$ 27,066,435	\$ 24,016,373
Program Revenue										
Governmental activities:										
Charges for services ⁽⁸⁾	\$ 1,882,795	\$ 1,702,922	\$ 1,755,273	\$ 1,589,513	\$ 1,703,623	\$ 1,479,312	\$ 1,229,471	\$ 1,255,379	\$ 1,270,485	\$ 1,460,765
Operating grants and contributions ⁽¹⁾	3,430,561	2,862,603	1,061,248	2,701,577	292,158	407,577	1,327,406	340,742	402,575	242,087
Capital grants and contributions	-	-	1,123,985	-	144,287	100,043	139,354	695,130	618,648	6,649,664
Total governmental activities	5,313,356	4,565,525	3,940,506	4,291,090	2,140,068	1,986,932	2,696,231	2,291,251	2,291,708	8,352,516
Business-type Activities										
Charges for services ⁽⁴⁾	21,442,999	20,154,448	19,044,071	19,401,534	18,987,250	18,442,059	17,431,831	17,251,630	16,865,450	14,971,094
Operating grants and contributions	-	-	38,745	105,638	-	-	-	95,193	-	-
Capital grants and contributions	1,094,689	1,139,847	1,349,752	678,018	1,743,118	2,701,677	2,888,039	3,131,410	948,615	1,604,279
Total business-type activities	22,537,688	21,294,295	20,432,568	20,185,190	20,730,368	21,143,736	20,319,870	20,478,233	17,814,065	16,575,373
Total primary government program revenue	\$ 27,851,044	\$ 25,859,820	\$ 24,373,074	\$ 24,476,280	\$ 22,870,436	\$ 23,130,668	\$ 23,016,101	\$ 22,769,484	\$ 20,105,773	\$ 24,927,889

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CITY OF CAYCE, SOUTH CAROLINA

**CHANGES IN NET POSITION ⁽⁵⁾
(Accrual basis of accounting)
LAST TEN FISCAL YEARS**

General Revenue and Other Changes	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities:										
Property taxes	\$ 6,601,717	\$ 5,051,554	\$ 5,349,779	\$ 4,710,174	\$ 4,815,538	\$ 4,436,724	\$ 4,367,332	\$ 4,066,933	\$ 3,786,956	\$ 3,783,478
Accommodation and hospitality taxes	2,081,550	1,782,582	1,599,060	1,524,268	1,272,104	1,268,973	1,147,949	1,074,154	787,971	98,941
State shared and unallocated intergovernmental	754,251	683,343	599,217	498,302	480,101	408,982	458,807	425,994	410,874	370,738
Business licenses and other taxes	5,453,873	3,841,454	4,783,945	4,883,608	4,893,838	5,302,089	5,049,090	4,586,377	6,704,824	4,043,886
Unrestricted investment earnings	536,716	46,672	1,454	17,794	25,296	3,470	1,555	1,201	1,777	1,813
Gain from sale of assets	83,720	138,672	464,809	58,261	-	43,968	-	35,000	-	171,314
Other	2,553,851	2,582,548	-	346,800	139,001	441,369	104,232	638,436	390,922	422,976
Total governmental activities	18,065,678	14,126,825	12,798,264	12,039,207	11,625,878	11,905,575	11,128,965	10,828,095	12,083,324	8,893,146
Business-type Activities:										
Unrestricted investment earnings	562,914	992	2,089	42,162	30,910	16,528	10,258	10,264	11,223	14,426
Gain (loss) on sale of assets	10,650	-	2,574	(64,773)	-	5,399	13,537	4,423	23,227	-
Other	-	-	-	-	1,182	-	-	-	-	-
Total business-type activities	573,564	992	4,663	(22,611)	32,092	21,927	23,795	14,687	34,450	14,426
Total primary government general revenue and other changes	\$ 18,639,242	\$ 14,127,817	\$ 12,802,927	\$ 12,016,596	\$ 11,657,970	\$ 11,927,502	\$ 11,152,760	\$ 10,842,782	\$ 12,117,774	\$ 8,907,572
Special Item - Wastewater Treatment Plant disposal/decommissioned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Changes in Net Position ^{(6) (7)}										
Governmental activities	3,137,370	2,367,678	(511,530)	(1,129,143)	75,498	1,762,296	1,873,763	2,602,901	11,287,576	897,863
Business-type activities	1,015,800	98,862	425,114	2,001,470	2,960,543	2,587,849	3,748,402	1,279,219	1,741,714	1,186,557
Total primary government changes in net position	\$ 4,153,170	\$ 2,466,540	\$ (86,416)	\$ 872,327	\$ 3,036,041	\$ 4,350,145	\$ 5,622,165	\$ 3,882,120	\$ 13,029,290	\$ 2,084,420

(1) The City reports expenses reimbursed by 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) Charges 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) Charges for services for the business-type activities consist primarily of sales for water and sewer services and septage and grease fees.

(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 Statement 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 Statement 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**

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities:										
General government ⁽¹⁾	\$ 1,883,756	\$ 2,528,633	\$ 806,058	\$ 2,471,849	\$ -	\$ -	\$ -	\$ 59,539	\$ 30,000	\$ 149,968
Finance	-	-	-	-	-	-	-	-	-	-
Public safety	938,298	881,617	846,981	724,901	991,567	1,055,568	1,010,363	573,876	900,140	822,249
Public works	2,152,085	1,043,860	1,117,342	1,071,417	774,947	777,579	1,497,301	1,199,282	531,233	832,971
Planning and community development	172,116	109,990	44,455	22,078	302,713	50,336	73,338	121,179	212,815	8,467
Parks and museum	167,101	1,425	1,125,670	845	70,841	103,449	115,229	337,375	617,520	6,538,861
Total governmental activities	5,313,356	4,565,525	3,940,506	4,291,090	2,140,068	1,986,932	2,696,231	2,291,251	2,291,708	8,352,516
Business-type Activities:										
Water and sewer utility	22,537,688	21,294,295	20,432,568	20,185,190	20,730,368	21,143,736	20,319,870	20,478,233	17,814,065	16,575,373
Total business-type activities	22,537,688	21,294,295	20,432,568	20,185,190	20,730,368	21,143,736	20,319,870	20,478,233	17,814,065	16,575,373
Total program revenue by function and program	\$ 27,851,044	\$ 25,859,820	\$ 24,373,074	\$ 24,476,280	\$ 22,870,436	\$ 23,130,668	\$ 23,016,101	\$ 22,769,484	\$ 20,105,773	\$ 24,927,889

(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**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund										
Nonspendable	\$ 208,007	\$ 193,176	\$ 213,025	\$ 146,388	\$ 181,605	\$ 181,733	\$ 65,085	\$ 150,444	\$ 64,979	\$ 559,143
Restricted	1,874,559	-	-	-	-	-	12,620	-	21,233	52,783
Committed	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Assigned	1,066,898	995,938	979,589	1,002,830	1,002,831	964,941	971,072	968,388	930,600	923,610
Unassigned	<u>8,174,721</u>	<u>9,347,735</u>	<u>8,403,086</u>	<u>7,750,658</u>	<u>6,475,532</u>	<u>6,104,929</u>	<u>6,592,195</u>	<u>5,374,540</u>	<u>4,859,534</u>	<u>4,124,328</u>
Total General Fund	<u>11,349,185</u>	<u>10,561,849</u>	<u>9,620,700</u>	<u>8,924,876</u>	<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>
All Other Governmental Funds										
Nonspendable	40,148	-	-	-	-	-	-	-	-	-
Restricted, reported in:										
Special revenue funds	2,097,826	1,614,527	1,319,316	1,157,505	682,127	861,077	769,063	761,222	587,173	391,426
Debt service funds	5,046,605	4,113,935	3,276,444	2,551,993	1,708,910	1,426,238	949,330	550,615	996,764	1,133,993
Capital projects funds	900,662	1,147,833	1,432,290	1,433,716	1,490,928	2,048,940	7,068,546	447,405	735,245	428,440
Assigned, reported in:										
Special revenue funds	<u>78,330</u>	<u>78,320</u>	<u>77,718</u>	<u>77,317</u>	<u>70,300</u>	<u>83,801</u>	<u>83,801</u>	<u>83,801</u>	<u>83,801</u>	<u>83,801</u>
Total all other governmental funds	<u>8,163,571</u>	<u>6,954,615</u>	<u>6,105,768</u>	<u>5,220,531</u>	<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>
Total primary government	<u>\$ 19,512,756</u>	<u>\$ 17,516,464</u>	<u>\$ 15,726,468</u>	<u>\$ 14,145,407</u>	<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>

CITY OF CAYCE, SOUTH CAROLINA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
(Modified accrual basis of accounting)
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Property taxes	\$ 6,134,147	\$ 6,179,748	\$ 5,030,454	\$ 5,397,261	\$ 4,759,028	\$ 4,827,981	\$ 4,350,359	\$ 4,236,423	\$ 4,068,045	\$ 3,776,095
Accommodation and hospitality taxes	2,081,550	1,918,615	1,782,582	1,599,060	1,524,268	1,272,104	1,251,922	1,147,949	1,068,426	697,654
Licenses and permits	5,453,873	5,226,170	3,841,454	4,783,945	5,093,506	4,930,242	5,387,772	5,171,194	4,799,886	6,969,845
Fines and forfeitures	162,671	197,280	185,692	130,123	180,781	187,075	181,171	214,485	260,880	329,068
State shared revenue	754,251	690,395	683,343	649,159	498,302	480,101	408,982	454,835	425,994	497,025
Current services	1,720,124	1,505,642	1,569,581	1,459,390	1,439,177	1,348,045	1,028,901	1,035,625	796,448	848,100
Grants and other	5,984,412	5,362,407	4,767,781	2,701,577	724,578	462,345	1,865,441	985,667	1,658,789	1,953,891
Interest income	536,716	248,435	46,672	1,454	17,794	25,296	3,470	1,555	1,201	1,777
Total revenues	22,827,744	21,328,692	17,907,559	16,721,969	14,237,434	13,533,189	14,478,018	13,247,733	13,079,669	15,073,455
Expenditures:										
Current:										
General government	3,370,720	3,689,872	2,101,634	1,344,045	653,815	524,290	448,499	489,207	510,972	418,861
Information technology	387,553	279,833	329,758	334,319	119,188	62,989	105,329	97,066	74,890	78,293
Finance	440,173	336,710	337,311	324,654	86,987	69,722	56,895	72,419	86,021	49,747
Public safety	9,798,016	8,652,848	8,114,129	7,374,340	7,636,225	6,961,529	6,304,196	5,815,970	5,604,141	4,972,902
Public works	1,865,534	1,806,199	1,684,849	1,689,720	1,384,975	1,312,104	1,285,574	1,253,360	1,424,195	1,309,947
Planning and community development/relations	1,072,958	904,638	1,120,349	1,088,032	1,586,487	1,300,695	1,216,325	897,323	840,806	618,430
Parks and museum	1,125,490	987,214	973,074	923,710	888,649	834,950	839,029	847,583	766,762	662,474
Garage	452,440	470,666	431,402	421,511	292,995	240,244	234,362	263,316	260,589	237,940
Non-department and support services	203,743	91,169	75,530	81,028	(910)	(4,087)	31,055	5,976	268	26,476
Debt service and other financing:										
Principal	794,930	779,324	638,765	638,847	652,471	529,199	481,562	491,714	603,207	672,857
Interest	258,965	281,794	264,320	276,717	193,211	195,344	166,770	28,590	36,997	55,817
Debt issue costs	-	-	-	-	-	-	310,868	19,000	-	-
Capital outlay	1,644,650	2,087,428	823,083	440,820	1,225,028	6,669,964	3,677,500	3,431,151	2,324,016	1,213,999
Total expenditures	21,415,172	20,367,695	16,894,204	14,937,743	14,719,121	18,696,943	15,157,964	13,712,675	12,532,864	10,317,743
Excess (deficiency) of revenues over (under) expenditures	1,412,572	960,997	1,013,355	1,784,226	(481,687)	(5,163,754)	(679,946)	(464,942)	546,805	4,755,712

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CITY OF CAYCE, SOUTH CAROLINA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
(Modified accrual basis of accounting)
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Other Financing Sources (Uses)										
Proceeds from TIF bond issue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,436,275	\$ -	\$ -	\$ -
Proceeds from sale of assets	83,720	90,999	138,672	472,353	58,261	40,145	44,968	3,028	35,000	16,972
Installment purchase contracts	500,000	738,000	429,034	251,595	364,000	283,556	374,000	519,000	-	-
Transfers in	1,631,494	1,459,699	1,275,358	879,337	1,196,433	884,041	911,911	1,761,120	1,404,441	423,300
Transfers out	(1,631,494)	(1,459,699)	(1,275,358)	(879,337)	(1,196,433)	(884,041)	(911,911)	(1,761,120)	(1,404,441)	(423,300)
Total other financing sources	<u>583,720</u>	<u>828,999</u>	<u>567,706</u>	<u>723,948</u>	<u>422,261</u>	<u>323,701</u>	<u>8,855,243</u>	<u>522,028</u>	<u>35,000</u>	<u>16,972</u>
Net change in fund balances before extraordinary item	<u>1,996,292</u>	<u>1,789,996</u>	<u>1,581,061</u>	<u>2,508,174</u>	<u>(59,426)</u>	<u>(4,840,053)</u>	<u>8,175,297</u>	<u>57,086</u>	<u>581,805</u>	<u>4,772,684</u>
Net change in fund balances	1,996,292	1,789,996	1,581,061	2,508,174	(59,426)	(4,840,053)	8,175,297	57,086	581,805	4,772,684
Fund balances, beginning of year	17,516,464	15,726,468	14,145,407	11,637,233	11,696,659	16,536,712	8,361,415	8,304,329	7,722,524	2,949,840
Fund balances, end of year	<u>\$ 19,512,756</u>	<u>\$ 17,516,464</u>	<u>\$ 15,726,468</u>	<u>\$ 14,145,407</u>	<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>
Debt service as a percentage of non-capital expenditures	<u>5.6%</u>	<u>5.9%</u>	<u>6.1%</u>	<u>6.3%</u>	<u>6.3%</u>	<u>6.0%</u>	<u>5.6%</u>	<u>5.1%</u>	<u>6.3%</u>	<u>8.0%</u>

(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**

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)					
2015	\$ 34,138,570	\$ 34,547,080	\$ 5,994,890	\$ (24,197,850)	\$ 50,482,690	44.17	\$ 573,465,498	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%	
2021*	42,028,880	38,365,310	7,360,460	(22,235,700)	65,518,950	53.73	1,099,288,512	6.0%	
2022	44,388,670	37,648,890	7,790,700	(21,350,530)	68,477,730	53.73	1,160,495,060	5.9%	
2023	47,869,770	37,512,070	8,407,040	(21,260,320)	72,528,560	58.10	1,273,129,119	5.7%	
2024	48,330,110	39,463,110	8,533,660	(20,915,500)	75,411,380	58.10	1,260,079,774	6.0%	

Source: Lexington County Auditor, Final Tax Year Assessments

(1) Direct tax rate reflects the millage assessed by the City and applied per \$1,000 or 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)

Year	City Millage	County Millage	School District Millage	All Other Districts	Total Millage
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	225.960	21.115	378.790
2021*	53.730	75.592	230.220	20.100	379.642
2022	53.730	74.592	234.400	20.030	382.752
2023	58.100	74.592	242.400	20.030	395.122
2024	58.100	77.703	242.400	20.030	398.233

Source: Lexington County Auditor, Final Millage Reports

*Reassessment year effect on City Millage

(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 to 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 JUNE 30, 2024 AND NINE YEARS AGO

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Dominion/SCANA	\$ 26,044,250	1	34.54%	\$ 23,806,630	1	31.88%
Owen Electric Steel Co. of S.C.	3,447,820	2	4.57%	5,412,410	2	7.25%
Matheson Tri Gas, Inc.	2,448,230	3	3.25%			
Advenir @ One Eleven LLC	1,765,800	4	2.34%			
Brickworks Apartments LLC	1,562,400	5	2.07%			
Otarre Point Realty Partners LLC	1,530,690	6	2.03%			
Granby Millpond NRDE LLC	1,458,000	7	1.93%			
SN Riverside LLC	1,252,060	8	1.66%			
Martin Marietta Materials	1,087,810	9	1.44%	1,065,600	3	1.43%
PEP-USC LLC	873,880	10	1.16%			
Bell South Telecommunication, Inc.				729,600	4	0.98%
Farm Bureau Insurance of S.C.				719,880	5	0.96%
EDR Cayce, LLC				614,290	6	0.82%
Parkland Partnership				508,990	7	0.68%
Granby Crossing				448,820	8	0.60%
CMC Steel				336,280	9	0.45%
Totals	<u>\$ 41,470,940</u>		<u>54.99%</u>	<u>\$33,642,500</u>		<u>45.05%</u>
Total City-wide Assessed Value	<u>75,411,380</u>		<u>100.00%</u>	<u>74,680,540</u>		<u>100.00%</u>

Source: Lexington County Auditor's Office

CITY OF CAYCE, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS ⁽¹⁾
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Tax Year	Taxes Levied for the Fiscal Year ⁽²⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Total Collections to Date	
			Current Amount	Percentage of Levy		Total ⁽³⁾	Percentage of Levy
2015	2014	\$ 2,107,335	\$ 2,043,271	96.96%	\$ 56,622	\$ 2,099,893	99.65%
2016	2015	2,195,905	2,124,920	96.77%	63,189	2,188,109	99.64%
2017	2016	2,345,481	2,286,122	97.47%	53,427	2,339,549	99.75%
2018	2017	2,529,425	2,455,628	97.08%	61,358	2,516,986	99.51%
2019	2018	2,747,073	2,633,466	95.86%	93,106	2,726,572	99.25%
2020	2019	3,053,609	2,965,319	97.11%	74,210	3,039,529	99.54%
2021	2020	3,288,664	3,222,328	97.98%	53,765	3,276,093	99.62%
2022	2021	3,476,725	3,372,793	97.01%	72,876	3,445,669	99.11%
2023	2022	4,177,799	4,028,164	96.42%	110,640	4,138,804	99.07%
2024	2023	4,232,176	4,013,848	94.84%	-	4,013,848	94.84%

Source: Lexington Source: Lexington County Auditor, Final Tax Year Assessments

(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.

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			
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
2021	-	6,815,000	579,843	31,078,024	23,207,138	234,709	61,914,714	15.8%	4,502
2022	-	6,500,000	579,843	28,285,830	23,207,138	-	58,572,811	14.0%	3,967
2023	-	6,175,000	1,014,227	22,760,000	25,696,004	-	55,645,231	13.4%	4,077
2024	-	5,835,000	1,013,968	20,345,000	24,679,915	-	51,873,883	11.1%	3,791

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

CITY OF CAYCE, SOUTH CAROLINA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total General Bonded Indebtedness	Percentage of Assessed Value of Taxable Property	Amount Per Capital (Population)
2015	\$ -	\$ -	\$ -
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-

Note: 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, 2024**

Political Subdivisions	Assessed Value	Debt Outstanding	Percentage Applicable to Cayce Taxpayers	Cayce Taxpayer Share of Debt
Lexington County	\$ 1,686,808,245	\$ 10,120,000	5.88%	\$ 595,056
Lexington School District 2	388,281,130	195,296,300	25.56%	49,917,734
Lexington Recreation District	1,286,110,920	15,200,000	7.72%	1,173,440
Columbia Metropolitan Airport	3,656,637,931	1,260,000	5.88%	74,088
Riverbanks Zoo	3,656,637,931	23,079,000	5.88%	1,357,045
Total Overlapping General Bonded Debt		\$ 244,955,300		\$ 53,117,363
Direct City Debt Outstanding				
Governmental Activities:				
Tax Increment Financing (TIF)				\$ 6,038,779
Revenue Bonds				1,013,968
Installment Purchase Contracts				7,052,747
				\$ 14,105,494
Total Direct and Overlapping Debt				\$ 67,222,857

Note: The City's share of debt is determined by taking the Assessed Property Value within the City divided by the Assessed Property Value of the overlapping entity multiplied by the outstanding debt of the overlapping entity.

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

CITY OF CAYCE, SOUTH CAROLINA

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Assessed Valuation	\$ 75,411,380	\$ 72,528,560	\$ 68,477,730	\$ 65,518,950	\$ 59,691,010	\$ 57,798,880	\$ 55,262,980	\$ 52,484,130	\$ 51,479,370	\$ 50,482,690
Maximum General Obligation Debt limited to 8% of total assessed valuation (1)	6,032,910	5,802,285	5,478,218	5,241,516	4,775,281	4,623,910	4,421,038	4,198,730	4,118,350	4,038,615
Outstanding bonds chargeable to bond limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 6,032,910</u>	<u>\$ 5,802,285</u>	<u>\$ 5,478,218</u>	<u>\$ 5,241,516</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

(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

**PLEGGED REVENUE - REVENUE BOND COVERAGE WATER AND SEWER ENTERPRISE FUND
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Gross Revenues	\$ 22,016,563	\$ 20,399,500	\$ 19,045,063	\$ 19,403,621	\$ 19,029,412	\$ 18,474,151	\$ 17,453,758	\$ 17,370,618	\$ 16,899,283	\$ 15,005,544
Capital Facility Charges	1,094,689	1,139,847	1,312,761	652,588	1,057,084	1,162,128	743,423	1,622,762	465,468	1,604,279
Expenses of Operating and Maintaining the System ⁽³⁾	<u>(14,735,963)</u>	<u>(14,108,854)</u>	<u>(13,611,870)</u>	<u>(13,611,870)</u>	<u>(12,415,300)</u>	<u>(12,337,412)</u>	<u>(12,045,106)</u>	<u>(11,239,920)</u>	<u>(10,627,732)</u>	<u>(9,159,617)</u>
Net Earnings/Net Revenues ⁽¹⁾	<u>\$ 8,375,289</u>	<u>\$ 7,430,493</u>	<u>\$ 6,745,954</u>	<u>\$ 6,444,339</u>	<u>\$ 7,671,196</u>	<u>\$ 7,298,867</u>	<u>\$ 6,152,075</u>	<u>\$ 7,753,460</u>	<u>\$ 6,737,019</u>	<u>\$ 7,450,206</u>
Combined Debt Service Requirements ⁽⁴⁾	<u>\$ 4,671,225</u>	<u>\$ 4,522,248</u>	<u>\$ 4,451,817</u>	<u>\$ 4,304,979</u>	<u>\$ 4,551,013</u>	<u>\$ 4,518,463</u>	<u>\$ 4,439,485</u>	<u>\$ 3,387,085</u>	<u>\$ 4,551,866</u>	<u>\$ 4,774,334</u>
Debt Service Coverage ⁽⁵⁾	<u>179%</u>	<u>164%</u>	<u>152%</u>	<u>150%</u>	<u>169%</u>	<u>162%</u>	<u>139%</u>	<u>229%</u>	<u>148%</u>	<u>156%</u>
Debt Service Coverage Without Capital Facility Charges (5)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>122%</u>

1) Effective in 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 include Capital Facility Charges) to be at least 115% of the Annual Principal and Interest Requirements for all bonds. Previously, debt service coverages were under the then effective indentures.

2) Expenses of operating and maintenance of the system are exclusive of depreciation, amortization, and other non-cash items.

3) Includes annual principal and interest payments on revenue bonds and state revolving funds loans.

4) 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 PERMIT VALUES – TEN FISCAL YEAR REPORT

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Alterations	\$ 10,271,995	\$ 5,021,261	\$ 4,266,149	\$ 1,985,053	\$ 2,261,394	\$ 3,367,800	\$ 2,662,932	\$ 4,093,414	\$ 3,663,392	\$ 2,024,358
Additions	1,035,549	314,485	-	590,631	584,065	8,500	827,622	53,388	1,067,481	-
New Construction	-	10,329,674	17,417,683	7,040,526	9,456,428	-	2,267,822	935,740	8,158,486	205,910
Sub-total	11,307,544	15,665,420	21,683,832	9,616,210	12,301,887	3,376,300	5,758,376	5,082,542	12,889,359	2,230,268
Signage	87,498	31,944	197,666	115,445	137,846	129,552	330,000	35,386	85,224	63,914
Commercial Totals	\$ 11,395,042	\$ 15,697,364	\$ 21,881,498	\$ 9,731,655	\$ 12,439,733	\$ 3,505,852	\$ 6,088,376	\$ 5,117,928	\$ 12,974,583	\$ 2,294,182

RESIDENTIAL PERMITS VALUES – TEN FISCAL YEAR REPORT

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Alterations	\$ 7,319,350	\$ 5,713,524	\$ 8,852,151	\$ 3,863,981	\$ 2,249,536	\$ 1,934,119	\$ 2,328,763	\$ 2,040,385	\$ 1,722,156	\$ 1,227,438
Additions	1,940,338	545,446	1,188,694	258,564	255,285	97,610	195,294	239,353	132,485	311,499
Multi-Family	-	-	-	-	-	-	-	-	-	35,670,684
Single-Family	351,837	246,693	322,000	3,368,360	2,749,725	951,000	1,314,345	2,417,225	9,431,975	6,684,947
Residential Totals	\$ 9,611,525	\$ 6,505,663	\$ 10,362,845	\$ 7,490,905	\$ 5,254,546	\$ 2,982,729	\$ 3,838,402	\$ 4,696,963	\$ 11,286,616	\$ 43,894,568
Yearly Grand Total	\$ 21,006,567	\$ 22,203,027	\$ 32,244,343	\$ 17,222,560	\$ 17,694,279	\$ 6,488,581	\$ 9,926,778	\$ 9,814,891	\$ 24,261,199	\$ 46,188,750

CITY OF CAYCE, SOUTH CAROLINA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST 10 AVAILABLE YEARS

Per Year 2023 Census ¹	Cayce ⁵	Lexington County ⁴	South Carolina ⁴
Total Population (July 1, 2023 Estimate)	\$ 13,660	\$ 309,528	\$ 5,373,555
Per Capita Income (In 2022 Dollars)	34,239	37,209	36,072
Median Household Income (In 2022 Dollars)	56,976	71,280	63,623
Total Personal Income (In 2022 Dollars)	467,704,740	11,517,227,352	193,834,875,960

Population Estimates ¹ (July 1, 2023)	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
2020	13,781	300,137	5,190,705
2021	13,739	300,137	5,190,705
2022	13,649	304,797	5,282,634
2023	13,660	309,528	5,373,555

Unemployment Rates (Annual Average) ²	Cayce	Lexington County	South Carolina
2012	N/A	7.0	9.3
2013	N/A	5.8	7.7
2014	N/A	5.1	6.3
2015	N/A	4.8	5.5
2016	N/A	4.1	4.6
2017	N/A	3.6	4.0
2018	N/A	2.9	3.4
2019	N/A	2.3	2.8
2020	N/A	4.2	6.0
2021	N/A	3.0	4.0
2022	N/A	2.6	3.2
2023	N/A	2.5	3.0

Cayce's Income Demographics ⁵	Households		Families	
	Number	Percentages	Number	Percentage
\$0 - \$10,000	428	6.5%	71	2.2%
10,000 - 14,999	119	1.8%	23	0.7%
15,000 - 24,999	751	11.4%	494	15.3%
25,000 - 34,999	599	9.1%	223	6.9%
35,000 - 49,999	1,021	15.5%	271	8.4%
50,000 - 74,999	1,061	16.1%	480	14.9%
75,000 - 99,999	1,133	17.2%	777	24.1%
100,000 - 149,999	981	14.9%	459	14.2%
150,000 - 199,999	290	4.4%	278	8.6%
200,000 and over	204	3.1%	155	4.8%
Totals	6,587	100.0%	3,231	100.0%

Sources: ¹ U.S. Bureau of the Census, Census 2020. 2023 latest estimates.

² S.C. Department of Employment and Workforce

⁴ State Demographic Information for all categories is updated as of July 1, 2023.

⁵ Income demographics for the City are based on estimates from the Bureau of the Census, American Community Survey, 2022 ACS 5-Year Estimates Data Profiles

N/A = Not Available

CITY OF CAYCE, SOUTH CAROLINA

PRINCIPAL EMPLOYERS (TEN LARGEST)

JUNE 30, 2024 AND NINE YEARS AGO

Employer	Type of Business	2024			2015		
		Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Dominion Energy	Electric Utility	1,283	1	17.8%	2,278	1	26.8%
USPS	Mail Distribution	590	2	8.2%			0.0%
Lexington School District 2	Public School System	545	3	7.6%	265	3	3.1%
CMC Steel	Manufacturer, Steel	425	4	5.9%			0.0%
Farm Bureau Insurance of S.C.	Insurance	161	7	2.2%	178	5	2.1%
Food Lion	Grocer	148	5	2.1%			0.0%
Lexington Rehabilitation	Health Services	132	6	1.8%			0.0%
First Priority	Ambulance Service	123	8	1.7%			0.0%
Wal-Mart	Grocer	120	9	1.7%			0.0%
Aqua Seal MFG & Roofing INC.	Roofing Contractor	90	11	1.3%			0.0%
Pace Analytical Services, LLC	Contractor Services	63	10	0.9%			0.0%
Total		3,680		51.11%	2,721		32.01%
Approximate number employed within the City limits		7,200			8,500		

Note: Information obtained from Business License applications and phone calls to businesses. Information does not include the 243 City of Cayce employees.

CITY OF CAYCE, SOUTH CAROLINA

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Employees by Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Governmental Activities</u>										
General Government:										
Legislative	5	5	5	5	5	5	5	5	5	5
Administrative	8	8	7	7	7	6	6	6	6	6
Recorder's court	2	4	4	4	4	4	3	3	3	3
IT	3	3	2	2	2	1	1	1	1	1
Finance:										
Accounting	3	3	3	3	3	3	3	3	3	3
Public Safety:										
Animal Services	0	0	1	1	1	1	1	1	1	2
Dispatchers	6	6	6	6	6	6	6	5	5	5
Administration	10	10	8	7	7	7	4	4	4	4
Detectives	10	9	8	8	8	8	9	8	8	8
Traffic/Victim Advocate	34	41	44	44	44	42	43	37	39	41
Fire	24	27	22	22	22	19	16	16	15	15
Parks	5	5	4	4	4	4	4	4	4	2
School Resource Officers	8									
Planning and Community Dev.:										
Administration	7	7	7	7	7	7	7	7	5	4
Public Works:										
Public Buildings	1	1	1	1	1	1	1	1	1	1
Sanitation	18	18	18	18	18	17	17	17	15	17
Garage	5	5	5	5	5	5	5	5	5	5
Parks and Other:										
Museum	2	3	2	2	2	2	3	3	2	2
Parks	14	14	14	14	14	12	12	12	12	10
Subtotals	165	169	161	160	160	150	146	138	134	134
<u>Business-type Activities</u>										
Water and Sewer Utility										
Administrative	5	5	5	5	5	5	5	4	4	4
Water billing	* 10	* 10	* 10	* 9	* 9	* 9	* 9	* 9	* 8	* 8
Water treatment plant	11	11	11	10	10	10	10	10	10	10
Water distribution and maintenance	15	15	15	15	14	13	13	13	13	13
Sewer collection and outfall lines	16	16	16	16	16	15	15	14	13	13
Wastewater treatment plant	17	17	18	16	16	15	14	13	12	12
Wastewater pre-treatment plant	** 4	** 4	** 4	** 4	** 4	** 5	** 5	** 4	** 3	** 3
Subtotals	78	78	79	75	74	72	71	67	63	63
Total	243	247	240	235	234	222	217	205	197	197

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

* Water Billing was split out from Water Admin as of July 1, 2014.

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

Source: City of Cayce Finance, Budget and Personnel Departments

CITY OF CAYCE, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities										
General Government:										
Area in square miles	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2
Population of City	13,660	13,649	13,739	13,781	14,009	14,081	14,086	14,233	13,625	13,496
Police Department ¹ :										
Number of stations	3	3	3	3	3	3	4	4	4	4
Number of Police Officers	56	60	58	18	17	17	10	5	1	1
Number of Public Safety Officers	N/A	N/A	0	40	41	45	57	56	57	54
Number of Detectives (now Investigators)	9	8	9	10	8	7	8	8	8	8
Number of Civilian Staff (new for FY22)	6	4	14	-	-	-	-	-	-	-
Number of Telecommunicators (new for FY22)	6	6	7	-	-	-	-	-	-	-
Number of Park/Animal Safety Officers (new FY22)	5	5	5	-	-	-	-	-	-	-
Number of arrests	419	786	667	430	508	676	956	850	700	685
Number of emergency incidents	12,211	11,700	11,191	7,097	6,731	7,046	6,796	6,192	5,800	8,470
Fire Department ¹ :										
Number of stations	1	1	1	-	-	-	-	-	-	-
Number of Firefighters	24	24	24	17	15	11	9	8	6	6
Number of emergency incidents	2,215	2,035	1,700	-	-	-	-	-	-	-
Planning and Community Development										
Permits issued	812	745	830	973	855	428	427	442	452	744
Estimated costs of construction	22,275,199	25,838,396	42,871,271	43,328,228	21,898,481	6,488,581	9,926,778	9,814,891	24,261,198	46,188,750
Public Works										
Active vehicles in vehicle replacement plan	179	200	220	210	214	201	179	179	168	156
Refuse collected (average tons/day)	26.8	26.5	26	25	30	29.5	36.5	36	24.5	25
Recyclables collected (average tons/day)	3.6	3.5	2.9	3.2	2.5	1.8	4	3.5	2.5	2
Parks and Museum										
Number of parks	9	9	9	10	10	9	9	9	9	9
Number of playgrounds	6	6	6	6	6	6	6	6	6	5
Museum complex	2	2	2	1	1	1	1	1	1	1

CONTINUED

CITY OF CAYCE, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Business-type Activities										
Water and Sewer Utility:										
Number of water customers end of period	8,148	* 8,161	8,148	8,147	7,917	7,865	7,822	7,776	7,760	8,436
Number of sewer customers end of period	13,657	* 13,188	13,136	12,970	12,838	12,917	12,714	12,583	11,625	12,146
Water plant filtration capacity per day - gallons (GPD)	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000
Maximum daily pumping capacity of water - gallons	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Average daily filtration flow - water GPD	3,180,000	2,690,000	2,770,000	2,710,000	2,920,000	3,360,000	3,080,000	3,004,000	3,000,160	2,730,000
Peak average filtration flow - water GPD	4,070,000	3,470,000	3,540,000	3,530,000	3,560,000	4,160,000	3,890,000	3,660,000	3,721,000	3,620,000
Peak daily filtration flow - water GPD	4,743,000	4,480,000	4,915,830	4,618,330	4,506,000	5,126,700	4,313,000	4,663,000	4,408,000	4,232,400
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	25,000,000	25,000,000
Average daily treated flow - wastewater GPD	10,713,000	10,424,580	9,679,200	10,115,000	10,480,000	9,956,000	9,193,000	9,652,000	9,803,000	7,743,000
Peak average treated flow - wastewater GPD	13,353,000	12,233,000	10,887,000	11,913,000	13,942,000	12,578,000	11,886,000	11,462,000	13,458,000	8,900,000
Peak daily treated flow - wastewater GPD	23,679,000	18,443,000	21,470,000	21,700,000	24,959,000	23,321,000	15,812,000	21,547,000	23,647,000	16,490,000
Number of miles of water mains owned by City	222.26	222.3	222.0	221.8	221.8	221.5	221.2	219.3	217.7	216.3
Number of miles of sewage collection lines owned by City	283.99	283.1	282.7	282.2	282.2	281.4	279.9	272.9	270.1	268.5

¹ The City's Public Safety Department was split in FY2022 into separate Police and Fire Departments.

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

Source: City of Cayce Departments

COMPLIANCE SECTION



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members
of the City Council
Cayce, South Carolina

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Cayce, South Carolina** (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 11, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 11, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Members
of the City Council
Cayce, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **City of Cayce, South Carolina's** (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

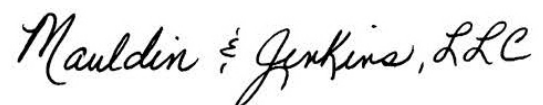
Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Columbia, South Carolina
December 11, 2024

CITY OF CAYCE, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Grant Identification Number	Federal Expenditures	Passed through to Subrecipient
U.S. DEPARTMENT OF THE TREASURY				
Direct Awards:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 1,609,790	\$ -
Total U.S. Department of the Treasury			1,609,790	-
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Passed through the S.C. Department of Health and Environmental Control:				
Solid Waste Management Assistance Grants	66.808	32.04SW24	19,901	-
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	02D32822	47,204	-
Total U.S. Environmental Protection Agency			67,105	-
Total Expenditures of Federal Awards			\$ 1,676,895	\$ -

CITY OF CAYCE, SOUTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Cayce, South Carolina (the "City"), and is presented on the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for the proprietary fund types. The City reporting entity is described in Note 1 to the City's basic financial statements.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City chose not to use the ten percent de Minimis indirect cost rate for the year ended June 30, 2024.

NOTE 3. NONCASH AWARDS AND LOANS

There were no federal awards expended in the form of noncash assistance during the fiscal year. There were also no loans or loan guarantees outstanding at year end.

CITY OF CAYCE, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditors issued on whether the financial statements audited were in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weaknesses identified? Yes No

Significant deficiencies identified? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:
Material weaknesses identified? Yes No

Significant deficiencies identified? Yes No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

Assistance Listing Number

21.027

Name of Federal Program or Cluster

U.S. Department of the Treasury
COVID-19 Coronavirus State and Local
Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

CITY OF CAYCE, SOUTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

SECTION II

FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV

SCHEDULE OF PRIOR YEAR FINDINGS

None reported.



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Cayce, SC 29033

Vision Statement

In the City of Cayce, we strive to collaborate with our citizens, business leaders and community groups to deliver excellent services, and plan for our future generations, all while preserving, protecting and enhancing the quality of life.

