



CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2010

CITY OF WEST COLUMBIA
SOUTH CAROLINA

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2010

JENNIFER T. CUNNINGHAM
City Administrator

Prepared by:
FINANCE DEPARTMENT

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2010
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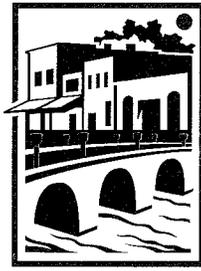
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JENNIFER T. CUNNINGHAM
City Administrator
MYRON F. CORLEY
Deputy City Administrator
BRIAN E. CARTER, AICP
Director of Planning & Zoning
RICHARD K. HODGE, CPA
City Treasurer
MARTA V. MCKINNON, CMC
City Clerk
JOSEPH W. "JOE" OWENS
Utilities Director
DONNA M. SMITH
Director of Economic Development



City of West Columbia

Bridging Past, Present and Future

BOBBY E. HORTON
Mayor
JACK L. HARMON
Mayor Pro-Tem
ERIC L. FOWLER
L. DALE HARLEY
BOYD J. JONES
MARSHA J. MOORE
TOMMY G. PARLER
CATHY SHANNON
B.J. UNTHANK
Council Members

January 25, 2011

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of West Columbia, South Carolina, for the fiscal year ended June 30, 2010. The report contains a comprehensive analysis of the City's financial position and activities for the period.

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City of West Columbia's financial statements were audited by Brittingham, Brown, Prince and Hancock, CPAs, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of West Columbia for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of West Columbia's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The City received and expended more than \$500,000 in federal financial assistance and therefore was required to have a single audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit includes the schedules of expenditures of federal awards, findings and recommendations. The auditor's report on the internal control structure and text of its compliance with certain provisions of laws, regulations, contracts and grants also is included in the governmental auditing standards section of this report.

The comprehensive annual 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 West Columbia. 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 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 West Columbia's MD&A can be found immediately following the independent auditor's report.

PROFILE OF THE GOVERNMENT

The City of West Columbia was incorporated in 1894 and is located in the eastern part of Lexington County along the Saluda and Congaree Rivers. The City is located in the central part of the state, one of the top growth areas of South Carolina. Economic conditions and outlook of the government are progressively improving from the past two years. During this time, for example, regionally known retail and wholesale firms located in the greater West Columbia area have started or expanded activities. This growth has had a positive effect on employment and the government's tax base.

The City of West Columbia currently occupies a land area of 8.7 square miles and serves a population of 13,064. The City of West Columbia is empowered to levy a property tax on both real and personal properties located within its boundaries. The City also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when the City Council deems appropriate.

The City of West Columbia operates under a council form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and eight other members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, hiring the city administrator and the city attorney, appointing the city treasurer and city clerk and selecting the independent auditor to audit the city's financial statements. The city administrator is responsible for carrying out the policies and ordinances of the city council, for overseeing the day-to-day operations of the government, and for appointing the heads of various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with four council members elected every two years. The mayor is elected to serve a four-year term. All eight council members are elected by district. The mayor is elected at large.

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 West Columbia operates.

Local Economy – The City of West Columbia is located near the City of Columbia, the state capital of South Carolina. The City is part of the greater Columbia Metropolitan area which has been experiencing stable economic conditions. The City and its neighbors, the Cities of Cayce and Columbia, are constructing a park along the banks of the Congaree, Saluda and Broad Rivers as part of the Three Rivers Greenway Project, under the guidance of the coordinating agency, The River Alliance. The City of West Columbia's first phase of the project, known as the West Columbia Riverwalk Park and Amphitheater and the City's second phase of the park, designated the Riverwalk extension, have been completed. The remaining portion of the City's share of the Three Rivers Greenway project is in the planning and development stage and should be completed within two to three years. When the entire Greenway project is completed the park will have approximately twelve and a half miles of trails along the scenic Congaree, Saluda and Broad Rivers.

Long-term Financial Planning – In January of 2008 the City began a major initiative to upgrade and expand its aging wastewater infrastructure system and to modernize its Saluda River water treatment plant. These projects were undertaken to prepare the City to meet the future needs of its citizens. The water treatment plant, as well as the affected sewer infrastructure, are in excess of fifty years old. The City financed the projects by obtaining two State Infrastructure Loans from the South Carolina State Infrastructure Revolving Loan Program in the amount of \$9,908,967 for the Saluda River water treatment plant and \$10,304,746 for the wastewater infrastructure upgrade. The terms of the loans are for 20 years with rates of interest of 3.0% and 3.5% respectively. Both projects will be completed in fiscal year 2010-2011.

The Congaree and Saluda Rivers always have played a dominant role of strategic importance in the City of West Columbia's development. The ongoing Three Rivers Greenway project includes plans for a public nature park along both rivers that includes hiking trails, scenic overlooks on the river, concrete pathways, picnic shelters and emergency call boxes (for park visitor safety). Development on both sides of the Congaree River and Saluda Rivers is a driving force in the continuing economic development of the City of West Columbia. The City is coordinating efforts to enhance the economic development of property along the Congaree River that will be compatible to nearby residential areas.

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 fund 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/sewer 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 as a result an increased demand on water services. Based on the continuation of this trend, the water/sewer system should be in the position to generate revenues in an amount sufficient to cover debt service and operating costs.

Cash Management Policies and Practices – Cash temporarily idle during the year was invested in local banking institutions and consisted mainly of time certificates of deposit, debt instruments of federal agencies and securities held under the repurchase agreement. The maturities of the investments range from 7 months to 24 months. The average yield on maturing investments during the year was 2.4 percent. 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 West Columbia to hold investments to maturity.

Risk Management – The City maintains an employee health insurance plan for all full-time employees through a municipal pool and workmen’s compensation insurance through a self-insurance fund also administered through a municipal pool. The established self-insurance fund is responsible for collecting inter-fund premiums, determined by actuarial analysis, from insured funds and departments and paying claim settlements. Specific excess insurance is provided through private insurance for workmen’s compensation.

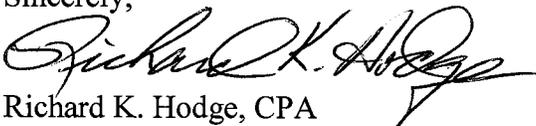
Other Information

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 West Columbia, South Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. This was the 19th consecutive year that the City of West Columbia has received this prestigious award. 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 CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and are submitting it to the GFOA.

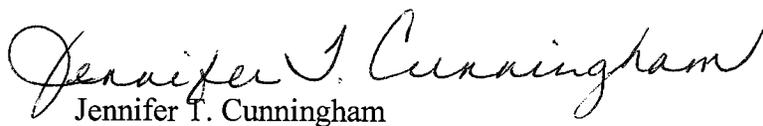
Acknowledgments – The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff and financial department. Each member of the department has our sincere appreciation for the contributions made in preparation of this report.

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,



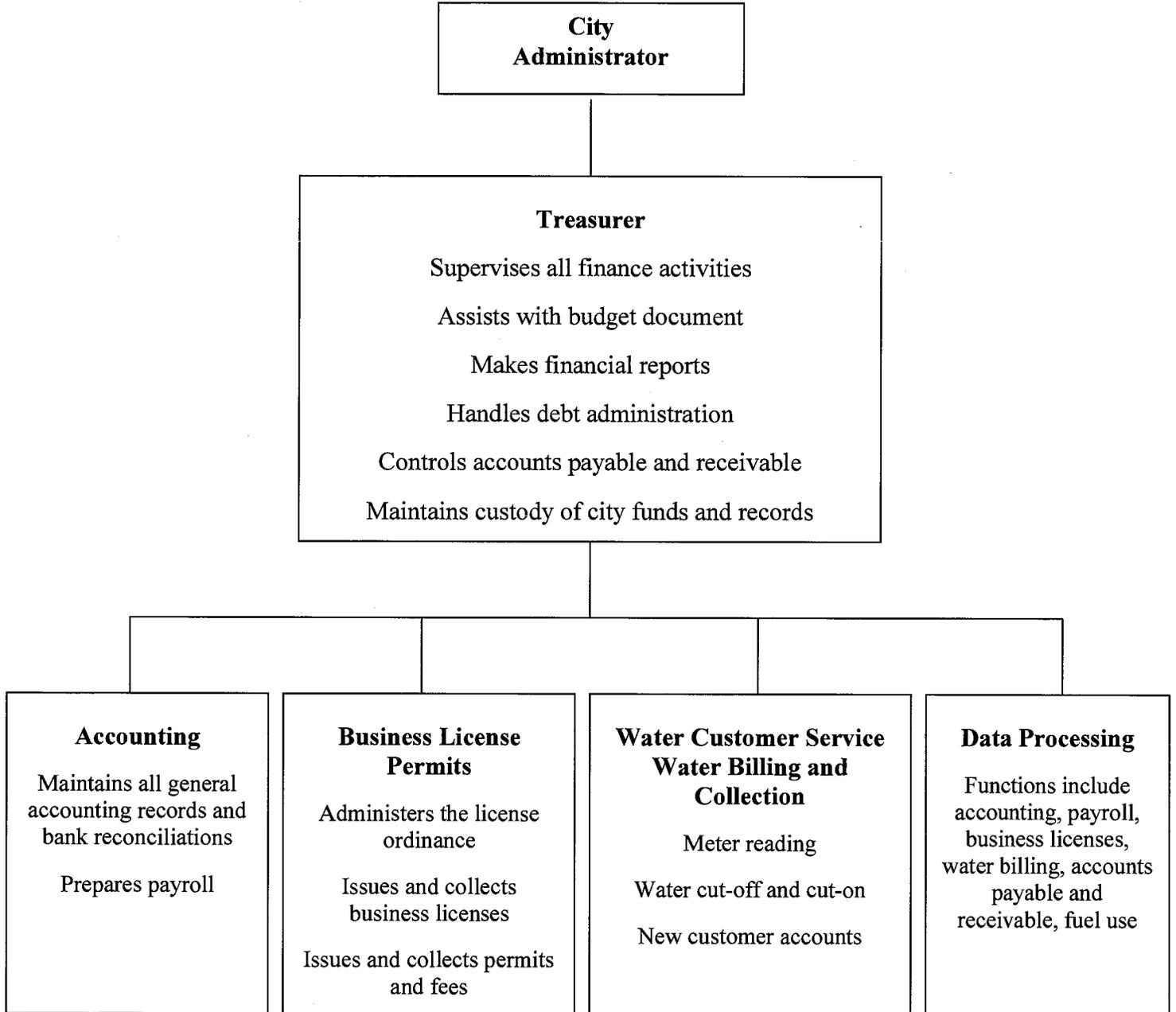
Richard K. Hodge, CPA
City Treasurer



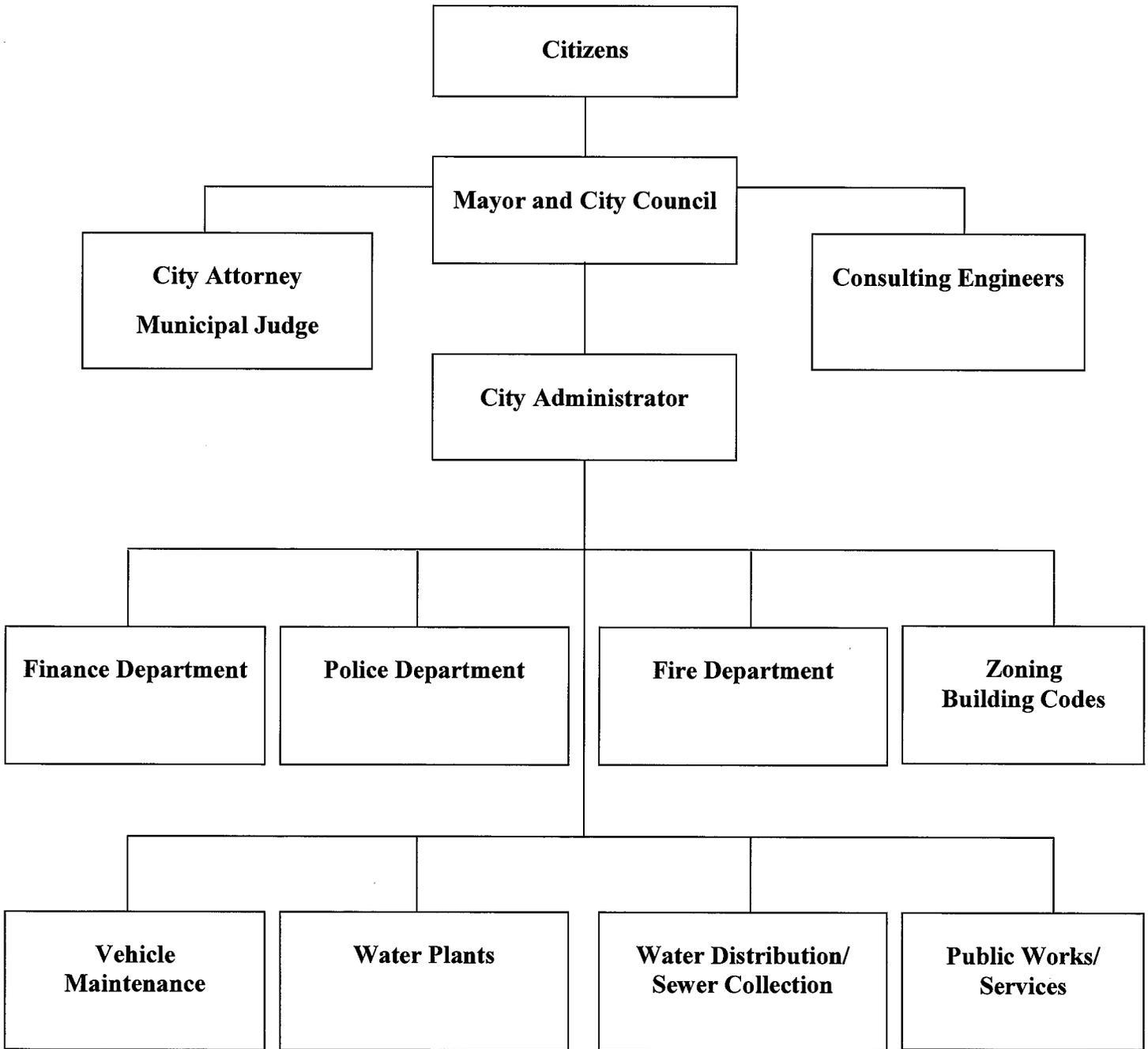
Jennifer T. Cunningham
City Administrator

City of West Columbia, South Carolina

**Finance Department
Organization Chart**



City of West Columbia, South Carolina



WEST COLUMBIA CITY COUNCIL

Bobby E. Horton, Mayor

COUNCIL MEMBERS

Jack L. Harmon, Mayor Pro-Tempore

Eric L. Fowler

L. Dale Harley

Boyd J. Jones

Marsha J. Moore

Tommy G. Parler

Cathy Shannon

B. J. Unthank

CITY ADMINISTRATOR

Jennifer T. Cunningham

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of West Columbia
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emmer".

Executive Director

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Brittingham, Brown, Prince & Hancock, LLC

Certified Public Accountants & Business Consultants

501 State Street · West Columbia, SC · 29171-5949 · Phone: (803) 739-3090 · Fax: (803) 791-0834

Members: American Institute of Certified Public Accountants · South Carolina Association of Certified Public Accountants · National Association of Certified Valuation Analysts

INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Members
Of The City of West Columbia Council
West Columbia, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of West Columbia, South Carolina (hereafter referred to as the City) as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the 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, the aggregate remaining fund information, of the City as of June 30, 2010, and the respective changes in financial position and, cash flows thereof and respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report date January 25, 2011 on our consideration of City's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

James T. Brittingham, C.P.A. (1924-1995) · Kerry R. Brown, C.P.A. · Kenneth E. Prince, C.P.A. · James T. Brittingham, Jr., C.P.A. · William H. Hancock, C.P.A. / P.F.S. · A. Scott Hendrix, M.B.A., C.P.A., C.V.A.
Dawn A. Wetherley, CPA ·

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Brittingham, Brown, Prince & Hancock

January 25, 2011

Management's Discussion and Analysis

The City of West Columbia's 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, 2010. 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.

The implementation of the new financial reporting requirements under Governmental Accounting Standards Board (GASB) Statement # 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, make the City's 2010 Comprehensive Annual Financial Report significantly different than those reports prior to 2003. New features include this Management's Discussion and Analysis, the Government-wide Statement of Net Assets, the Government-wide Statement of Activities, the concept of major fund reporting, and the reporting of infrastructure capital assets and long-term debt liabilities in the governmental activities. These concepts are explained throughout this discussion and analysis.

Financial Highlights

- The City of West Columbia's assets exceeded its liabilities at June 30, 2010 by \$32,395,484 (net assets). Of this amount, \$176,484 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens.
- The City's total net assets decreased \$177,824 with \$102,603 of the increase from governmental activities and decrease \$280,427 resulting from business-type activities.
- For the fiscal year ending June 30, 2010, the City maintained only one governmental fund which was its General Fund. The City's governmental fund balance sheet reported a combined ending fund balance of \$3,601,755, an increase of \$2,763,668 over the previous fiscal year. Of this amount, \$3,527,872 is unrestricted.
- The General Fund reported actual revenues of \$405,267 under budget and expenditures under budgeted appropriations by \$234,635.
- The City's total debt increased by \$14,504,309 for the current fiscal year. The main reason for the increase is that the City has two major water and sewer construction projects ongoing which are financed by State of South Carolina state infrastructure loans (see Notes 8 and 17).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of West Columbia's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide 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 assets presents information on all of the City’s assets and liabilities, with the difference between the two reported as net assets. Over time increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 flow in future fiscal periods (uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of West Columbia 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, and public works. The City’s business-type activities include a water and sewer utility system.

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 of West Columbia, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. 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 of West Columbia maintained only one governmental fund during the fiscal year 2009-2010. 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 which is considered to be a major fund.

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

Proprietary funds – The City of West Columbia 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 of West Columbia's water and sewer utility system, which is considered to be a major fund of the City.

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 assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

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

Government-wide Financial Analysis

The government-wide financial statements are provided as part of the new approach mandated by the GASB, which sets the uniform standards for presenting government financial reports. This report represents the eighth year the City of West Columbia has applied this standard and therefore these reports provide complete comparative information as summarized in this Management's Discussion and Analysis. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of City of West Columbia, assets exceeded liabilities by \$32,395,484 at the close of the most recent fiscal year. The City's decrease in net assets for this fiscal year amounts to \$177,824.

For the current year, the largest portion of the City's net assets, 90.22 percent reflects its investment in capital assets (land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of West Columbia's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 4,646,087	\$ 4,754,908	\$18,737,174	\$15,243,729	\$23,383,261	\$19,998,637
Capital assets, net	14,177,865	14,437,545	54,845,308	41,351,621	69,023,173	55,789,166
Total assets	18,823,952	19,192,453	73,582,482	56,595,350	92,406,434	75,787,803
Long-term liabilities outstanding	7,527,849	5,342,143	45,915,929	29,785,457	53,443,778	35,127,600
Other liabilities	1,928,560	4,585,370	4,638,612	3,501,525	6,567,172	8,086,895
Total liabilities	9,456,409	9,927,513	50,554,541	33,286,982	60,010,950	43,214,495
Net assets						
Investing in capital assets, net of related debt	5,918,026	5,903,901	23,309,987	24,534,957	29,228,013	30,438,858
Restricted	73,883	117,304	2,917,030	1,648,573	2,990,913	1,765,877
Unrestricted	3,375,634	3,243,735	(3,199,076)	(2,875,162)	176,558	368,573
Total net assets	9,367,543	9,264,940	23,027,941	23,308,368	32,395,484	32,573,308

An additional portion of the City's net assets (9.23 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$176,558, 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 of West Columbia is able to report positive balances in both categories of net assets as a whole and individually within the governmental and business-type activities.

The changes in net assets displayed below shows the governmental and business-type activities during the fiscal year. The decrease in net assets resulted primarily because revenues from property taxes and business license fees were less than budgeted for the current fiscal year as well as previous years actual revenues. Also, the state shared revenues that the City receives annually from the State of South Carolina were reduced substantially due to the fact that the State reduced payments to Local Governments due to significant State level revenue budget shortfalls. These shortfalls at the state as well as the local level can be contributed directly to the economic conditions that have existed for the past two years.

City of West Columbia's Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues						
Charges for services	\$ 4,339,315	\$ 4,636,920	\$10,601,741	\$10,914,652	\$14,941,056	\$15,551,572
Operating grants & contributions	390,495	223,126			390,495	223,126
Capital grants & contributions	395,089	758,618	28,011		423,100	758,618
General revenues						
Property taxes	3,150,684	3,108,150			3,150,684	3,108,150
Intergovernmental	443,768	552,911			443,768	552,911
Investment earnings	27	49	292,751	338,026	292,778	338,075
Other	230,679	198,360	28,385		259,064	198,360
Total revenues	<u>8,950,057</u>	<u>9,478,134</u>	<u>10,950,888</u>	<u>11,252,678</u>	<u>19,900,945</u>	<u>20,730,812</u>
Expenses						
General Government	1,476,296	1,419,307			1,476,296	1,419,307
Community Development	277,395	304,065			277,395	304,065
Public Safety	7,356,707	7,150,941			7,356,707	7,150,941
Public Services	2,121,412	2,141,973			2,121,412	2,141,973
General Services	695,689	727,417			695,689	727,417
Interest on Long-term Debt	333,755	314,780			333,755	314,780
Water & Sewer Utility			7,817,515	8,408,956	7,817,515	8,408,956
Total expenses	<u>12,261,254</u>	<u>12,058,483</u>	<u>7,817,515</u>	<u>8,408,956</u>	<u>20,078,769</u>	<u>20,467,439</u>
Excess (deficiency) before transfers	(3,311,197)	(2,580,349)	3,133,373	2,843,722	(177,824)	263,373
Transfers	3,413,800	3,814,274	(3,413,800)	(3,814,274)		
Increase (decrease) in net assets	<u>102,603</u>	<u>1,233,925</u>	<u>(280,427)</u>	<u>(970,552)</u>	<u>(177,824)</u>	<u>263,373</u>

Financial Analysis of City of West Columbia Funds

As noted earlier, The City of West Columbia uses 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, unreserved 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, 2010, the City of West Columbia governmental funds reported combined fund balances of \$3,601,755, an increase of \$2,763,668 over the prior year balances. Ninety-Eight (98) percent of this total amount constitutes unrestricted fund balance, which is available for spending at the City’s discretion. The remainder of fund balance is reserved, to indicate that it is not available for new spending because it has already been committed to restricted purposes.

Financial Analysis of City of West Columbia Funds (Continued)

The General Fund is the primary operating fund of the City. At June 30, 2010, the total fund balance in the general fund was \$3,601,755. The general fund balance increased by \$2,763,668 during the current fiscal year. The majority of this increase is a result of the refunding of two short-term general obligation bonds which were reported on the governmental fund balance sheet as current bonds payables. These bonds were refunded with a long-term general obligation bond which is reported on the entity-wide statements and not on the general fund statements.

Proprietary funds – The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but with greater detail. At June 30, 2010, total net assets of the Water and Sewer Utility System amounted to \$23,027,941 as compared to \$23,308,368 at June 30, 2009. The decrease of net assets of \$280,427 is significantly less than the prior fiscal year due to the increase in net operating revenues and the reduction in operating transfers.

General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund. Columns for both the original budget adopted for fiscal year 2010 as well as the final budget are presented. Quarterly budget amendments and supplemental appropriations were approved during the 2009-2010 budget year. Total differences between the original budget and the final amended budget were \$111,762.

The General Fund budgeted revenues of \$9,322,962 before other financing sources and achieved actual revenues of \$8,917,695 or \$405,267 less than budgeted. Expenditures were budgeted for \$13,086,762 before other uses with actual expenditures of \$12,852,127. The City budgeted a deficiency of estimated revenues over its appropriated expenditures before other financing sources and uses totaling \$3,763,800, but achieved a deficiency of revenue over expenditures before other financing sources and uses of \$3,934,432. The General Fund’s budget also included budgeted net transfers in from the Enterprise Fund of \$3,413,800. The City also budgeted \$350,000 in capital lease financing. The difference between budgeted and actual revenues resulted mainly from property tax revenues, business license fees and state shared revenues which were significantly lower than in prior years due to the current economic conditions.

Capital Assets and Debt Administration

Capital assets – The City of West Columbia investments in capital assets for its governmental and business type activities as of June 30, 2010, amounts to \$69,023,173 (net accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment. Major capital asset events in the current year included the following (see Note 6):

- As the City of West Columbia expands and new development occurs in the City, the demand to provide adequate fire protection has increased. To meet this demand, the City purchased a new pumper fire truck at a cost of \$345,000 in September 2009.
- In the fiscal year 2008-2009 the City initiated two construction projects to upgrade and modernize its water and sewer facilities. The projects include upgrading and automating the City’s Saluda River water treatment plant and replacing aging sewer lines and rebuilding and modernizing numerous sewer pump stations within the City’s sewer system infrastructure. Capital cost for the two projects to date includes \$9,426,434 for the Saluda River water treatment plant upgrade and \$7,286,328 replacing and upgrading the sewer system infrastructure and pump stations for total construction in progress cost to date of \$16,712,762 (see Note 17).

Capital Assets and Debt Administration (Continued)

City of West Columbia's Capital Assets (Net)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 5,557,341	\$ 5,557,341	\$ 187,500	\$ 162,500	\$ 5,744,841	\$ 5,719,841
Buildings & equipment	6,358,468	6,586,503	27,028,789	27,836,080	33,387,257	34,422,583
Improvements other than buildings			10,596,140	11,066,084	10,596,140	11,066,084
Equipment			164,173	162,542	164,173	162,542
Vehicles & equipment	2,262,056	2,293,701	155,944	185,057	2,418,000	2,478,758
Construction in progress			16,712,762	1,939,358	16,712,762	1,939,358
Total revenues	<u>14,177,865</u>	<u>14,437,545</u>	<u>54,845,308</u>	<u>41,351,621</u>	<u>69,023,173</u>	<u>55,789,166</u>

Long-term debt - At the end of the current fiscal year, the City of West Columbia had total bonded debt outstanding of \$6,881,647 consisting of tax increment financing (TIF) bonds, series 2009, and a General Obligation (GO) Bond, Series 2010. The TIF Bonds outstanding debt is secured by the incremental tax revenue of the Tax Increment Finance District and by a junior pledge of the water and sewer system. The GO Bond outstanding debt is secured by the full faith, credit and taxing power of the City (see note 8).

The City also had total revenue bonds outstanding in the amount of \$ 31,432,822 at year end. The outstanding balance of revenue bonds is secured by a pledge of the gross revenue of the Water and Sewer Utility System as well as a lien against the system (see note 8).

The state limits the amount of general obligation debt the City of West Columbia can issue to 8 percent of the assessed value of all taxable property within the City's legal debt limit. Based on the assessed value of property the City could currently issue \$4,054,300, as reflected in note 8 and table 13 of the statistical section of this report.

City of West Columbia's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Capital leases	\$ 1,378,192	\$ 1,372,181	\$ 102,499	\$ 174,049	\$ 1,480,691	\$ 1,546,230
Tax increment finance bonds	4,068,024	4,501,463			4,068,024	4,501,463
General Obligation Bonds	2,813,623	2,660,000			2,813,623	2,660,000
Revenue bonds			31,432,822	16,642,616	31,432,822	16,642,616
Accrued compensated absences	520,534	483,371	231,116	208,821	751,650	692,192
Total revenues	<u>8,780,373</u>	<u>9,017,015</u>	<u>31,766,437</u>	<u>17,025,486</u>	<u>40,546,810</u>	<u>26,042,501</u>

Capital Assets and Debt Administration (Continued)

The City's total outstanding debt increased by \$14,504,309 during the current fiscal year. For additional information concerning the City's outstanding debt as of June 30, 2010, please see Notes 7 and 8 in the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The employment rate for City of West Columbia is currently 7.9 percent, compared to the rate of 8.8 percent a year ago. This compares favorably with the state's rate of 11.0 percent and the national rate of 9.5 percent.
- Inflationary trends in the region compare favorably to national indices.

These indices were taken into account when adopting the general budget for 2010-2011. Amounts available for appropriation in the general fund budget are \$13,181,700, an increase of .07 percent over the final 2010 budget of \$13,086,762. It should be noted that the appropriated budget for 2011 includes \$340,000 in budgeted revenues to service a long-term general obligation bond the City issued in March of 2010 to refund short-term debt. A debt service millage of 6.6 mills was levied for the 2010-2011 fiscal year in order to service the debt requirements. Property tax revenues for the coming year are expected to be at or below the prior fiscal year with an anticipated increase in delinquent tax revenues. The City will monitor economic conditions closely and make necessary budget adjustments as deemed appropriate.

Budgeted expenditures for 2011 are expected to increase over the actual 2010 expenditures due mainly to rising cost and budgeted grant initiatives in the public safety sector. The City does not anticipate entering into any major land acquisitions for economic development purposes in fiscal year 2010-2011 and has not budgeted issuing any bonded debt instruments.

As for the City's business-type activities, on July 1, 2010, the City initiated a 10 percent rate increase for the water and sewer utility system in order to meet increasing costs for operations. Another major initiative that the City has undertaken is to upgrade and refurbish its aging Greenhill and Laurel Road water tank reservoirs. Engineering studies have estimated the cost for upgrading and refurbishing the Greenhill water tank at approximately \$160,000 and \$325,000 for the Laurel Road water tank. Financing for the Greenhill water tank project will be provided by a State grant in the amount of \$160,888 and the cost of the Laurel Road water tank project will be paid for through budgeted revenues.

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 Richard K. Hodge, CPA, City of West Columbia Treasurer.

BASIC FINANCIAL STATEMENTS

CITY OF WEST COLUMBIA, SOUTH CAROLINA

STATEMENT OF NET ASSETS

JUNE 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 1,216,627	\$ 4,473,581	\$ 5,690,208
Receivables, net	1,075,135	3,224,508	4,299,643
Prepaid Charges	27,355	3,468	30,823
Internal Balances, net	2,163,922	(2,163,922)	
Notes Receivable - Municipal Government		718,398	718,398
Restricted Cash and Cash Equivalents	129,279	2,763,086	2,892,365
Total Current Assets	4,612,318	9,019,119	13,631,437
Non -Current assets:			
Notes Receivable - Municipal Government		9,233,470	9,233,470
Capital Assets, net			
Land	5,557,341	187,500	5,744,841
Buildings and Improvements	6,358,468	27,028,789	33,387,257
Improvements Other Than Buildings		10,596,140	10,596,140
Vehicles and Equipment	2,262,056	320,117	2,582,173
Construction in Progress		16,712,762	16,712,762
Deferred Charges, net	33,769	484,585	518,354
Total Non -Current assets	14,211,634	64,563,363	78,774,997
TOTAL ASSETS	18,823,952	73,582,482	92,406,434
LIABILITIES			
Current Liabilities:			
Accounts Payable	350,503	562,495	912,998
Accrued Expenses and Other Liabilities	235,063	92,326	327,389
Accrued Interest Payable	88,682		88,682
Capital Leases	307,567	50,247	357,814
Accrued Compensated Absences	252,170	125,729	377,899
Customer Deposits		448,139	448,139
Deferred Revenue	1,788	659,699	661,487
(Payable from Restricted Assets)			
TIF Bonds Payable	448,783		448,783
GO Bonds Payable	244,004		244,004
Contracts Payable		1,049,362	1,049,362
Revenue Bonds Payable		1,588,688	1,588,688
Accrued Interest Payable - Revenue Bonds		61,927	61,927
Total Current Liabilities	1,928,560	4,638,612	6,567,172
Long-Term (Non-Current) Liabilities:			
Capital Leases	1,070,625	52,252	1,122,877
Bonds Payable	6,188,860	29,844,134	36,032,994
Deferred Revenue		15,701,179	15,701,179
Accrued Compensated Absences	268,364	105,388	373,752
Other Liabilities		212,976	212,976
Total Long-Term Liabilities	7,527,849	45,915,929	53,443,778
TOTAL LIABILITIES	9,456,409	50,554,541	60,010,950
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	5,918,026	23,309,987	29,228,013
Restricted to:			
Debt Service	32,769	2,763,086	2,795,855
Capital Improvement Grant		153,944	153,944
Law Enforcement Grants & Programs	32,916		32,916
Community Development	8,198		8,198
Unrestricted	3,375,634	(3,199,076)	176,558
TOTAL NET ASSETS	9,367,543	23,027,941	32,395,484

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

	Program Revenue				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Fee for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
<u>FUNCTIONS AND PROGRAMS</u>							
Governmental activities:							
General Government	\$ 1,476,296	\$ 3,773,352	\$ 293,370	\$ 293,370	\$ 2,590,426	\$ 2,590,426	\$ 2,590,426
Community & Economic Development	277,395				(277,395)	(277,395)	(277,395)
Public Safety	7,356,707	417,452	390,495	101,719	(6,447,041)	(6,447,041)	(6,447,041)
Public Services	2,121,412	148,511			(1,972,901)	(1,972,901)	(1,972,901)
General Services	695,689				(695,689)	(695,689)	(695,689)
Interest on Long-Term Debt	333,755				(333,755)	(333,755)	(333,755)
	<u>12,261,254</u>	<u>4,339,315</u>	<u>390,495</u>	<u>395,089</u>	<u>(7,136,355)</u>	<u>-</u>	<u>(7,136,355)</u>
Business-type activities:							
Water and sewer utility	7,817,515	10,601,741		28,011		\$ 2,812,237	2,812,237
Total Business-type activities	<u>7,817,515</u>	<u>10,601,741</u>		<u>28,011</u>		<u>2,812,237</u>	<u>2,812,237</u>
<u>TOTAL FUNCTIONS AND PROGRAMS</u>	<u>20,078,769</u>	<u>14,941,056</u>	<u>390,495</u>	<u>423,100</u>	<u>(7,136,355)</u>	<u>2,812,237</u>	<u>(4,324,118)</u>
General Revenue and Transfers							
Property Taxes					3,150,684		3,150,684
Intergovernmental - Unrestricted					443,768	25,000	468,768
Gain on sale of capital assets					27,129	3,385	30,514
Investment earnings - Unrestricted					27	292,751	292,778
Miscellaneous					203,550		203,550
Transfers					3,413,800	(3,413,800)	
Total general revenue and transfers					<u>7,238,958</u>	<u>(3,092,664)</u>	<u>4,146,294</u>
Changes in net assets					102,603	(280,427)	(177,824)
Net Assets-July 1					9,264,940	23,308,368	32,573,308
Net Assets-June 30					<u>9,367,543</u>	<u>23,027,941</u>	<u>32,395,484</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WEST COLUMBIA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2010

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>		
Cash	\$ 1,216,627	\$ 1,216,627
Receivables (Net of Allowance for Uncollectables)		
Property Taxes	203,196	203,196
State	98,107	98,107
Municipal Governments	168,372	168,372
Grants	459,095	459,095
Rehabilitation Loans	32,646	32,646
Other	113,719	113,719
Prepaid	27,355	27,355
Due From Other Funds	2,163,922	2,163,922
Restricted assets:		
Cash	129,279	129,279
	<u>4,612,318</u>	<u>4,612,318</u>
<u>TOTAL ASSETS</u>		
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts Payable	350,503	350,503
Accrued Payroll, Taxes, & Vacation Pay	487,233	487,233
Deferred Revenue	172,827	172,827
	<u>1,010,563</u>	<u>1,010,563</u>
<u>TOTAL CURRENT LIABILITIES</u>		
<u>FUND BALANCES</u>		
Reserved For:		
Debt Service	32,769	32,769
Law Enforcement Grants & Programs	32,916	32,916
Community Development	8,198	8,198
Unreserved	3,527,872	3,527,872
	<u>3,601,755</u>	<u>3,601,755</u>
<u>TOTAL FUND BALANCES</u>		
	<u>4,612,318</u>	<u>4,612,318</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>		

Reconciliation to amounts reported for governmental activities in the Statement of Net Assets (See Note 21):

Capital assets used in governmental activities are not financial resources and therefore are not reported in these funds.	14,177,865
Other assets not available to pay for current period expenditures and, therefore, not reported in the funds.	33,769
Other liabilities not payable from currently available resources are not reported in these funds.	(88,682)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in these funds.	(8,357,164)
Net Assets, end of year - Governmental Activities	<u>9,367,543</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

<u>REVENUES</u>	General	Total Governmental Funds
Property Taxes	\$ 3,145,451	\$ 3,145,451
Licenses and Permits	3,084,136	3,084,136
Fines and Forfeitures	389,324	389,324
Interest	27	27
Intergovernmental	443,768	443,768
Charges For Services	837,727	837,727
Grant Proceeds	785,584	785,584
Narcotics Program Income	28,128	28,128
Other Revenues	203,550	203,550
<u>TOTAL REVENUES</u>	<u>8,917,695</u>	<u>8,917,695</u>
<u>EXPENDITURES</u>		
Current		
General Government	1,259,765	1,259,765
Community & Economic Development	280,864	280,864
Public Safety	7,560,272	7,560,272
Public Services	1,926,353	1,926,353
General Services	707,366	707,366
Debt Service		
Principal	772,427	772,427
Interest	345,080	345,080
<u>TOTAL EXPENDITURES</u>	<u>12,852,127</u>	<u>12,852,127</u>
<u>EXCESS OF EXPENDITURES (OVER)/UNDER REVENUES</u>	<u>(3,934,432)</u>	<u>(3,934,432)</u>
<u>OTHER FINANCING SOURCES/(USES)</u>		
Transfers In/(Out)		
Water and Sewer Fund	3,413,800	3,413,800
Proceeds from General Obligation Bond Issue	2,813,623	2,813,623
Capital Leases	345,000	345,000
Sale of Capital Assets	125,677	125,677
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>6,698,100</u>	<u>6,698,100</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>2,763,668</u>	<u>2,763,668</u>
<u>FUND BALANCE - July 1</u>	<u>838,087</u>	<u>838,087</u>
<u>FUND BALANCE - June 30</u>	<u>3,601,755</u>	<u>3,601,755</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WEST COLUMBIA, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Net change in fund balances - total governmental funds	\$	2,763,668
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		(161,132)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.		5,233
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.		(20,423)
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(2,386,195)
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differ from the change in fund balance by the cost of the capital assets sold.		(98,548)
Change in Net Assets - Governmental Activities (See Note 21)		102,603

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2010

<u>REVENUES</u>	<u>BUDGETED AMOUNTS</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Property Taxes	\$ 3,275,000	\$ 3,275,000	\$ 3,145,451	\$ (129,549)
Licenses and Permits	3,294,000	3,294,000	3,084,136	(209,864)
Fines and Forfeitures	336,000	336,000	389,324	53,324
Interest			27	27
Intergovernmental	479,300	479,300	443,768	(35,532)
Charges For Services	840,000	840,000	837,727	(2,273)
Grant Proceeds	983,500	947,062	785,584	(161,478)
Narcotics Program Income	22,200	22,200	28,128	5,928
Other Revenues	129,400	129,400	203,550	74,150
<u>TOTAL REVENUES</u>	9,359,400	9,322,962	8,917,695	(405,267)
<u>EXPENDITURES</u>				
Current				
General Government	1,624,900	1,355,810	1,259,765	96,045
Community & Economic Development	297,300	273,300	280,864	(7,564)
Public Safety	7,400,700	7,657,352	7,560,272	97,080
Public Services	1,981,400	1,981,400	1,926,353	55,047
General Services	700,400	700,400	707,366	(6,966)
Debt Service				
Principal	625,143	773,343	772,427	916
Interest	345,157	345,157	345,080	77
<u>TOTAL EXPENDITURES</u>	12,975,000	13,086,762	12,852,127	234,635
<u>EXCESS OF EXPENDITURES OVER REVENUES</u>	(3,615,600)	(3,763,800)	(3,934,432)	(170,632)
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers In/(Out)				
Water and Sewer Fund	3,265,600	3,413,800	3,413,800	
Proceeds from General Obligation Bond Issue			2,813,623	2,813,623
Capital Leases	350,000	350,000	345,000	(5,000)
Sale of Capital Assets			125,677	125,677
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	3,615,600	3,763,800	6,698,100	2,934,300
<u>NET CHANGE IN FUND BALANCE</u>			2,763,668	2,763,668
<u>FUND BALANCE - July 1</u>			838,087	
<u>FUND BALANCE - June 30</u>			3,601,755	

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2010

	<u>Business-Type Activities</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 4,473,581
Accounts Receivable	3,224,508
Prepaid Charges	3,468
Notes Receivable- Municipal Government	718,398
Restricted Cash and Cash Equivalents	<u>2,763,086</u>
<u>TOTAL CURRENT ASSETS</u>	<u>11,183,041</u>
<u>NONCURRENT ASSETS</u>	
Noncurrent Receivable - Municipal Government	<u>9,233,470</u>
DEFERRED CHARGES	
Revenue Bond Issue Costs	<u>484,585</u>
<u>TOTAL DEFERRED CHARGES</u>	<u>484,585</u>
CAPITAL ASSETS	
Water Plant, Lines, and Sewer System	60,845,718
Less: Accumulated Depreciation	(22,713,172)
Construction in Progress	<u>16,712,762</u>
<u>TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</u>	<u>54,845,308</u>
<u>TOTAL NONCURRENT ASSETS</u>	<u>64,563,363</u>
<u>TOTAL ASSETS</u>	<u>75,746,404</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2010

	<u>Business-Type Activities</u>
<u>LIABILITIES</u>	
CURRENT LIABILITIES	
(Payable from Current Assets)	
Accounts Payable	\$ 562,495
Customer Deposits	448,139
Accrued Payroll and Vacation Pay	218,055
Capital Lease Obligation	50,247
Deferred Revenue	659,699
Due to Other Funds	2,163,922
(Payable from Restricted Assets)	
Contracts Payable	1,049,362
Revenue Bonds Payable	1,588,688
Accrued Interest Payable - Revenue Bonds	61,927
	<u>6,802,534</u>
<u>TOTAL CURRENT LIABILITIES</u>	
LONG-TERM LIABILITIES	
Accrued Vacation Pay - Due After One Year	105,388
Capital Lease Obligation - Due After One Year	52,252
Revenue Bonds - Due After One Year	29,844,134
Deferred Revenue - Due After One Year	15,701,179
Other Liabilities	212,976
	<u>45,915,929</u>
<u>TOTAL LONG-TERM LIABILITIES</u>	
<u>TOTAL LIABILITIES</u>	
	<u>52,718,463</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	23,309,987
Capital Improvement Grant	153,944
Restricted for Debt Service	2,763,086
Unrestricted	(3,199,076)
	<u>23,027,941</u>
<u>TOTAL NET ASSETS</u>	

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2010

	<u>Business-Type Activities</u>
<u>OPERATING REVENUES</u>	
Charges for Service	\$ 10,601,741
<u>TOTAL OPERATING REVENUES</u>	10,601,741
<u>OPERATING EXPENSES</u>	
Personnel Services	3,116,748
Material and Supplies	657,637
Contractual Services	815,632
Utilities	952,271
Repairs and Maintenance	315,351
Depreciation	1,404,471
Other Operating Expenses	86,214
<u>TOTAL OPERATING EXPENSES</u>	7,348,324
<u>OPERATING INCOME</u>	3,253,417
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest Revenue	292,751
Other Income	25,000
Interest and Amortization Expense	(469,191)
Grant Proceeds	28,011
Gain on Sale of Capital Assets	3,385
<u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u>	(120,044)
<u>NET INCOME (LOSS) BEFORE TRANSFERS</u>	3,133,373
<u>TRANSFERS IN/(OUT)</u>	
General Fund	(3,413,800)
<u>CHANGE IN NET ASSETS</u>	(280,427)
<u>TOTAL NET ASSETS - July 1</u>	23,308,368
<u>TOTAL NET ASSETS - June 30</u>	23,027,941

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2010

	<u>Business-Type Activities</u>
<u>Cash Flows From Operating Activities</u>	
Cash Received From Customers	\$ 8,687,910
Cash Paid to Suppliers	(2,257,465)
Cash Paid to Employees	(3,077,208)
	<u>3,353,237</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	
<u>Cash Flows From Non-Capital Financing Activities</u>	
Transfers Out	(3,413,800)
	<u>(3,413,800)</u>
<u>Net Cash Provided (Used) by Non-Capital Financing Activities</u>	
<u>Cash Flows From Capital and Related Financing Activities</u>	
Proceeds From Capital Debt	14,462,074
Principal Paid on Capital Debt	(1,014,204)
Interest Paid on Capital Debt	(448,608)
Aquisition of Capital Assets	(13,632,559)
Capital Contribution	46,017
Principal Paid on Capital Lease	(71,550)
Payments Received from Municipal Governments	977,496
Proceeds from Sale of Capacity	2,330,000
Proceeds from Sale of Capital Assets	3,385
	<u>2,652,051</u>
<u>Net Cash Provided by Capital and Related Financing Activities</u>	
<u>Cash Flows From Investing Activities</u>	
Interest on Investments	291,614
	<u>291,614</u>
<u>Net Cash Provided by Investing Activities</u>	
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	
	2,883,102
<u>Cash and Cash Equivalents - July 1</u>	
	<u>4,353,565</u>
<u>Cash and Cash Equivalents - June 30</u>	
	<u>7,236,667</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2010

	<u>Business-Type</u> <u>Activities</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
<u>Operating Income</u>	<u>\$ 3,253,417</u>
<u>Adjustments to Reconcile Operating Income to</u> <u>Net Cash Provided by Operating Activities</u>	
Depreciation	1,404,471
(Increase) Decrease in	
Accounts Receivable	(1,397,179)
Prepaid Charges	(750)
Increase (Decrease) in	
Accounts Payable	494,321
Deferred Revenue	(521,329)
Customer Deposits	4,677
Accrued Expenses	39,540
Due to Other Funds	76,069
<u>Total Adjustments</u>	<u>99,820</u>
<u>Net Cash Provided by Operating Activities</u>	<u>3,353,237</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AS OF JUNE 30, 2010

	<u>Pension Trust Council Retirement</u>	<u>Total Agency Funds</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 368	\$ 39,339
<u>TOTAL ASSETS</u>	<u>368</u>	<u>39,339</u>
<u>LIABILITIES</u>		
Due to Fireman's Organization		8,252
Agency Funds Held		31,087
<u>TOTAL LIABILITIES</u>		<u>39,339</u>
<u>NET ASSETS</u>		
Held in Trust for Pension Benefits and Other Purposes	<u>368</u>	

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2010

	<u>Pension Trust Council Retirement</u>
<u>ADDITIONS</u>	
Employer	<u>\$ 3,600</u>
<u>TOTAL ADDITIONS</u>	<u>3,600</u>
<u>DEDUCTIONS</u>	
Benefits and Cost	<u>3,600</u>
<u>TOTAL DEDUCTIONS</u>	<u>3,600</u>
<u>CHANGE IN NET ASSETS</u>	
<u>NET ASSETS - JULY 1</u>	<u>368</u>
<u>NET ASSETS - JUNE 30</u>	<u>368</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of West Columbia was originally incorporated in 1894 as "Brookland." In 1938, the name was changed to West Columbia.

The Home Rule Act (Section 47-26) of the 1962 Code of Laws, as amended, requires municipalities to adopt a specific form of government. In 1975, the City adopted the Council form of government.

The financial statements of the reporting entity include only the City of West Columbia. There were no potential component units that merited inclusion because of the significance of their operations or financial relationships with the municipality.

B. Basis of Presentation

Government-Wide and Fund Financial Statements:

Government-Wide Financial Statements – The Government-Wide financial statements consist of a Statement of Net Assets, the Statement of Activities and reports information on all of the non-fiduciary activities of the government as a whole. Separate columns are used to distinguish between the City's governmental and business-type activities. Governmental activities are generally those activities financed by taxes and intergovernmental revenues. These activities are usually reported in governmental funds. Business-type activities are those activities, which are financed in whole or in part by user fees charged to external parties for goods and services. These activities are usually reported in Enterprise Funds. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. At June 30, 2010, there were no component units of the City.

The Statement of Net Assets reports all financial and capital resources of the City and reports the difference between assets and liabilities as "net assets," not fund balance or equity. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues and reflects the "net (expenses) revenues" of the City's individual functions before applying "general" revenues.

Direct expenses are those that are clearly identifiable with a specific function. 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 who purchase, use or directly benefit from goods and services provided by a given function, (2) operating grants and contributions and (3) capital grants and contributions. 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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

The City reports the General Fund as the “major” governmental fund and the Water and Sewer Fund as the “major” proprietary fund.

Because of the basis of accounting and reporting differences, summary reconciliation to the Government-Wide financial statements are presented at the end of each applicable fund financial statement.

Governmental Funds

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

Proprietary Funds

Proprietary Funds – Proprietary funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the costs (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 (2) where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

In addition to applying FASB Statements and Interpretations, APB Opinions, and ARB’s issued on or before November 30, 1989 to the City’s proprietary activities, the City also has applied all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

Fiduciary Funds

Trust and Agency Funds – Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary operations of the City consist of pension trust funds and agency funds as presented on exhibit IX. The pension trust fund consist of the Council Retirement Fund, which accounts for the accumulated resources to be used for retirement annuity payments to qualified former council members (note 13).

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Fiduciary Funds (continued)

The agency funds consist of the Fireman's Fund and the Narcotics Fund as presented on schedule D-1. The Fireman's Fund is used to account for revenue received from the State Fire Association's Insurance Fund. The Narcotics Fund is used to account for cash seized in relation to controlled substance seizures.

C. Measurement Focus and Basis of Accounting

The financial statements of the City of West Columbia, South Carolina have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. All applicable GASB Statements have been implemented including GASB Statement No. 34 Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, which the City was required to implement effective fiscal year, ended June 30, 2003.

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.

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

As a general rule, the effect of inter-fund activity has been eliminated from the Government-Wide financial statements. The inter-fund activity currently relates only to inter-fund receivables, payables and transfers as described in note 15 to the financial statements. The City currently has no internal service funds which provide services to other funds that would generate internal payments for services. However, elimination of such charges if they occur would distort the direct costs and program revenues reported for the various functions concerned.

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 of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year end

Property taxes, franchise taxes, licenses, and interest are susceptible to accrual and so have been recognized as revenues of the current fiscal period. State shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

Proprietary Fund financial statements reflect net assets and revenues, expenses and changes in net assets 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 goods and services 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.

D. Budgets and Budgetary Accounting

An annual appropriated budget is adopted for the general fund only. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 30, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. The budget is legally enacted by an ordinance passed by the Mayor and Council.
3. The City Administrator is authorized to administer the budget. Only the Mayor and Council can amend the budget once it has been adopted.
4. The level at which expenditures may not legally exceed budget is at the function level, within the individual funds. Such appropriation transfers and amendments are incorporated into the minutes of their meetings.
5. A formal budget is adopted and employed as a management control device during the year for the general fund. Effective budgetary control is also achieved through the various grants, individual budgets as required by the grantors and terms of debt covenants. The city ordinances also provide for a non-appropriated budget for the proprietary fund to facilitate the management review and approval process. This budget is not presented for financial statement purposes, but is utilized by management.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles, which is the same basis whereby actual revenues and expenditures are recorded.
7. The budget at the end of the year represents the budget adopted and amended by the Mayor and Council. All operations and maintenance appropriations lapse at year-end. However, capital outlay financial plans are adopted for all capital type projects.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued)

D. Budgets and Budgetary Accounting (continued)

8. During the year ended June 30, 2010, the City Mayor and Council approved the General Fund budget as follows:

<u>Fund</u>	<u>Original Budget</u>	<u>Supplemental Appropriation</u>	<u>Final Budget</u>
General	\$ 12,975,000	\$ 111,762	\$ 13,086,762

9. During the year ended June 30, 2010, expenditures exceeded appropriations as follows:

<u>Fund</u>	<u>Excess of Expenditures Over Appropriations</u>
General Fund:	
Community and Economic Development	\$ 7,564
General Services	<u>6,966</u>
	14,530

10. Encumbrances represent 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 appropriation is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. At June 30, 2010 all commitments lapsed and no encumbrances were recognized.

E. Cash and Investments

The City is authorized to invest in obligations of the U.S. Government and agencies thereof, general obligations of the State of South Carolina or any of its political subdivisions, banks and savings and loan associations to the extent they are secured by the Federal Deposit Insurance Corporation. The City can hold cash in certificates of deposit where the certificates are collaterally secured by the preceding securities held in a third party arrangement.

Cash includes amounts in demand, deposits, and cash on hand. Investments are stated at cost or amortized cost, which approximates fair value, and consist mainly of certificates of deposit, debt instruments of federal agencies and securities held under repurchase agreements.

F. Inter-fund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued)

G. Restricted Assets

Certain proceeds of enterprise revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

H. Deferred Charges:

Governmental Activities: The deferred charges are made up of series 2008 tax increment revenue bond issuance cost of \$64,657 for insurance, brokerage and attorney fees. This amount is shown net of \$30,888 of amortization expense.

Business-Type Activities: The deferred charges are made up of Series 1998A, 2005, 2009A, and 2009B Bond issue costs of \$8,182, \$266,966 \$170,874, and \$93,643 respectively for insurance, brokerage and attorneys fees. These amounts are shown net of \$55,080 of amortization expense.

I. Capital Assets

Governmental funds: Capital outlays are recorded as expenditures on the governmental fund financial statements and as assets on the government-wide financial statements. All capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. All assets with an initial cost of \$1,000 or greater and a useful life of three years or more are capitalized and reported on the government-wide financial statements. The City has no material general infrastructure assets.

Proprietary Fund Types: Capital outlays of the proprietary funds are recorded as capital assets on both the fund basis and the government-wide basis. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The property, plant, and equipment as shown on the proprietary fund balance sheet represent the historical cost in the aggregate of additions to the water treatment system, water and sewer lines and related expenditures over time as well as vehicles and equipment.

Depreciation of all exhaustible capital assets used by the primary government is charged as an expense against operations. Depreciation has been provided over the estimated useful lives for all assets using the straight-line method. A summary of the estimated useful lives is as follows:

Buildings and Improvements	10 to 40 years
System Infrastructure	40 to 50 years
Vehicles and Equipment	3 to 10 years
Office Equipment	5 to 7 years
Computer Equipment	3 to 5 years

J. Bond Discounts/Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the straight-line method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued)

K. Compensated Absences

It is the City's policy to allow employees to accumulate unused vacation and sick leave benefits up to certain hours. Accumulated unused vacation, to a maximum of five days for the first year, two weeks for less than eleven years, three weeks for eleven to twenty years, and four weeks for over twenty years, is payable upon termination if the employee leaves the City in good standing. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulation rights to receive sick pay benefits.

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, vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee retirement.

L. Long Term Debt

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 Assets. Long term debt represents unmatured principal of general obligation and revenue bond indebtedness, and outstanding portions due on long-term contracts. Liabilities arising from inter-fund activities do not constitute general long-term liabilities.

M. Net Assets and Fund Balances

In the Government-Wide financial statements, the difference between the City's total assets and total liabilities represents net assets. Net assets for both the governmental and proprietary fund types displays three components; 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted. Unrestricted net assets represent the net assets available for future operations.

N. Reserves and Designations

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use of a specific purpose. Designations of fund balance represent tentative plans of management that are subject to change.

O. Comparative Data

Comparative total data for the prior year has been presented in selected sections of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data has not been presented in all statements since such inclusion would make certain statements unduly complex and more difficult to understand.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 1. Summary of Significant Accounting Policies (continued)

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require 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.

Note 2. Deposits and Investments

Deposits

As of June 30, 2010, the City of West Columbia held no long-term investments. However, the City has held investments in prior years and anticipates investing available funds in the subsequent year.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to short periods of time.

Credit Risk

State statute (SC Code Section 12-45-220) outlines acceptable investment vehicles and limits the level of risk that may be accepted by a government entity. State statute and the City's investment portfolio limits the City's investments to obligations of the United States and agencies thereof; general obligations of the State of South Carolina or any of its political units; 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.

State statutes also allow the State Treasurer to assist local governments in investing funds through the State Treasurer's Local Government Investment Pool (LGIP), of which the fair value of the City's investments are the same as the value of the pooled shares. The State Treasurer's investment pool is not rated, but generally, investments are collateralized by debt securities in corporate obligations, state or political subdivision obligations of investment grade or higher quality and in federal agency securities.

Concentration of Credit Risk

The City's investment policy requires available surplus funds to be invested in long-term certificates of deposits, of which no one institution is to hold 100 percent of the certificates, or the State Treasurer's Investment Pool, in which case credit risk is limited via allocation of investments over a broad range of securities.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 2. Deposits and Investments (continued)

Custodial Credit Risk-Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. It is the policy of the City to obtain adequate collateralization on all deposits that exceed FDIC insurance coverage. As of June 30, 2010, the City had cash on-hand of \$1,850 and cash deposits in demand, savings, money market and certificate of deposit accounts equal to \$8,837,587. Of the deposit amounts, \$505,870 is covered by FDIC insurance, and the balance of \$8,329,867 is collateralized by federal agency securities held by the various banks to secure the deposits of the City.

Custodial Credit Risk-Investments

For an investment, this is the risk that, in the event of the failure of the counter party, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2010, all investments in agency securities, as noted above, are book entry and held by third parties in the City's name.

Note 3. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Water and Sewer Fund considers cash and all highly liquid investments, restricted and unrestricted, with a maturity of three months or less when purchased to be cash equivalents.

Note 4. Property Taxes

Property taxes are levied on real and personal properties owned on the preceding December 31 of each City fiscal year ending June 30. Liens attach to the property at the time the taxes are levied. These taxes are due without penalty through January 15. Penalties are added taxes depending on the date paid as follows.

- January 16 through February 1 - 3% of tax
- February 2 through March 16 - 10% of tax
- March 17 and thereafter - 15% of tax plus collection cost

Current year real and personal taxes go into execution on March 17. The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month. Property tax revenues are recognized when due or past due and collectible within the current period or soon enough thereafter (defined as sixty days) to pay liabilities of the current period. An allowance is provided for an estimated amount of taxes billed, which may ultimately prove to be uncollectable. Deferred revenue (property taxes) for governmental funds represents that portion of delinquent property taxes, which is deemed not available to pay current expenditures.

Property taxes are assessed and collected by Lexington County under a joint billing and collection agreement.

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 4. Property Taxes (continued)

measurable and available. Delinquent and unpaid property taxes are reported as receivables, less amounts estimated to be uncollectable.

Note 5. Notes Receivable – Proprietary Fund

This consists of amounts due from the Town of Lexington and the Joint Municipal Water and Sewer Commission pursuant to contracts that provide necessary improvements to the City's Lake Murray Water Treatment Facility that guarantee capacity of 4.5 million GPD to the Town and increase the Commission's guaranteed capacity from 4.5 million GPD to 10.07 million GPD. The Town's contract also provides for installation of water lines for newly acquired customer service areas. The Town is obligated to pay its share of the 1998A bond issue requirements (40.09%) for installation of water lines and also its share of the 2009C bond issue requirements (69.33%) for the water treatment facility upgrade. The Commission is obligated to pay its share of the 2005 bond issue requirements (53.72%) associated with an additional 9 million GPD upgrade to the Lake Murray Water Treatment facility completed in May 2007. The City has begun to amortize the deferred revenues from these sales of capacity over the remaining life of the plant.

Note 6. Changes in Capital Assets

Governmental Activities:

A summary of changes in governmental activities capital assets is as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2010</u>
Non-Depreciable				
Capital Assets:				
Land	\$ 5,557,341			\$ 5,557,341
Total Non-Depreciable				
Capital Assets:	<u>5,557,341</u>			<u>5,557,341</u>
Depreciable Capital Assets:				
Buildings and Improvements	8,024,130			8,024,130
Vehicles and Equipment	7,575,754	\$ 856,603	\$ 915,056	7,517,301
Total Depreciable				
Capital Assets	<u>15,599,884</u>	<u>856,603</u>	<u>915,056</u>	<u>15,541,431</u>
Total Capital Assets:	<u>21,157,225</u>	<u>856,603</u>	<u>915,056</u>	<u>21,098,772</u>
Less accumulated				
Depreciation for:				
Buildings and Improvements	1,437,627	228,035		1,665,662
Vehicles and Equipment	5,282,053	789,700	816,508	5,255,245
Total Accumulated				
Depreciation	<u>6,719,680</u>	<u>1,017,735</u>	<u>816,508</u>	<u>6,920,907</u>
Governmental Activities				
Capital Assets, Net:	<u>14,437,545</u>	<u>(161,132)</u>	<u>98,548</u>	<u>14,177,865</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 6. Changes in Capital Assets (continued)

Business-Type Activities:

A summary of changes in business-type capital assets is as follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Non-Depreciable Capital Assets:				
Land	\$ 162,500	\$ 25,000		\$ 187,500
Construction in Progress	1,939,358	14,773,404		16,712,762
Total Non-Depreciable Capital Assets	<u>2,101,858</u>	<u>14,798,404</u>		<u>16,900,262</u>
Depreciable Capital Assets				
Buildings	35,868,324	2,306	\$ 30,000	35,840,630
Improvements Other Than Buildings	23,148,113	27,543		23,175,656
Equipment	745,021	55,941	2,306	798,656
Vehicles and Equipment	848,294	46,270	51,289	843,275
Total Depreciable Capital Assets:	<u>60,609,752</u>	<u>132,060</u>	<u>83,595</u>	<u>60,658,217</u>
Total Capital Assets:	<u>62,711,610</u>	<u>14,930,464</u>	<u>83,595</u>	<u>77,558,479</u>
Less accumulated Depreciation for:				
Buildings	8,032,244	781,383	1,786	8,811,841
Improvements Other Than Buildings	12,082,029	497,487		12,579,516
Equipment	582,479	52,098	94	634,483
Vehicles and Equipment	663,237	75,383	51,289	687,331
Total Depreciable Capital Assets:	<u>21,359,989</u>	<u>1,406,351</u>	<u>53,169</u>	<u>22,713,171</u>
Business-Type Activities Capital Assets, Net:	<u>41,351,621</u>	<u>13,524,113</u>	<u>30,426</u>	<u>54,845,308</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 187,424
Community and economic development	7,407
Public safety	541,438
Public services	193,043
General services	88,423

Total depreciation expense – governmental activities **1,017,735**

Business-type activities:

Water and sewer utility	\$ 1,406,351
Less: Additions for reclassified assets	1,880

Total depreciation expense – business-type activities **1,404,471**

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 7. Capital Leases

The City is obligated under certain non-cancelable leases accounted for as capital leases and are reported in the governmental activities column of the government-wide financial statements and related obligations recorded in the Enterprise Fund are accounted for within that fund. Assets under capital leases totaled approximately \$ 904,139 at June 30, 2010 and are reported under the vehicle and equipment asset class. The following is a schedule of future minimum lease payments under capital leases, together with the net value of the minimum lease payments as of June 30, 2010.

	<u>Year Ending June 30</u>	<u>Governmental-type Activities</u>	<u>Business-type Activities</u>
	2011	\$ 357,864	\$ 54,337
	2012	358,312	54,337
	2013	223,114	
	2014-2017	<u>602,978</u>	
Minimum lease payments for all capital leases		1,542,268	<u>108,674</u>
Less: Amount representing interest at the City's incremental borrowing rate of interest		<u>164,076</u>	<u>6,175</u>
Present value of minimum lease payments		<u>1,378,192</u>	<u>102,499</u>

Note 8. Changes in Bonds, Loans and Other Long Term Debt

The following is a summary of bond, loan and other long term debt transactions. Governmental activity obligations are repaid from the general fund and business-type obligations from the Proprietary fund for the debts as detailed below.

Governmental Activities:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Long Term Debt:				
Capital Leases	\$ 1,372,181	\$ 345,000	\$ 338,989	\$ 1,378,192
Tax Increment Bonds				
Series 2008	4,501,463		433,439	4,068,024
General Obligation Bond				
Series 2010		2,813,623		2,813,623
Total Payable	<u>5,873,644</u>	<u>3,158,623</u>	<u>772,428</u>	<u>8,259,839</u>
Compensated Absences	<u>483,371</u>	<u>57,044</u>	<u>19,881</u>	<u>520,534</u>

Long-term debt for Governmental Activities is comprised of the following:

		<u>June 30, 2010</u>	
	<u>Interest Rate</u>	<u>Current Portion</u>	<u>Long Term Portion</u>
Capital Leases	2.66 to 3.99%	\$ 307,567	\$ 1,070,625
Tax Increment Bonds, Series 2008	3.54%	448,783	3,619,241
General Obligation Bond, Series 2010	3.699%	244,004	2,569,619
Compensated Absences		252,170	268,364

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 8. Changes in Bonds, Loans and Other Long Term Debt (continued)

On March 26, 2010 the City issued a long-term General Obligation Bond, Series 2010, in the amount of \$2,813,623 to refund two short term General Obligation Bonds, Series 2009A and 2990B, issued on March 25, 2009, in the amounts of \$1,490,000 and \$1,170,000 respectively plus accrued interest. The Series 2010 Bond shall be payable as to principal and interest in equally amortized payments of \$340,852, payable each March 1, beginning March 1, 2011 through March 1, 2019, with the final payment of \$340,852 being paid on February 25, 2020 the maturity date of the Bond. The Bond shall bear interest at the rate of 3.699 percent per annum.

The City issued \$5,565,000 of tax increment financing bonds, series 2003, to provide funds for the construction of a new 32,000 square foot city hall. The bonds are secured by the incremental tax revenue from the Tax Increment Financing District and a junior lien of the water and sewer revenues. The City refunded the series 2003 bonds on March 10, 2008. The series 2008 bonds have a stated rate of interest of 3.54 percent and are payable over the next 8 years.

The annual requirements for bonds payable for Governmental Activities are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal Amount</u>	<u>Interest Amount</u>
2011	\$ 692,787	\$ 240,856
2012	710,472	223,171
2013	736,013	197,630
2014	762,474	171,169
2015-2018	<u>3,979,901</u>	<u>436,377</u>
Totals	<u>6,881,647</u>	<u>1,269,203</u>

Business-Type Activities:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Long Term Debt:				
Capital Leases	\$ 174,049		\$ 71,550	\$ 102,499
Revenue Bonds – 1998A	1,172,407		96,954	1,075,453
Revenue Bonds – 2005	10,824,414		527,250	10,297,164
Revenue Bonds – 2009A	1,032,352	\$ 8,124,302		9,156,654
Revenue Bonds 2009B		7,668,896		7,668,896
Revenue Bonds 2009C	3,725,565		390,000	3,335,565
Less: Deferred Issue Cost	112,122		11,212	100,910
Total Payable	<u>16,816,665</u>	<u>15,793,198</u>	<u>1,074,542</u>	<u>31,535,321</u>
Compensated Absences:	<u>208,821</u>	<u>31,835</u>	<u>9,540</u>	<u>231,116</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 8. Changes in Bond, Loan and Other Long Term Debt (continued)

Long-term debt for Business-type activities is comprised of the following:

	<u>Interest Rate</u>	<u>June 30, 2010</u> <u>Current Portion</u>	<u>Long Term Portion</u>
Capital Leases:	3.99%	<u>\$ 50,247</u>	<u>\$ 52,252</u>
Revenue Bonds:			
Series 1998A Issue	4.75%	\$ 101,642	\$ 973,811
Series 2005 Issue	2.50%	540,555	10,297,164
Series 2009A Issue	3.00%	274,592	8,882,062
Series 2009B Issue	3.50%	278,111	7,390,785
Series 2009C Issue	3.53%	<u>393,788</u>	<u>2,840,867</u>
Total Revenue Bonds		<u>1,588,688</u>	<u>29,844,134</u>
Compensated Absences:		<u>125,728</u>	<u>105,388</u>

Under the terms of the bond and loan covenants the City is required to maintain certain reserves and restricted assets. There are also a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all material and significant limitations and restrictions. As noted above, the City issued a \$2,813,623 General Obligation Bond on March 26, 2010. Based on the constitutional debt limit as set by the State of South Carolina, the City could issue such up to eight percent (8%) of the assessed valuations of property on which property taxes are levied, or approximately \$4,054,300 at June 30, 2010 (Table 13).

The annual requirements for bonds payable for the Enterprise Fund are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Revenue Bonds</u>	
	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Amount</u>
2011	\$ 1,588,688	\$ 883,990
2012	1,826,844	986,868
2013	1,889,934	928,341
2014	1,949,950	867,816
2015	1,835,242	808,486
2016	1,892,551	750,408
2017	1,961,360	690,289
2018	2,026,719	627,991
2019	2,050,949	563,644
2020	1,648,047	508,277
2021	1,695,860	460,464
2022	1,745,077	411,247
2023	1,795,742	360,581
2024	1,847,895	308,428
2025	1,901,585	254,739
2026	1,758,617	199,471
2027	731,554	94,230
2028	606,282	54,377
2029	624,676	35,983
2030	<u>55,250</u>	<u>6,056</u>
Totals	<u>31,432,822</u>	<u>9,801,686</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 8. Changes in Bond, Loan and Other Long Term Debt (continued)

Current Refundings

The City issued \$2,813,623 in a long-term refunding General Obligation Bond, Series 2010, for a current refunding of two short-term General Obligation Bonds, Series 2009A in the amount of \$1,490,000 and Series 2009B in the amount of \$1,170,000 plus accrued interest. The refunding was undertaken to replace temporary short-term financing used to purchase multiple parcels of land for economic development purposes with long-term permanent financing. The aggregate difference in debt service between the refunding debt and the refunded debt is \$153,623. Any economic gain is minimal.

Note 9. Net Assets

Net assets of the Government – Wide and Proprietary Fund financial statements represent the difference between assets and liabilities. Reported amounts invested in capital assets and restricted net assets were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<u>Invested in Capital Assets, Net of Related Debt:</u>		
Net capital assets	\$ 14,177,865	\$ 54,845,308
Less bonds payable	6,881,647	31,432,822
Less capital leases	1,378,192	102,499
Total invested in capital assets, net of related debt	<u>5,918,026</u>	<u>23,309,987</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<u>Restricted:</u>		
Debt service	\$ 32,769	\$ 2,763,086
Capital Improvement Grant		153,944
Law Enforcement Grants and Programs	32,916	
Community Development	8,198	
Total restricted net assets	<u>73,883</u>	<u>2,917,036</u>

Note 10. Employee Retirement Systems

The City of West Columbia contributes to the South Carolina State Retirement System (SCRS) and Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit plan. The City's payroll for the year ended June 30, 2010, for employees covered by SCRS was \$5,428,888 and by PORS was \$2,330,231. The City's total payroll for all employees was \$7,759,119.

As established by Title 9-1-480 Code of Laws of South Carolina, 1976 (as amended), all eligible persons, except those specifically excluded shall become members of the retirement system as a condition of their employment. The responsibility of the administration of the system is assigned by law to the State Budget & Control Board. Generally employees who are responsible for the preservation of the public order are members of the PORS; the remaining City employees are members of SCRS.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 10. Employee Retirement Systems (continued)

Both the SCRS and the PORS offer retirement and disability benefits, cost of living adjustments on an ad hoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws.

The following is a recap of the mandated contribution rates:

	<u>SCRS</u>	<u>PORS</u>
Employee Contributions	6.50% of Salary	6.50% of Salary
Employer Contributions	9.24% of Salary	10.65% of Salary

In addition to the preceding rates, the City contributes .15 percent of the SCRS payroll to provide a group life insurance benefit for their SCRS participants. Also for their PORS participants the City contributes .2 percent of PORS payroll to provide a group life insurance benefit and .2 percent of PORS payroll to provide an accidental death benefit.

The City's contributions to the SCRS for the years ending June 30, 2010, 2009 and 2008 were \$501,629, \$517,242, and \$501,187 respectively. The City's contributions to the PORS for the years ending June 30, 2010, 2009 and 2008 were \$248,170, \$247,072, and \$222,162, respectively.

The City contributes at the actuarially required contribution rates.

A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the SCRS and PORS is issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, S.C. 29211-1960.

Note 11. Deferred Compensation Plan

The City offers its employees a state-sponsored deferred compensation plan (created in accordance with the Internal Revenue Code Section 457) available through the South Carolina State Treasurer's Office.

The plan, available to all City employees, permits them to defer a portion of their salary until future years. In effect, the employee temporarily loses access to the resources in exchange for the right to defer federal taxes. The deferred compensation cannot be withdrawn by employees until termination, retirement, death, disability or an approved hardship.

In 1996, Congress passed new legislation governing IRC Section 457 plans. The new legislation specifically states that all assets and income of the plan must be held in trust for the exclusive benefit of participants and their beneficiaries. All existing plans had to be modified to comply with the new legislation by January 1, 1999. The plan, which is available through the State of South Carolina, was modified to comply with the new legislation July 1, 1998.

GASB – Statement 32 eliminates all of the financial accounting and reporting related to IRC Section 457 plans. Therefore, the assets in the plan are no longer reported in the Agency Fund in these statements.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 12. Council Retirement Pension Trust

A. Plan Description

The City has established the Council Retirement Pension Trust, which is a single-employer pension employee retirement system (PERS). The Council Retirement Pension Plan is a single employer defined benefit pension plan. It is the responsibility of the City to function as an investment and administrative agent with respect to the pension plan. There is no separate, audited postemployment benefit plan report available. The transactions for this plan are reported within this report (see exhibits IX & X). Based on city ordinance by Mayor and Council, the eligible employees are any mayor or councilperson. Under the provisions of the plan, plan benefits vest after 16 years of service.

Those employees are entitled to pension benefits based on accumulation of credit service, attainment of age 65 and no longer serving in an official capacity with the City. The only pension benefit is a set amount of \$100 monthly. All pension benefits are determined by ordinance of Mayor and Council. As of June 30, 2010, three retirees currently were receiving pension benefits. There are no required contributions on the part of employees and no covered payroll applicable to this plan. The City must make contributions as necessary that are sufficient to satisfy contribution requirements, as mandated by city ordinance.

B. Summary of Significant Accounting Policies and Plan Asset Matters

The Council Retirement Pension Trust financial statements are prepared on the accrual basis of accounting. Contributions from the City are recognized as revenues in the period of contribution. Investment income is recognized as earned by the plan. Investments are in money market funds and valued at cost, which approximates fair value. One hundred percent of this investment is with a local financial institution and covered by federal depository insurance.

C. Contributions Required, Contributions Made, Funded Status and Funding Progress

Currently contributions are being made by the City to the pension plan annually from general fund appropriations sufficient to cover the normal costs and there are assets approximate to the pension benefit obligation. The funding strategy for normal cost should provide sufficient resources to pay employee pension benefits on a timely basis. Therefore, there is no funding method used to determine contributions.

There were no required contributions on the part of employees and no covered payroll applicable to this plan. The annual cost to the City for the fiscal year ended June 30, 2010 was \$3,600.

At June 30, 2010, the actuarial accrued liability for benefits (AAL) was \$ 20,629, with \$ 368 in Plan assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 20,261. The funded ratio (actuarial value of plan assets/AAL) was 2 percent. There is no covered payroll associated with the Plan. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 12. Council Retirement Pension Trust (continued)

C. Contributions Required, Contributions Made, Funded Status and Funding Progress (continued)

There was no computation of pension contribution requirements for 2010 which was based on the same actuarial assumptions, benefit provisions, actuarial funding method and other significant factors as used to determine pension requirements in the previous year.

Note 13. Risk Management

The City of West Columbia is a member of the South Carolina Local Government Assurance Group (SCLGAG), which is a self-funded health benefits program. In this program, the City is part of a pool of local governments for the determination of rates. Each member of the SCLGAG accepts responsibility for normal claims expense. Catastrophic claims over \$100,000 per individual per year are reinsured through an insurance company. Upon termination of participation in the SCLGAG, all unpaid claims of the City's employees and aggregate losses on the City's account from current and previous years will be the responsibility of the City.

The City of West Columbia is also a member of the South Carolina Municipal Insurance Trust, which is a self-funded workers compensation program. In this program, the city is part of a pool of local governments for the determination of rates. Each member of the SCMIT accepts responsibility for normal claims expense with no additional liabilities.

Note 14. Other Liabilities

The amount shown as other liabilities represents funds contributed to the City's 2005 Revenue Bonds payable debt service reserve fund by the Joint Municipal Water and Sewer Commission based upon contractual obligations as stated in note 5 to the financial statements. As a result of the City's insurance underwriter for the Revenue Bond Series 2005 being downgraded in 2008, the City was required under its master bond ordinance to establish a reserve fund in the amount of \$792,943, of which the Commission is responsible for 53.72 percent. As of June 30, 2010 the City and Commission had contributed \$430,623 to the Revenue Bond Series 2005 debt service reserve fund

Note 15. Inter-fund Receivables, Payables And Tranfers

Individual fund inter-fund receivable and/or payable balances (shown as "Due to or Due from other Funds") as of June 30, 2010 are as follows:

	<u>Inter-fund Receivables</u>	<u>Inter-fund Payables</u>
General Fund	\$ 2,163,922	
Proprietary Fund: Water and Sewer		\$ 2,163,922
Totals	<u>2,163,922</u>	<u>2,163,922</u>

The inter-fund balances reflect amounts due from one fund to the other for obligations of a fund that have been paid or otherwise satisfied by the other fund.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 15. Inter-fund Receivables, Payables And Tranfers (continued)

Inter-fund transfers for the year ended June 30, 2010 are as follows:

<u>Transfer Out</u>	<u>Transfer In</u> <u>General Fund</u>
Proprietary Fund: Water and Sewer	\$ <u>3,413,800</u>

The transfer of \$3,413,800 to the General Fund from the Proprietary Fund is based on budgetary authorizations. The principal purpose of the transfers between funds is to support the general operations of the government.

Note 16. Commitments

Lake Murray Water Treatment Plant – The City of West Columbia has agreements with the Lexington County Joint Municipal Water and Sewer Commission and the Town of Lexington relating to a water treatment plant at Lake Murray. This is not a joint venture. The role of the Commission and the Town is predominantly as one of the major users of the system. The contracts provide for fifty-three and three quarter percent (53.72%) of the water produced to be made available to the Commission and twenty-four percent (24%) to the Town at a bulk rate, which in turn would be sold to their customers. The Commission and the Town would only have an operational interest in the project and not an equitable interest.

Note 17. Construction Commitments

The City has active construction projects as of June 30,2010. The projects include upgrading and automating the City’s Saluda River water plant (drinking water project) and replacing aging sewer lines and rebuilding and modernizing numerous sewer pump stations within the City’s sewer system infrastructure (clean water project). The City has spent to date \$9,426,434 on the drinking water project and \$7,286,328 on the clean water project. The remaining commitments on the two construction projects are \$1,096,267 and \$482,486 respectively.

The commitments for these projects are being funded by State of South Carolina’s State Infrastructure Revolving Loan Program through issuance of Revenue Bonds.

Note 18. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Note 19. Compliance - Net Earnings Covenant - Series 1998A, 1998B, 1999A 2002 and 2005 Bonds

The City covenants and agrees that it will, at times, prescribe and maintain and thereafter collect rates and charges for the services and facilities furnished by the System which, together with other income, are reasonably expected to yield annual net earnings in the current fiscal year equal to at least one hundred twenty percent (120%) of the total annual principal and interest

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 19. Compliance - Net Earnings Covenant - Series 1998A, 1998B, 1999A 2002 and 2005 Bonds (continued)

requirements for all series of bonds outstanding in such fiscal year. However, the document for the Series 2005 Bonds provides a test that when applied could be more restrictive. The City is in compliance with this covenant.

Note 20. Post-Employment Benefits Other Than Pensions

A. Plan Description

The City's defined benefit postemployment healthcare plan (the Plan), which the City initiated July 1, 2008, provides medical and dental insurance to eligible retirees under the Medicare age of 65. Employees become eligible when the employee qualifies for retirement benefits under the SCRS or PORS and has 15 years of continuous service with the City and was employed with the City as of June 30, 2008 as a fulltime employee. Anyone hired by the City on July 1, 2008 or later is not eligible to participate in the plan. Information regarding SCRS and PORS eligibility may be obtained from the Comprehensive Annual Financial Report of the Plan. See note 10. The Plan is approved each year by City Council; the contribution requirements of the City and plan members are established and amended by Council. These contributions are neither guaranteed nor mandatory. Council has retained the right to unilaterally modify its payments toward retiree health care benefits.

As of July 1, 2007, the measurement date for the plan year 2010, there were 199 covered participants; 10 members are retirees receiving benefits and 189 are active participants.

The Plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust (SC ORBET), an agent multiple-employer irrevocable trust administered by the Municipal Association of South Carolina. Each participating employer is responsible for determining the appropriate amount of contributions to remit to the Trust. SC ORBET issues a publicly available financial report that includes audited financial statements and required supplementary information for the Plan. A copy of the report may be obtained by writing to: Chief Financial Officer for Risk Management Services, Municipal Association of SC, P. O. Box 12109, Columbia, South Carolina 29211.

B. Funding Policy

The City makes a monthly contribution for retiree-only healthcare coverage for currently eligible employees based on actuarially calculated cost. The monthly contribution that the city contributed for fiscal year 2009-2010 was \$28,844. For current retirees the City makes a percentage of the healthcare contributions based on years of service. For 15 years of continuous service the City pays 75 percent of the retiree's healthcare and dental premium. For 16 to 19 years of service the percentage increases by 5 percent a year and for an employee who retires with 20 or more years of continuous service the City pays 100 percent of the premium until the employee reaches age 65. For the fiscal year 2009-2010, the City contributed \$116,009 for retiree healthcare coverage and the retirees contributed the balance based on the number of years of service.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 20. Post-Employment Benefits Other Than Pensions (continued)

B. Funding Policy (continued)

The City's annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is based on an actuarial valuation that is prepared in accordance within certain parameters. The current rate is 5.79 percent of annual covered payroll.

C. Annual OPEB Cost and Funded Status and Funding Progress

For the fiscal year 2009-2010 the City's annual OPEB cost was \$ 462,137 for the Plan, which was equal to the ARC. The following table shows the components of the City's annual OPEB cost for the fiscal year ended June 30, 2010:

Normal Cost	\$ 181,059
30 Year amortization of unfunded accrued liability (UAL)	<u>281,078</u>
Total Annual Required Contribution	<u><u>462,137</u></u>

Contributions included \$ 346,128 paid by the City to the Plan to pre-fund benefits and \$ 116,009 made by the City through payment of covered participants' explicit and implicit subsidized benefits.

The City implemented GASB Statement No. 45 in fiscal year 2008-2009. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB (obligation) asset for the fiscal year ended June 30, 2010 were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>(Obligation)</u> <u>Asset</u>
6-30-2010	\$ 462,137	100%	\$ 0

At June 30, 2010, the actuarial accrued liability for benefits (AAL) was \$3,868,995, with \$695,681 in Plan assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,173,314. The funded ratio (Actuarial value of Plan assets/AAL) was 18.0 percent. The covered payroll (annual payroll of active employees covered by the Plan) was \$6,810,014, and the ratio of the UAAL to covered payroll was 46.6 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 20. Post-Employment Benefits Other Than Pensions (continued)

D. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actual value of assets, consistent with the long-term perspective of the calculations.

The City uses the Unit Credit Actuarial Cost Method. The actuarial assumptions included a 6.0% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 10%. The trend rate will decrease in 0.5% steps until it reaches 6% after nine years. Both rates included a 4% inflation assumption. The dental cost trend rate was assumed to be 5.0% per annum. The asset valuation method used is market value. The ORBET trust's actuarial consultants intend to use a smoothing method over a 5 year period with the assumed investment rate of return. The Plan's UAAL is being amortized on the level dollar method. The remaining amortization period at June 30, 2010, was 28 years.

Note 21. Reconciliation of Government – Wide Fund Financial Statements

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

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

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

Capital assets	\$ 21,098,772
Less, accumulated depreciation	<u>(6,920,907)</u>
Net amount reported	<u>14,177,865</u>
Other assets not available to pay for current period expenditures and therefore are not reported in the funds:	
Deferred charges, net of amortization	\$ <u>33,769</u>
Net amount reported	<u>33,769</u>
Accrued interest on bonds and capital leases in governmental funds is not due and payable in the current period and therefore is not reported as a liability in the funds.	<u>\$ (88,682)</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 21. Reconciliation of Government – Wide Fund Financial Statements (continued)

A. Explanations of Differences Between the Governmental Fund Balance Sheet and the Governmental – Wide Statement of Net Assets (continued)

Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the fund financial statements:

Deferred Revenue	\$ 171,039
Bonds and Capital leases payable	(8,259,839)
Compensated absences	<u>(268,364)</u>

Net amount reported (8,357,164)

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

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

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

Capital outlay expenditures	\$ 856,603
Depreciation expense	<u>(1,017,735)</u>

Net amount reported (161,132)

Revenues in the Statement of Activities that do not provide current financial resources are reported as revenues in these funds:

Property taxes	\$ <u>5,233</u>
----------------	-----------------

Net amount reported 5,233

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:

Amortization – Bond issue cost	\$ (4,310)
Change in Accrued compensated absences	(27,437)
Change in Accrued interest expense	<u>11,324</u>

Net amount reported (20,423)

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

Note 21. Reconciliation of Government-Wide Fund Financial Statements (continued)

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

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal and interest consumes current financial resources of governmental funds.

This amount is the net effect of these differences in the treatment of long-term debt and related items:

Capital lease Proceeds	\$ (345,000)
Principal payments – Bonds	433,439
Principal payments – Capital Leases	289,603
General Obligation Bond Proceeds	<u>(2,813,623)</u>

Net amount reported **(2,386,195)**

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the costs of the capital assets sold.

\$ (98,548)

Note 22. Subsequent Events

The City has evaluated all events subsequent to the basic financial statements for the year ended June 30, 2010 through January 25, 2011, which is the date the financial statements were available to be issued, and determined that there are no additional subsequent events requiring note disclosure.

Required Supplementary Information

Council Retirement Pension Trust
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability Attained Age</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
6-30-01	\$ 12,332	\$ 19,027	\$ 6,695	65%	0	0
6-30-02	9,227	14,585	5,358	63%	0	0
6-30-03	6,775	9,510	2,735	71%	0	0
6-30-04	4,965	7,836	2,871	63%	0	0
6-30-05	3,243	6,262	3,019	52%	0	0
6-30-06	768	15,149	14,381	05%	0	0
6-30-07	1,568	12,542	10,974	12%	0	0
6-30-08	368	22,295	21,927	02%	0	0
6-30-09	368	21,505	21,137	02%	0	0
6-30-10	368	20,629	20,261	02%	0	0

City of West Columbia Employees Other Postemployment Benefits
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
6-30-09	\$ 379,940	\$ 3,868,995	\$ 3,489,055	9.8%	\$ 7,744,378	45.1%
6-30-10	695,681	3,868,995	3,173,314	18.0%	6,810,014	46.6%

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GENERAL FUND

The general fund is used to account for resources that are traditionally associated with the City which are not required legally or by sound financial management to be accounted for in another fund.

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
AS OF JUNE 30, 2010 AND 2009

	<u>June 30,</u> <u>2010</u>	<u>June 30,</u> <u>2009</u>
<u>ASSETS</u>		
Cash	\$ 1,216,627	\$ 1,439,281
Receivables (Net of Allowance for Uncollectibles)		
Property Taxes - Delinquent	203,196	201,375
State	98,107	112,125
Municipal Governments	168,372	122,740
Grants	459,095	394,408
Rehabilitation Loans	32,646	32,646
Other	113,719	112,570
Prepaid	27,355	43,597
Due From Other Funds		
Water and Sewer Fund	2,163,922	2,087,853
Restricted Assets		
Cash	129,279	170,234
<u>TOTAL ASSETS</u>	<u>4,612,318</u>	<u>4,716,829</u>
<u>LIABILITIES</u>		
Accounts Payable	350,503	565,613
Payroll Withholding	12,994	11,062
Accrued Salaries	222,068	202,618
Accrued Vacation Pay	252,171	242,444
Deferred Revenue	172,827	197,005
Bond Anticipation Note		2,660,000
<u>TOTAL LIABILITIES</u>	<u>1,010,563</u>	<u>3,878,742</u>
<u>FUND BALANCE</u>		
Reserved For Debt Service	32,769	38,659
Reserved Law Enforcement Grants & Programs	32,916	65,740
Reserved For Community Development Programs	8,198	12,905
Unrestricted	3,527,872	720,783
<u>TOTAL FUND BALANCE</u>	<u>3,601,755</u>	<u>838,087</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>4,612,318</u>	<u>4,716,829</u>

**CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND**

SCHEDULE A-2

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>June 30,</u> <u>2010</u>	<u>June 30,</u> <u>2009</u>
<u>REVENUES</u>		
Property Taxes	\$ 3,145,451	\$ 3,060,330
Licenses and Permits	3,084,136	3,253,493
Fines and Forfeitures	389,324	354,904
Interest	27	49
Intergovernmental	443,768	552,911
Charges For Services	837,727	1,007,825
Grant Proceeds	785,584	981,744
Narcotics Program Income	28,128	20,698
Other Revenues	203,550	198,360
	<hr/>	<hr/>
<u>TOTAL REVENUES</u>	8,917,695	9,430,314
<u>EXPENDITURES</u>		
Current		
General Government	1,259,765	1,254,049
Community and Economic Development	280,864	293,357
Public Safety	7,560,272	7,076,661
Public Services	1,926,353	2,297,144
General Services	707,366	759,897
Debt Service		
Principal	772,427	708,225
Interest	345,080	290,176
	<hr/>	<hr/>
<u>TOTAL EXPENDITURES</u>	12,852,127	12,679,509
<u>EXCESS OF EXPENDITURES OVER/(UNDER) REVENUES</u>	(3,934,432)	(3,249,195)
<u>OTHER FINANCING SOURCES/(USES)</u>		
Transfers In/(Out)		
Water and Sewer Fund	3,413,800	3,814,274
Proceeds from General Obligation Bond Issue	2,813,623	
Capital Leases	345,000	207,000
Sale of Capital Assets	125,677	
	<hr/>	<hr/>
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	6,698,100	4,021,274
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</u>	2,763,668	772,079
<u>FUND BALANCE - July 1</u>	838,087	66,008
	<hr/>	<hr/>
<u>FUND BALANCE - June 30</u>	3,601,755	838,087
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CITY OF WEST COLUMBIA, SOUTH CAROLINA
 GENERAL FUND
 COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 YEARS ENDED JUNE 30, 2010 AND 2009

	June 30, 2010		June 30, 2009		Variance Positive (Negative) \$
	Budget	Actual	Budget	Actual	
REVENUES					
Property Taxes	\$ 3,275,000	\$ 3,145,451	\$ 3,055,000	\$ 3,060,330	\$ 5,330
Licenses and Permits	3,294,000	3,084,136	3,372,000	3,253,493	(118,507)
Fines and Forfeitures	336,000	389,324	339,000	354,904	15,904
Interest		27		49	49
Intergovernmental	479,300	443,768	530,700	552,911	22,211
Charges for Services	840,000	837,727	1,000,000	1,007,825	7,825
Grant Proceeds	947,062	785,584	846,106	981,744	135,638
Narcotics Program Income	22,200	28,128	6,200	20,698	14,498
Other Revenues	129,400	203,550	159,100	198,360	39,262
TOTAL REVENUES	9,322,962	8,917,695	9,308,106	9,430,314	122,210
EXPENDITURES					
General Government	1,355,810	1,259,765	1,298,829	1,254,049	44,780
Community and Economic Development	273,300	280,864	327,000	293,357	33,643
Public Safety	7,657,352	7,560,272	7,441,797	7,076,661	365,136
Public Services	1,981,400	1,926,353	2,302,100	2,297,144	4,956
General Services	700,400	707,366	768,130	759,897	8,233
Debt Service	773,343	772,427	708,365	708,225	140
Principal	345,157	345,080	290,483	290,176	307
Interest					
TOTAL EXPENDITURES	13,086,762	12,852,127	13,136,704	12,679,509	457,195
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	(3,763,800)	(3,934,432)	(3,828,598)	(3,249,195)	579,405
OTHER FINANCING SOURCES/(USES)					
Transfers In/(Out)					
Water and Sewer Fund	3,413,800	3,413,800	3,828,598	3,814,274	(14,324)
Proceeds from General Obligation Bond Issue		2,813,623			2,813,623
Capital Leases	350,000	345,000	207,000	207,000	(5,000)
Sale of Capital Assets		125,677			125,677
TOTAL OTHER FINANCING SOURCES/(USES)	3,763,800	6,698,100	4,035,598	4,021,274	(14,324)
EXCESS/(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES		2,763,668	207,000	772,079	565,081
FUND BALANCE - July 1		838,087		66,008	
FUND BALANCE - June 30		3,601,755		838,087	

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)

	Budget	Actual	Variance Favorable (Unfavorable)	2009 Actual
<u>GENERAL GOVERNMENT</u>				
LEGISLATIVE (MAYOR & COUNCIL)				
Personnel Services	\$ 145,150	\$ 143,737	\$ 1,413	\$ 136,874
Other Services and Charges	46,750	49,542	(2,792)	43,801
Capital Outlay	500	184	316	12,147
TOTALS	192,400	193,463	(1,063)	192,822
ADMINISTRATIVE				
Personnel Services	413,800	424,142	(10,342)	410,952
Supplies	20,700	17,910	2,790	16,600
Other Services and Charges	334,000	357,364	(23,364)	291,389
Capital Outlay	394,910	266,886	128,024	342,286
Debt Service - Principal	458,940	459,806	(866)	443,816
Debt Service - Interest	159,860	159,860		175,850
TOTALS	1,782,210	1,685,968	96,242	1,680,893
TOTAL GENERAL GOVERNMENT	1,974,610	1,879,431	95,179	1,873,715
<u>COMMUNITY DEVELOPMENT</u>				
INSPECTIONS				
Personnel Services	146,100	138,227	7,873	164,661
Supplies	2,850	1,360	1,490	3,177
Other Supplies and Charges	11,600	10,387	1,213	10,300
Capital Outlay		90	(90)	131
TOTAL COMMUNITY DEVELOPMENT	160,550	150,064	10,486	178,269
<u>ECONOMIC DEVELOPMENT</u>				
Personnel Services	99,800	101,003	(1,203)	101,485
Supplies	100	298	(198)	1,960
Other Services and Charges	12,850	29,499	(16,649)	11,431
Capital Outlay				212
Debt Service - Interest	137,200	137,123	77	62,643
TOTAL ECONOMIC DEVELOPMENT	249,950	267,923	(17,973)	177,731
TOTAL COMMUNITY & ECONOMIC DEVELOPMENT	410,500	417,987	(7,487)	356,000
<u>PUBLIC SAFETY</u>				
POLICE DEPARTMENT				
ADMINISTRATION				
Personnel Services	2,928,541	2,875,053	53,488	2,762,974
Supplies	51,200	51,512	(312)	53,516
Other Services and Charges	562,339	592,710	(30,371)	518,545
Capital Outlay	380,672	348,931	31,741	508,798
Debt Service - Principal	19,975	19,907	68	18,967
Debt Service - Interest	325	325		1,265
TOTALS	3,943,052	3,888,438	54,614	3,864,065

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2009 Actual</u>
<u>PUBLIC SAFETY (CONTINUED)</u>				
DETECTIVES				
Personnel Services	\$ 941,900	\$ 974,552	\$ (32,652)	\$ 884,143
Supplies	8,000	6,291	1,709	8,750
Other Services and Charges	82,400	82,975	(575)	82,322
Capital Outlay	80,300	78,799	1,501	624
TOTALS	1,112,600	1,142,617	(30,017)	975,839
DISPATCH - 911 CALL CENTER				
Personnel Services	245,900	242,074	3,826	275,464
Supplies	7,700	9,069	(1,369)	16,072
Other Services and Charges	9,100	7,240	1,860	7,497
Capital Outlay	2,400	148	2,252	2,818
TOTALS	265,100	258,531	6,569	301,851
COURT ADMINISTRATION				
Personnel Services	197,300	193,335	3,965	187,183
Supplies	4,200	5,554	(1,354)	3,043
Other Services and Charges	55,900	48,849	7,051	54,667
Capital Outlay	-	149	(149)	80
TOTALS	257,400	247,887	9,513	244,973
TOTAL POLICE DEPARTMENT	5,578,152	5,537,473	40,679	5,386,728
CROSSING GUARDS				
Personnel Services	26,150	14,755	11,395	26,409
Other Services and Charges	550	513	37	506
TOTALS	26,700	15,268	11,432	26,915
FIRE DEPARTMENT				
Personnel Services	1,564,000	1,523,080	40,920	1,550,046
Supplies	19,100	19,390	(290)	11,476
Other Services and Charges	136,650	128,175	8,475	112,976
Capital Outlay	353,050	357,118	(4,068)	8,752
Debt Service - Principal	74,118	74,112	6	71,282
Debt Service - Interest	27,082	27,082	-	29,912
TOTALS	2,174,000	2,128,957	45,043	1,784,444
TOTAL PUBLIC SAFETY	7,778,852	7,681,698	97,154	7,198,087

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2009 Actual</u>
<u>PUBLIC SERVICES</u>				
<u>STREET DEPARTMENT</u>				
Personnel Services	\$ 306,900	\$ 295,026	\$ 11,874	\$ 312,281
Supplies	8,000	7,791	209	7,345
Other Services and Charges	258,000	272,150	(14,150)	234,771
Capital Outlay	7,500	4,496	3,004	82,285
Debt Service - Principal	11,233	10,912	321	
Debt Service - Interest	1,867	1,867		
<u>TOTALS</u>	593,500	592,242	1,258	636,682
<u>SANITATION DEPARTMENT</u>				
Personnel Services	1,155,100	1,090,587	64,513	1,106,229
Supplies	13,700	7,603	6,097	12,824
Other Services and Charges	214,200	241,605	(27,405)	294,607
Capital Outlay	18,000	7,095	10,905	246,802
Debt Service - Principal	209,077	207,690	1,387	174,160
Debt Service - Interest	18,823	18,823		20,506
<u>TOTALS</u>	1,628,900	1,573,403	55,497	1,855,128
<u>TOTAL PUBLIC SERVICES</u>	2,222,400	2,165,645	56,755	2,491,810
<u>DIVISION OF GENERAL SERVICES</u>				
<u>MAINTENANCE SHOP</u>				
Personnel Services	386,435	394,808	(8,373)	385,206
Supplies	10,000	7,900	2,100	12,057
Other Services and Charges	62,450	53,507	8,943	62,579
Capital Outlay	24,500	38,506	(14,006)	46,681
<u>TOTALS</u>	483,385	494,721	(11,336)	506,523
<u>PARKS AND RECREATION</u>				
Personnel Services	129,400	111,660	17,740	130,803
Supplies	19,500	15,814	3,686	22,082
Other Service and Charges	54,115	35,647	18,468	34,500
Capital Outlay	14,000	49,524	(35,524)	65,989
<u>TOTALS</u>	217,015	212,645	4,370	253,374
<u>TOTAL GENERAL SERVICES</u>	700,400	707,366	(6,966)	759,897
<u>GRAND TOTAL</u>	13,086,762	12,852,127	234,635	12,679,509

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ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the government’s council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the government’s council has decided that periodic determination of net income is appropriate for accountability purposes.

Water and Sewer Fund – to provide for an accounting of water and sewer services and related charges to residents of the City of West Columbia and parts of Lexington County. All necessary activities in providing such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, construction, financing and related debt service, billing and collection.

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF NET ASSETS
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2010 AND 2009

	<u>June 30,</u> <u>2010</u>	<u>June 30,</u> <u>2009</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 4,473,581	\$ 2,865,880
Accounts Receivable	3,224,508	1,826,192
Prepaid Charges	3,468	2,718
Notes Receivable- Municipal Government	718,398	698,972
Restricted Cash and Cash Equivalents	2,763,086	1,487,685
	<u>11,183,041</u>	<u>6,881,447</u>
<u>TOTAL CURRENT ASSETS</u>		
NONCURRENT ASSETS		
Noncurrent Receivable - Municipal Government	9,233,470	9,951,869
	<u>9,233,470</u>	<u>9,951,869</u>
DEFERRED CHARGES		
Revenue Bond Issue Costs	484,585	498,266
	<u>484,585</u>	<u>498,266</u>
<u>TOTAL DEFERRED CHARGES</u>		
CAPITAL ASSETS		
Water Plant, Lines, and Sewer System	60,845,718	60,772,253
Less: Accumulated Depreciation	(22,713,172)	(21,359,990)
Construction in Progress	16,712,762	1,939,358
	<u>54,845,308</u>	<u>41,351,621</u>
<u>TOTAL CAPITAL ASSETS (NET OF</u>		
<u>ACCUMULATED DEPRECIATION)</u>		
	<u>64,563,363</u>	<u>51,801,756</u>
<u>TOTAL NONCURRENT ASSETS</u>		
	<u>75,746,404</u>	<u>58,683,203</u>
<u>TOTAL ASSETS</u>		

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF NET ASSETS
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2010 AND 2009

	<u>June 30,</u> <u>2010</u>	<u>June 30,</u> <u>2009</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
(Payable from Current Assets)		
Accounts Payable	\$ 562,495	\$ 869,541
Customer Deposits	448,139	443,462
Accrued Payroll and Vacation Pay	218,055	168,976
Capital Lease Obligation	50,247	73,563
Deferred Revenue	659,699	629,760
Due to Other Funds	2,163,922	2,087,853
(Payable from Restricted Assets)		
Contracts Payable	1,049,362	247,995
Revenue Bonds Payable	1,588,688	1,002,992
Accrued Interest Payable - Revenue Bonds	61,927	66,236
<u>TOTAL CURRENT LIABILITIES</u>	<u>6,802,534</u>	<u>5,590,378</u>
LONG-TERM LIABILITIES		
Accrued Vacation Pay - Due After One Year	105,388	114,927
Capital Lease Obligation - Due After One Year	52,252	100,486
Revenue Bonds - Due After One Year	29,844,134	15,639,624
Deferred Revenue - Due After One Year	15,701,179	13,913,420
Other Liabilities	212,976	16,000
<u>TOTAL LONG-TERM LIABILITIES</u>	<u>45,915,929</u>	<u>29,784,457</u>
<u>TOTAL LIABILITIES</u>	<u>52,718,463</u>	<u>35,374,835</u>
<u>NET ASSETS</u>		
Invested In Capital Assets, Net of Related Debt	23,309,987	24,534,957
Capital Improvement Grant	153,944	160,888
Restricted for Debt Service	2,763,086	1,487,685
Unrestricted	(3,199,076)	(2,875,162)
<u>TOTAL NET ASSETS</u>	<u>23,027,941</u>	<u>23,308,368</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND - WATER AND SEWER
YEARS ENDED JUNE 30, 2010 AND 2009

	<u>June 30,</u> <u>2010</u>	<u>June 30,</u> <u>2009</u>
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 10,601,741	\$ 10,914,652
<u>TOTAL OPERATING REVENUES</u>	<u>10,601,741</u>	<u>10,914,652</u>
<u>OPERATING EXPENSES</u>		
Personnel Services	3,116,748	3,053,333
Material and Supplies	657,637	605,451
Contractual Services	815,632	1,458,696
Utilities	952,271	812,949
Repairs and Maintenance	315,351	290,123
Depreciation	1,404,471	1,406,968
Other Operating Expenses	86,214	99,589
<u>TOTAL OPERATING EXPENSES</u>	<u>7,348,324</u>	<u>7,727,109</u>
<u>OPERATING INCOME</u>	<u>3,253,417</u>	<u>3,187,543</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	292,751	338,026
Other Income	25,000	
Interest and Amortization Expense	(469,191)	(681,847)
Grant Proceeds	28,011	
Gain on Sale of Fixed Assets	3,385	
<u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u>	<u>(120,044)</u>	<u>(343,821)</u>
<u>NET INCOME BEFORE TRANSFERS</u>	<u>3,133,373</u>	<u>2,843,722</u>
<u>TRANSFERS IN/(OUT)</u>		
General Fund	(3,413,800)	(3,814,274)
<u>CHANGE IN NET ASSETS</u>	<u>(280,427)</u>	<u>(970,552)</u>
<u>TOTAL NET ASSETS - July 1</u>	<u>23,308,368</u>	<u>24,278,920</u>
<u>TOTAL NET ASSETS - June 30</u>	<u>23,027,941</u>	<u>23,308,368</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER
YEARS ENDED JUNE 30, 2010 AND 2009

	<u>June 30,</u> 2010	<u>June 30,</u> 2009
<u>Cash Flows From Operating Activities</u>		
Cash Received From Customers	\$ 8,687,910	\$ 10,718,709
Cash Paid to Suppliers	(2,257,465)	(2,347,552)
Cash Paid to Employees	(3,077,208)	(3,032,812)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	3,353,237	5,338,345
	<hr/>	<hr/>
<u>Cash Flows from Non-Capital Financing Activities</u>		
Transfers Out	(3,413,800)	(3,814,274)
	<hr/>	<hr/>
Net Cash Used in Non-Capital Financing Activities	(3,413,800)	(3,814,274)
	<hr/>	<hr/>
<u>Cash Flows From Capital and Related Financing Activities</u>		
Proceeds From Capital Debt	14,462,074	4,757,916
Principal Paid on Capital Debt	(1,014,204)	(5,991,754)
Interest Paid on Capital Debt	(448,608)	(587,812)
Bond Issuance Cost		(289,518)
Acquisition of Capital Assets	(13,632,559)	(1,453,123)
Capital Contribution	46,017	160,888
Principal Paid on Capital Lease	(71,550)	(69,938)
Payments Received from Municipal Governments	977,496	904,140
Proceeds from Sale of Capacity	2,330,000	2,333,000
Proceeds from Sale of Capital Assets	3,385	
	<hr/>	<hr/>
Net Cash Provided (Used) in Capital and Related Financing Activities	2,652,051	(236,201)
	<hr/>	<hr/>
<u>Cash Flows From Investing Activities</u>		
Interest in Investments	291,614	347,256
	<hr/>	<hr/>
Net Cash Provided by Investing Activities	291,614	347,256
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and and Cash Equivalents	2,883,102	1,635,126
	<hr/>	<hr/>
<u>Cash and Cash Equivalents - July 1</u>	4,353,565	2,718,439
	<hr/>	<hr/>
<u>Cash and Cash Equivalents - June 30</u>	7,236,667	4,353,565
	<hr/>	<hr/>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER
YEARS ENDED JUNE 30, 2010 AND 2009

**Reconciliation of Operating Income to Net Cash
Provided by Operating Activities**

	June 30, 2010	June 30, 2009
<u>Operating Income</u>	\$ 3,253,417	\$ 3,187,543
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	1,404,471	1,406,968
(Increase) Decrease in		
Accounts Receivable	(1,397,179)	226,978
Prepaid Charges	(750)	2,358
Increase (Decrease) in		
Accounts Payable	494,321	175,512
Deferred Revenue	(521,329)	(436,310)
Customer Deposits	4,677	13,389
Accrued Expenses	39,540	20,521
Due to Other Funds	76,069	741,386
	99,820	2,150,802
<u>Total Adjustments</u>		
<u>Net Cash Provided by Operating Activities</u>	3,353,237	5,338,345

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or funds.

Fireman's Fund – to account for revenue received from another governmental agency on behalf of the employees of the City's fire department and to record the expenditures of such funds.

Narcotics Fund – to account for cash seized in relation to controlled substance seizures and the record of remittance of such monies to another local law enforcement agency.

CITY OF WEST COLUMBIA, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>FIREMAN'S FUND</u>				
ASSETS- CASH	\$ 9,752	\$ 25,170	\$ 26,670	\$ 8,252
LIABILITIES				
Due to Fireman's Organization	9,752	25,170	26,670	8,252
<u>NARCOTIC SEIZURE</u>				
ASSETS- CASH	41,766	14,575	25,254	31,087
LIABILITIES				
Agency Funds Held	41,766	14,575	25,254	31,087
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS- CASH	51,518	39,745	51,924	39,339
LIABILITIES				
Due to Fireman's Organization	9,752	25,170	26,670	8,252
Agency Funds Held	41,766	14,575	25,254	31,087
	51,518	39,745	51,924	39,339

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

CITY OF WEST COLUMBIA, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
JUNE 30, 2010 AND 2009

	<u>June 30,</u> <u>2010</u>	<u>June 30,</u> <u>2009</u>
<u>CAPITAL ASSETS</u>		
Land	\$ 5,557,341	\$ 5,557,341
Buildings and Improvements	8,024,130	8,024,130
Vehicles and Equipment	7,517,301	7,575,754
<u>TOTAL CAPITAL ASSETS</u>	<u>21,098,772</u>	<u>21,157,225</u>
<u>INVESTMENT IN CAPITAL ASSETS</u>		
<u>BY SOURCE</u>		
General Fund	21,098,772	21,157,225
<u>TOTAL INVESTMENT IN CAPITAL ASSETS</u>	<u>21,098,772</u>	<u>21,157,225</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2010

<u>FUNCTION AND ACTIVITIES</u>	<u>Land, Buildings and Fixtures</u>	<u>Vehicles and Equipment</u>	<u>Total</u>
GENERAL GOVERNMENT	\$ 6,902,185	\$ 423,337	\$ 7,325,522
COMMUNITY DEVELOPMENT	3,764,695	334	3,765,029
PUBLIC SAFETY			
Police		3,271,105	3,271,105
Fire	590,941	1,934,646	2,525,587
TOTAL PUBLIC SAFETY	590,941	5,205,751	5,796,692
PUBLIC SERVICES			
Street		709,318	709,318
Sanitation	76,418	849,126	925,544
TOTAL PUBLIC SERVICES	76,418	1,558,444	1,634,862
GENERAL SERVICES			
General Services	87,329		87,329
Maintenance Shop	87,183	165,821	253,004
Parks and Recreation	2,072,720	163,614	2,236,334
TOTAL GENERAL SERVICES	2,247,232	329,435	2,576,667
<u>TOTAL CAPITAL ASSETS</u>	<u>13,581,471</u>	<u>7,517,301</u>	<u>21,098,772</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

<u>FUNCTION AND ACTIVITY</u>	Capital Assets June 30, 2009	Additions	Deletions	Capital Assets June 30, 2010
GENERAL GOVERNMENT	\$ 7,336,661	\$ 1,238	\$ 12,377	\$ 7,325,522
COMMUNITY DEVELOPMENT	3,765,029			3,765,029
PUBLIC SAFETY				
Police	2,902,156	387,165	18,216	3,271,105
Fire	2,251,202	355,014	80,629	2,525,587
TOTAL PUBLIC SAFETY	5,153,358	742,179	98,845	5,796,692
PUBLIC SERVICES				
Street	725,852	3,998	20,532	709,318
Sanitation	1,689,915	7,095	771,466	925,544
TOTAL PUBLIC SERVICES	2,415,767	11,093	791,998	1,634,862
GENERAL SERVICES				
General Services	87,329			87,329
Maintenance Shop	228,685	36,155	11,836	253,004
Parks and Recreation	2,170,396	65,938		2,236,334
TOTAL GENERAL SERVICES	2,486,410	102,093	11,836	2,576,667
<u>TOTAL CAPITAL ASSETS</u>	21,157,225	856,603	915,056	21,098,772

VICTIM'S RIGHTS ASSISTANCE

CITY OF WEST COLUMBIA
SCHEDULE OF FINES, FEES, ASSESSMENTS AND SURCHARGES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

For the Month of:

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Court Fines													
Court Fines Collected	\$ 28,337	\$ 33,113	\$ 29,091	\$ 27,000	\$ 15,728	\$ 21,001	\$ 28,315	\$ 31,744	\$ 37,726	\$ 35,554	\$ 28,524	\$ 34,964	\$ 351,097
Court Fines Retained	28,337	33,113	29,091	27,000	15,728	21,001	28,315	31,744	37,726	35,554	28,524	34,964	351,097
Court Fines Remitted to State Treasurer													
Court Assessments													
Court Assessments Collected	28,386	33,581	26,775	27,396	19,909	20,066	28,739	33,633	39,496	36,324	28,924	33,928	357,157
Court Assessments Retained by City	3,171	3,752	2,994	3,064	2,223	2,243	3,189	3,753	4,410	4,056	3,230	3,789	39,874
Court Assessments Remitted to State Treasurer	25,215	29,829	23,781	24,332	17,686	17,823	25,550	29,880	35,086	32,268	25,694	30,139	317,283
Court Surcharges													
Court Surcharges Collected	17,091	15,845	13,839	15,732	12,561	12,704	15,655	16,457	21,329	21,007	18,002	21,273	201,495
Court Surcharges Retained by City	1,850	1,849	1,475	1,440	1,050	1,425	1,474	1,400	1,650	1,725	1,450	1,925	18,713
Court Surcharges Remitted to State Treasurer	15,241	13,996	12,364	14,292	11,511	11,279	14,181	15,057	19,679	19,282	16,552	19,348	182,782
Victims Services													
Court Assessments Allocated to Victims Services	3,171	3,752	2,994	3,064	2,223	2,243	3,189	3,753	4,410	4,056	3,230	3,789	39,874
Court Surcharges Allocated to Victims Services	1,850	1,849	1,475	1,440	1,050	1,425	1,474	1,400	1,650	1,725	1,450	1,925	18,713
Funds Allocated to Victims Services	5,021	5,601	4,469	4,504	3,273	3,668	4,663	5,153	6,060	5,781	4,680	5,714	58,587
Victims Services Expenditures	5,021	5,601	4,469	4,504	3,273	3,668	4,663	5,153	6,060	5,781	4,680	5,714	58,587
Funds in Excess (Shortage) of Expenditures													
Victims Services Fund Carryover from 2009													
Victims Services Fund Balance, June 30, 2010													

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

Contents	Page
Financial Trends	88
<p>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</p>	
Revenue Capacity	94
<p>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</p>	
Debt Capacity	98
<p>These schedules present information to help the reader to assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</p>	
Demographic and Economic Information	103
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</p>	
Operating Information	105
<p>These schedules contain service and infrastructure data to help the reader Understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</p>	

City of West Columbia, South Carolina

Net Assets By Component

Last Eight Fiscal Years

(accrual basis of accounting)

(UNAUDITED)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities								
Invested in capital assets, net of related debt	\$ 3,772,427	\$ 4,509,197	\$ 4,275,252	\$ 4,955,796	\$ 5,554,041	\$ 5,429,423	\$ 5,903,901	\$ 5,918,026
Restricted	43,122	1,257,349	137,071	101,111	132,988	208,897	117,304	73,883
Unrestricted	2,246,011	1,220,740	2,597,353	2,435,312	2,511,164	2,392,695	3,243,735	3,375,634
Total Governmental Activities Net Assets	6,061,560	6,987,286	7,009,676	7,492,219	8,198,193	8,031,015	9,264,940	9,367,543
Business-Type Activities								
Invested in capital assets, net of related debt	17,496,538	18,121,657	19,245,559	20,735,753	21,419,166	23,072,906	24,534,957	23,309,987
Restricted	1,154,512	1,236,968	1,259,756	1,675,094	1,781,843	1,560,382	1,648,573	2,917,030
Unrestricted	5,034,158	3,919,297	3,366,427	1,602,153	1,206,030	(354,368)	(2,875,162)	(3,199,076)
Total Business-Type Activities Net Assets	23,685,208	23,277,922	23,871,742	24,013,000	24,407,039	24,278,920	23,308,368	23,027,941
Primary Government								
Invested in capital assets, net of related debt	21,268,965	22,630,854	23,520,811	25,691,549	26,973,207	28,502,329	30,438,858	29,228,013
Restricted	1,197,634	2,494,317	1,396,827	1,359,451	1,914,831	1,769,279	1,765,877	2,990,913
Unrestricted	7,280,169	5,140,037	5,963,780	4,454,219	3,717,194	2,038,327	368,573	176,558
Total Primary Governmental Net Assets	29,746,768	30,265,208	30,881,418	31,505,219	32,605,232	32,309,935	32,573,308	32,395,484

Note: Net assets by component are presented for the prior eight years only, as financial information in the above format is not available prior to the implementation of GASB 34.

City of West Columbia, South Carolina
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental activities								
General government	\$ 935,332	\$ 768,140	\$ 1,507,884	\$ 2,249,566	\$ 2,138,451	\$ 2,217,939	\$ 1,419,307	\$ 1,476,296
Community & economic development	95,402	95,346	161,769	400,334	269,194	296,736	304,065	277,395
Public safety	4,704,338	5,058,690	5,319,500	5,752,943	6,118,117	6,561,902	7,150,941	7,356,707
Public services	1,563,837	1,649,182	1,783,619	1,928,878	1,983,943	2,400,374	2,141,973	2,121,412
General services	385,959	394,919	417,813	176,758	128,543	635,425	727,417	695,689
Interest on Long-Term Debt					449,462	441,713	314,780	333,755
Total governmental activities expenses	7,684,868	7,966,277	9,190,585	10,508,479	11,087,710	12,554,089	12,058,483	12,261,254
Business-type activities:								
Water & sewer utility	6,212,598	6,338,039	6,167,794	6,581,696	7,606,049	7,916,623	8,408,956	7,817,515
Total business-type activities expenses	6,212,598	6,338,039	6,167,794	6,581,696	7,606,049	7,916,623	8,408,956	7,817,515
Total primary government expenses	13,897,466	14,304,316	15,358,379	17,090,175	18,693,759	20,470,712	20,467,439	20,078,769
Program Revenues								
Governmental activities:								
Charges for services:								
General government	2,794,314	3,055,158	3,316,421	3,567,906	3,832,256	3,905,135	3,934,447	3,773,352
Public safety	302,748	394,986	291,335	190,779	236,976	339,670	375,602	417,452
Public services	131,364	253,620	250,625	233,017	265,344	282,751	326,871	148,511
Operating grants and contributions	103,241	137,228	159,159	297,468	178,711	239,628	223,126	390,495
Capital grants and contributions	550,406	77,596	147,214	319,594	435,760	150,979	758,618	395,089
Total governmental activities program revenues	3,882,073	3,918,588	4,164,754	4,608,764	4,949,047	4,918,163	5,618,664	5,124,899
Business-type activities:								
Charges for services:								
Water & sewer utility	7,706,592	7,940,055	8,812,144	9,398,782	10,700,282	11,105,473	10,914,652	10,601,741
Capital grants and contributions	391,248	65,707			79,501	28,000		28,011
Total business-type activities program revenues	8,097,840	8,005,762	8,812,144	9,398,782	10,779,783	11,133,473	10,914,652	10,629,752
Total primary government program revenues	11,979,913	11,924,350	12,976,898	14,007,546	15,728,830	16,051,636	16,533,316	15,754,651
Net (expense)/revenue	(3,802,795)	(4,047,689)	(5,025,831)	(5,899,715)	(6,138,663)	(7,635,926)	(6,439,819)	(7,136,355)
Governmental activities	1,885,242	1,667,723	2,644,350	2,817,086	3,173,734	3,216,850	2,505,696	2,812,237
Business-type activities	(1,917,553)	(2,379,966)	(2,381,481)	(3,082,629)	(2,964,929)	(4,419,076)	(3,934,123)	(4,324,118)
Total primary government net expense								

City of West Columbia, South Carolina
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
General Revenue and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	1,794,849	2,065,577	2,063,752	2,587,185	2,723,856	2,946,957	3,108,150	3,150,684
Gain on sale of capital asset	12,125		4,859	17,989	166,818			27,129
Intergovernmental	476,752	478,829	507,517	499,963	525,915	569,936	552,911	443,768
Investment earnings	1,241	497	21,138	7,264	12,342	238	49	27
Miscellaneous	110,566	120,112	141,615	161,609	164,373	168,200	198,360	203,550
Transfers	2,359,524	2,308,400	2,309,340	3,108,248	3,251,333	3,783,417	3,814,274	3,413,800
Total governmental activities	4,755,057	4,973,415	5,048,221	6,382,258	6,844,637	7,468,748	7,673,744	7,238,958
Business-type activities:								
Gain on sale of capital asset								3,385
Intergovernmental	321,673	233,391	244,920	117,834	471,638	438,448	338,026	25,000
Investment earnings			13,890	314,586				292,751
Miscellaneous								
Transfers	(2,359,524)	(2,308,400)	(2,309,340)	(3,108,248)	(3,251,333)	(3,783,417)	(3,814,274)	(3,413,800)
Total Business-type activities	(2,037,851)	(2,075,009)	(2,050,530)	(2,675,828)	(2,779,695)	(3,344,969)	(3,476,248)	(3,092,664)
Total primary government	2,717,206	2,898,406	2,997,691	3,706,430	4,064,942	4,123,779	4,197,496	4,146,294
Change in Net Assets								
Governmental activities	952,262	925,726	22,390	482,543	705,974	(167,178)	1,233,925	102,603
Business-type activities	(152,609)	(407,286)	593,820	141,258	394,039	(128,119)	(970,552)	(280,427)
Total primary government	799,653	518,440	616,210	623,801	1,100,013	(295,297)	263,373	(177,824)

Note: Changes in net assets are presented for the prior eight years only, as financial information in the above format is not available prior to the implementation of GASB 34

City of West Columbia, South Carolina
Governmental Activities Tax Revenues By Source
Last Eight Fiscal Years
(accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Accommodations Tax</u>	<u>Vehicle Tax</u>	<u>Motor Carrier Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Total</u>
2003	\$ 1,345,898	\$ 3,421	\$ 288,530	\$ 4,003	\$ 34,371	\$ 1,676,223
2004	1,488,446	9,982	328,276	4,172	21,459	1,852,335
2005	1,521,744	21,980	307,274	4,213	24,250	1,879,461
2006	1,779,577	9,807	293,830	5,037	17,900	2,106,151
2007	1,900,921	5,050	327,369	5,962	12,900	2,252,202
2008	2,036,046	7,170	337,133	6,464	11,100	2,397,913
2009	2,190,738	29,409	332,445	6,615	18,650	2,577,857
2010	2,257,940	26,754	274,679	5,751	17,900	2,583,024

Note: For purposes of consistency and uniformity data is presented for the prior eight years upon implementation of GASB 34

City of West Columbia, South Carolina
Fund Balances of Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	\$ 43,122	\$ 37,317	\$ 48,428	\$ 101,111	\$ 132,988	\$ 208,897	\$ 117,304	\$ 73,883
Unreserved	2,315,703	3,785,317	117,191	(131,516)	2,675	(142,889)	720,783	3,527,872
Total general fund	<u>2,358,825</u>	<u>3,822,634</u>	<u>165,619</u>	<u>(30,405)</u>	<u>135,663</u>	<u>66,008</u>	<u>838,087</u>	<u>3,601,755</u>
All other governmental funds								
Reserved For:								
Capital Construction Projects	4,867,653	1,220,032	(4,149)					
Unreserved			(4,149)					
Total all other governmental funds	<u>4,867,653</u>	<u>1,220,032</u>	<u>(4,149)</u>					

Note: For purposes of consistency and uniformity data is presented for the prior eight years upon implementation of GASB 34

Table 5

City of West Columbia, South Carolina
Changes in Fund Balances of Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Revenues								
Taxes	\$ 1,782,285	\$ 2,038,680	\$ 2,078,202	\$ 2,565,436	\$ 2,727,463	\$ 2,954,180	\$ 3,060,330	\$ 3,145,451
Licenses and permits	2,380,623	2,650,326	2,792,956	2,986,123	3,221,082	3,264,683	3,253,493	3,084,136
Intergovernmental	476,752	478,829	507,517	499,963	525,915	569,936	552,911	443,768
Charges for services	526,598	658,452	774,090	814,800	876,518	923,202	1,007,825	837,727
Fines and Forfeitures	292,010	394,638	256,214	179,043	209,828	295,065	354,904	389,324
Investment earnings	19,693	62,006	21,138	7,264	12,342	238	49	27
Grant proceeds	653,652	153,315	306,373	617,062	614,471	390,607	981,744	785,584
Narcotics program	10,738	348	35,121	11,736	41,710	44,606	20,698	28,128
Other revenues	110,566	120,112	142,115	161,609	164,373	168,200	198,360	203,550
Total revenues	6,252,917	6,556,706	6,913,726	7,843,036	8,393,702	8,610,717	9,430,314	8,917,695
Expenditures								
General government	2,531,929	4,708,630	2,943,552	1,978,119	2,018,699	2,033,226	1,254,049	1,259,765
Public safety	4,716,141	4,934,114	5,465,774	5,717,114	6,830,324	6,416,802	7,076,661	7,560,272
Public services	1,437,746	1,639,632	1,959,119	1,863,555	2,213,272	2,433,413	2,297,144	1,926,353
General services	377,969	375,240	404,400	481,640	512,347	594,899	759,897	707,366
Community and economic development	95,402	1,591,302	2,221,017	468,937	256,408	288,053	293,357	280,864
Debt Service								
Principal				286,879	928,271	532,122	708,225	772,427
Interest				395,754	458,832	455,274	290,176	345,080
Total expenditures	9,159,187	13,248,918	12,993,862	11,191,998	13,218,153	12,753,789	12,679,509	12,852,127
Excess of revenues over (under) expenditures	(2,906,270)	(6,692,212)	(6,080,136)	(3,348,962)	(4,824,451)	(4,143,072)	(3,249,195)	(3,934,432)
Other financing sources (uses)								
Transfers in	2,849,896	2,446,152	2,538,891	3,112,397	3,251,333	3,908,417	3,814,274	3,413,800
Transfers out	(490,372)	(137,752)	(229,551)	(4,149)				
Bonds issued	5,565,000							2,813,623
Bond Anticipation Note Proceeds		2,200,000						
Capital leases			1,085,241	30,849	1,150,035	290,000	207,000	345,000
Sale of capital assets	19,458		4,359	17,989	589,151			125,677
Total other financing sources (uses)	7,943,982	4,508,400	3,398,940	3,157,086	4,990,519	4,198,417	4,021,274	6,698,100
Net change in fund balances	5,037,712	(2,183,812)	(2,681,196)	(191,876)	166,068	55,345	772,079	2,763,668
Debt service as a percentage of noncapital expenditures				6.2%	11.3%	8.1%	8.4%	9.6%

Note: For purposes of consistency and uniformity data is presented for the prior eight years upon implementation of GASB 34

City of West Columbia, South Carolina
Assessed Value and Estimated Actual Value of Taxable Property
Last Eight Fiscal Years

Fiscal Year Ended June 30	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2003	\$ 9,241,490	\$ 15,108,690	\$ 6,514,790	\$ 5,506,100	\$ 809,550	\$ 35,561,520	\$ 5.100	\$ 479,806,155	7.40%
2004	9,513,650	15,484,950	6,403,660	6,843,130	761,580	37,483,810	5.100	543,084,538	6.90%
2005	9,811,350	16,147,400	6,133,470	6,077,740	466,390	37,703,570	5.100	535,372,738	7.00%
2006	12,940,640	26,301,480	5,681,770	5,197,620	330,730	43,790,780	5.100	664,616,120	6.60%
2007	13,457,330	21,239,700	6,168,240	5,594,725	74,830	46,385,165	5.100	821,482,150	5.65%
2008	14,179,580	21,385,100	6,518,270	6,231,710	121,860	48,192,800	5.300	859,847,570	5.60%
2009	14,803,150	23,031,260	6,170,610	5,504,630	415,510	49,094,140	5.550	890,163,269	5.52%
2010	15,435,370	23,556,940	5,594,310	6,092,130	1,119,530	49,559,220	5.550	914,353,186	5.42%

Source: Lexington County Auditor
 Note: For purposes of consistency and uniformity data is presented for the prior eight years upon implementation of GASB 34

City of West Columbia, South Carolina
Property Tax Rates
Direct and Overlapping Governments
Last Eight Fiscal Years

Fiscal Year	City of West Columbia			Overlapping Rates						Total Direct & Overlapping Rates	
	Operating Millage	Debt Service Millage		Total City Millage	Lexington County			School District			
		Operating Millage	Service Millage		Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Special Districts		
2003	4.000	1.100	5.100	6.796	0.584	7.380	18.054	2.600	18.314	1.520	32.314
2004	4.000	1.100	5.100	7.136	0.584	7.720	15.710	2.600	18.310	1.700	32.830
2005	4.000	1.100	5.100	6.441	0.519	6.960	14.340	2.500	16.840	1.537	30.437
2006	4.000	1.100	5.100	6.690	0.536	7.226	14.340	2.975	17.315	1.590	31.231
2007	4.000	1.100	5.100	6.690	0.536	7.226	14.340	2.975	17.315	1.590	31.231
2008	4.200	1.100	5.300	7.028	0.555	7.583	14.885	2.975	17.860	1.998	32.741
2009	4.450	1.100	5.550	7.351	0.555	7.906	14.885	2.975	17.860	1.849	33.165
2010	4.450	1.100	5.550	7.552	0.380	7.932	14.885	2.975	17.860	1.739	33.081

Note: For purposes of consistency and uniformity data is presented for the prior eight years upon implementation of GASB 34

City of West Columbia, South Carolina
Principal Property Taxpayers
June 30, 2010

Taxpayer	2010			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
S.C. Electric & Gas Co.	\$ 1,252,680	1	18.12%	\$ 1,247,870	1	20.49%
Campus Investors HSRE-SC	1,203,200	2	17.40%			0.00%
Wal-Mart Stores	707,420	3	10.23%	859,550	3	14.11%
Columbia Farms, Inc.	654,080	4	9.46%	522,540	5	8.58%
Westside Meshekoff Family LP	567,860	5	8.21%	418,550	7	6.87%
TimeWarner/Advanced Newhouse	561,200	6	8.12%	1,071,240	2	17.59%
Bell South Telecommunications	442,340	7	6.40%	501,220	6	8.23%
Sun, Inc	418,710	8	6.06%			0.00%
Granby Oaks Association	355,910	9	5.15%	318,610	8	5.23%
Baker and Baker	324,060	10	4.69%			0.00%
Chevy Chase Limited Partnership	220,500	11	3.19%	229,110	9	3.76%
West Columbia Apartments	205,530	12	2.97%	205,140	10	3.37%
Kline Iron & Steel				717,280	4	11.78%
Totals	6,913,490			6,091,110		

City of West Columbia, South Carolina
Property Tax Levies and Collections
Last Eight Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections of Delinquent Taxes		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2003	1,806,637	1,711,006	94.7%	91,196		1,802,202	99.8%
2004	2,058,726	1,951,882	94.8%	102,742		2,054,624	99.8%
2005	2,051,092	1,964,062	95.8%	85,168		2,049,230	99.9%
2006	2,580,592	2,434,054	94.3%	142,758		2,576,812	99.9%
2007	2,699,140	2,552,311	94.6%	141,830		2,694,141	99.8%
2008	2,916,058	2,772,373	95.1%	124,453		2,896,826	99.3%
2009	3,145,261	2,960,913	94.1%	155,624		3,116,537	99.1%
2010	3,233,856	3,035,874	93.9%	51,943		3,087,817	95.5%

Note: For purposes of consistency and uniformity data is presented for the prior eight years upon implementation of GASB 34

City of West Columbia, South Carolina
Ratios of Outstanding Debt by Type
Last Eight Fiscal Years

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			Total Primary Government ¹	Percentage of Personal Income ²	Per Capita ²
	General Obligation Bonds	General Obligation Bond Anticipation Note	Tax Increment Finance Bonds	Capital Leases	Water/Sewer Bonds	Capital Leases			
2003			\$ 5,565,000	\$ 82,519	\$ 14,767,116		\$ 20,414,635	8.60%	\$ 1,563
2004		\$ 2,200,000	5,565,000	42,327	13,244,083		21,051,410	8.87%	1,611
2005		2,660,000	5,565,000	1,085,241	14,297,905	\$ 113,759	23,721,905	8.88%	1,816
2006		2,660,000	5,369,197	1,025,015	20,149,841	92,451	29,296,504	10.48%	2,243
2007		2,660,000	5,164,837	1,451,140	20,207,434	312,410	29,795,821	10.63%	2,281
2008		2,660,000	4,920,083	1,454,784	17,988,575	243,987	27,267,429	9.85%	2,087
2009	\$ 2,660,000		4,501,463	1,372,181	16,642,615	174,049	25,350,308	9.20%	1,940
2010	2,813,623		4,068,023	1,378,192	31,432,822	102,499	39,795,159	12.69%	2,892

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

1 See note 8 to the financial statements.

2 See the Schedule of Demographics and Economic Statistics for personal income and population data.

3 For purposes of consistency and uniformity data is presented for the prior eight years upon implementation of GASB 34

City of West Columbia, South Carolina
Ratios of General Bonded Debt Outstanding
Last Seven Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2004	\$ 2,200,000		\$ 2,200,000	0.41%	\$ 168
2005	2,660,000		2,660,000	0.49%	204
2006	2,660,000		2,660,000	0.40%	204
2007	2,660,000		2,660,000	0.32%	204
2008	2,660,000		2,660,000	0.31%	204
2009	2,660,000		2,660,000	0.30%	204
2010	2,813,623		2,813,623	0.31%	215

Note: Prior to 2004 there was no general bonded debt outstanding

City of West Columbia, South Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Lexington County	\$ 42,193,790	5.66%	\$ 2,388,169
School District No. 2	40,495,000	18.58%	7,523,971
Lexington County Recreation District	2,469,000	8.21%	202,705
Riverbanks Park District	4,554,537	2.30%	104,754
Subtotal, overlapping debt			<u>10,219,599</u>
City of West Columbia, South Carolina direct debt			<u>2,813,623</u>
Total direct and overlapping debt			<u><u>13,033,222</u></u>

Sources: City of West Columbia Treasurer, Lexington County Treasurer, Auditor, and Finance officers of above-mentioned entities

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of West Columbia, SC. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of West Columbia, South Carolina
Legal Debt Margin Information
Last Eight Fiscal Years

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 2,844,922	\$ 3,059,631	\$ 3,016,286	\$ 3,529,721	\$ 3,716,800	\$ 3,865,173	\$ 3,960,772	\$ 4,054,300
Total net debt applicable to limit	2,200,000	2,200,000	2,660,000	2,660,000	2,660,000	2,660,000	2,660,000	2,813,623
Legal debt margin	<u>2,844,922</u>	<u>859,631</u>	<u>356,286</u>	<u>869,721</u>	<u>1,056,800</u>	<u>1,205,173</u>	<u>1,300,772</u>	<u>1,240,677</u>
Total net debt applicable to the limit as a percentage of the debt limit	0.00%	71.90%	88.19%	75.36%	71.57%	68.82%	67.16%	69.40%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed Value	\$ 49,559,220
Add back: exempt real property	1,119,530
Total assessed value	<u>50,678,750</u>
Debt limit (8%)	4,054,300
Debt applicable to limit:	
General obligation bonds	2,813,623
Less: Amount set aside for repayment general obligation debt	
Total net debt applicable to limit	<u>2,813,623</u>
Legal debt margin	<u>1,240,677</u>

Note: 1. The City of West Columbia issued \$2,813,623 in General Obligation Bonds on March 26, 2010. As authorized by an ordinance dated January 19, 2010, the City is able to issue General Obligation Bonds not to exceed \$4,000,000. Based on the constitutional debt limit as set by the State of South Carolina, the City could issue general obligation debt equal to eight percent (8%) of the assessed value of property located in the City without voter approval or approximately \$4,054,300 at June 30, 2010, which would be the legal debt margin.

2. For purposes of consistency and uniformity data is presented for the prior eight years upon implementation of GASB 34

City of West Columbia, South Carolina
Pledged-Revenue Coverage
Last Eight Fiscal Years

Fiscal Year	Water/Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Water and Sewer Revenue Bonds			Total	Coverage
				Principal	Interest	Debt Service Requirements		
2003	\$ 7,706,592	\$ 4,342,271	\$ 3,364,321	\$ 719,665	\$ 851,874	1,571,539	2.14	
2004	7,940,055	4,755,162	3,184,893	1,523,033	528,239	2,051,272	1.55	
2005	8,800,024	4,611,745	4,188,279	1,571,565	483,156	2,054,721	2.04	
2006	9,462,440	5,116,252	4,346,188	1,736,809	514,109	2,250,918	1.93	
2007	10,700,282	6,030,003	4,670,279	2,171,650	687,693	2,859,343	1.63	
2008	11,105,472	5,768,535	5,336,937	2,225,476	614,361	2,839,837	1.88	
2009	10,914,462	6,320,141	4,594,321	2,316,754	530,309	2,847,063	1.61	
2010	10,601,741	5,943,853	4,657,888	1,014,204	438,989	1,453,193	3.21	

Note: 1 Details regarding the government's outstanding debt can be found in the notes to the financial statements.
2 For purposes of consistency and uniformity data is presented for the prior eight years upon implementation of GASB 34

City of West Columbia, South Carolina
Demographic and Economic Statistics
Last Eight Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Level in Years of Formal Schooling	School Enrollment	Unemployment Rate
2003	13,064	\$ 237,307,560	\$ 18,135	38.7	14.0	2,997	3.2%
2004	13,064	237,307,560	18,135	38.7	14.0	2,985	3.1%
2005	13,064	267,224,120	20,455	41.2	14.0	2,995	4.5%
2006	13,064	279,661,048	21,407	41.4	14.0	3,025	4.4%
2007	13,064	280,222,800	21,450	41.4	14.0	3,025	4.4%
2008	13,064	276,956,800	21,200	42.0	14.0	3,045	4.70%
2009	13,064	275,585,787	20,583	44.0	14.0	3,050	8.80%
2010	13,064	313,521,600	22,785	44.3	14.0	3,065	7.90%

Note: For purposes of consistency and uniformity data is presented for the prior eight years upon implementation of GASB 34

Data sources: Central Midlands Council of Governments and the

U. S. Bureau of Labor Statistics

City of West Columbia, South Carolina
Principal Employers
Current Year and four Years Ago

<u>Employer</u>	<u>2010</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
House of Raeford Farms	875	1	31.81%	425	2	18.71%
Wal-Mart Stores	535	2	19.45%	515	1	22.67%
Lexington School District 2	244	3	8.87%	264	3	11.62%
South Carolina Episcopal Home	240	4	8.72%	200	4	8.80%
Heartland of Lexington	236	5	8.58%	153	7	6.73%
City of West Columbia	199	6	7.23%	176	6	7.75%
Belcher Staffing Services	188	7	6.83%	187	5	8.23%
U S Postal Service	92	8	3.34%	100	10	4.40%
H T Hackney Company	72	9	2.62%	147	8	6.47%
Bi-Lo LLC	70	10	2.54%	105	9	4.62%
Total	<u>2,751</u>		<u>100.0%</u>	<u>2,272</u>		<u>100.0%</u>

Information available for current year and four years ago only.

City of West Columbia, South Carolina
Full-time Equivalent City Government Employees by Function
Last Eight Fiscal Years

Function	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
General Government	12	12	12	12	12	12	12	14
Building Inspectors	1	1	2	2	2	2	2	2
Community Development				1	1	1	1	1
Public Safety								
Police								
Officers	40	42	48	52	52	54	56	58
Civilians	12	12	12	12	12	12	14	14
Fire								
Firefighters and officers	24	24	24	24	24	24	24	24
Maintenance - Garage	5	5	5	6	6	6	6	6
Sanitation (Garbage & Trash)	28	28	30	30	30	30	32	32
Parks and Recreation	1	1	1	1	3	3	3	3
Water (Production & Distribution)	32	32	32	32	32	32	32	32
Sewer Collection	3	3	3	3	3	4	4	4
Total	158	160	169	175	177	180	186	190

Note: For purposes of consistency and uniformity data is presented for the prior eight years upon implementation of GASB 34
Source: City of West Columbia Finance Office

City of West Columbia, South Carolina
Operating Indicators by Function
Last Eight Fiscal Years

Function	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Police								
Physical arrests	1,530	1,268	1,804	1,785	1,830	1,913	2,265	2,058
Fire								
Number of calls answered	829	925	876	857	1,108	853	627	757
Inspections	3,035	3,076	3,156	2,990	1,140	941	849	1,000
Sanitation								
Refuse collected (tons/day) Lexington Landfill ¹	37	38	36	37	38	33	35	36
Refuse collected (tons/day) Richland Landfill ²	21	22	21	21	22	21	22	22
Recyclables collected (tons/day)	2	2	2	2	2	2	2	2
Culture and Recreation								
Community Center (Times Used)	49	42	38	36	110	94	137	108
Water								
New connections	300	240	360	270	285	1,369	24	101
Water mains breaks	10	8	6	7	4	9	12	14
Water customers	18,709	19,224	17,853	18,483	18,768	19,250	19,274	19,375
Water Plant I	2,799	3,512	3,310	3,519	3,670	3,643	3,353	2,633
Water Plant II	6,506	6,738	6,598	7,204	8,080	8,187	7,443	9,310
Total Average daily consumption (thousands of gallons)	9,305	10,250	9,908	10,723	11,750	11,830	10,796	11,943
Wastewater								
Average daily sewage treatment ³ (thousands of gallons)	2,353	1,883	2,432	1,598	4800	5,900	6,054	6,095
Sewer customers	8,970	9,117	9,639	10,659	11,422	12,241	12,255	12,273

Sources:

¹ Lexington Landfill² Richland Landfill³ City of Columbia waste water treatment plant

Note: For purposes of consistency and uniformity data is presented for the prior eight years upon implementation of GASB 34

Table 19

City of West Columbia, South Carolina
Capital Asset Statistics by Function
Last Eight Fiscal Years

Function	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety								
Police:								
Stations	1	1	1	1	1	1	1	1
Patrol units	26	30	31	35	46	50	57	63
Fire stations	1	1	1	1	1	1	1	1
Responding units	11	11	12	12	12	14	14	14
Sanitation								
Garbage collection trucks	10	12	13	12	14	14	14	14
Yard trash collection trucks	4	5	5	5	6	6	6	6
Highways and streets								
Streetlights ¹	901	911	929	938	947	942	961	989
Traffic signals	18	19	19	21	23	24	28	30
Culture and recreation								
Parks	4	4	5	5	5	5	5	5
Community centers	1	1	1	1	1	1	1	1
Water								
Water mains (miles)	180	185	198	210	212	213	243	288
Fire hydrants	505	510	540	550	555	566	569	573
Water Plant I	7	7	7	7	7	7	7	7
Water Plant II	13.5	13.5	13.5	13.5	13.5	22.5	23.0	23.0
Maximum daily capacity (millions of gallons)	20.5	20.5	20.5	20.5	20.5	29.5	30.0	30.0
Sewer								
Sanitary sewers (miles)	91	95	105	110	112	113	113	115
Maximum daily treatment capacity ² (millions of gallons)	3.27	3.27	3.27	3.27	3.27	3.27	3.27	3.27

Sources:

¹ South Carolina Electric & Gas Company² Contract with City of Columbia for capacity without additional surcharge.

Note: For purposes of consistency and uniformity data is presented for the prior eight years upon implementation of GASB 34

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CITY OF WEST COLUMBIA
WEST COLUMBIA, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantors Number	Total Expenditures
<u>US Department of Housing and Urban Development</u>			
<u>Passed Through Lexington County Department of Community Development</u>			
CDBG Lexington County - Tri-City Façade	14.218		\$ 2,111
<u>US Department of Justice</u>			
COPS - Universal Hiring Program Grant	16.710		21,362
COPS - Hiring Recovery Program Grant	16.710		109,641
Justice Assistance Grant 2007	16.738		31,199
Justice Assistance Grant 2009	16.738		25,199
2009 Recovery Act Grant	16.804		101,719
<u>Passed Through SC Department of Public Safety</u>			
Enhanced Victims Services Project	16.575		49,401
Bullet Proof Vest Grant	16.607		1,505
Anti-Gang Initiative	16.744		14,343
Video Microphones Grant	16.803		15,750
Traffic Enforcement Program	20.600		120,376
<u>US Department of Transportation</u>			
<u>Passed Through SC Department of Transportation</u>			
Enhancement Project - Meeting and State	20.205		145,660
Triangle City Streetscape	20.205		15,099
12th Street Streetscape	20.205		3,077
<u>US Department of Health and Human Services</u>			
<u>Passed Through SC Department of Health and Environmental Control</u>			
DHEC Fluoridation Grant	93.283		21,017
<u>US Department of Environmental Protection</u>			
<u>Passed Through the SC Water Quality Revolving Fund</u>			
Clean Water SRF	66.458	CWSRF 1-118- 08-523-01	3,097,142 *
Drinking Water SRF	66.468	DWSRF 3-035- 08-321004-02	<u>5,761,013 *</u>
Total Federal Assistance Expended			<u>9,535,614</u>

* Major Programs

Note A— Basis of Presentation

This schedule includes the federal grant activity of the city and is presented on the accrual basis of accounting. The information in this schedule, is presented in accordance with the requirements of OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CITY OF WEST COLUMBIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION 1—SUMMARY OF AUDITORS' RESULTS

Financial Statements

- 1. Type of Auditors' report issued. Unqualified
- 2. Internal Control over Financial Reporting:
 - A. Material weaknesses Identified? None
 - B. Reportable conditions identified not considered being material weakness? None Reported
 - C. Noncompliance that is material to the financial statements identified? None

Federal Awards

- 1. Internal control over major programs:
 - A. Material weaknesses identified? None
 - B. Reportable conditions identified not considered being material weakness? None
- 2. Type of Auditors' report issued on compliance for major programs? Unqualified
- 3. Any Audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? None
- 4. Identification of Major Program:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
66.458	Clean Water SRF
66.468	Drinking Water SRF

- 5. Dollar threshold used to distinguish between type A & B programs. \$300,000
- 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? No

SECTION 2 -- FINANCIAL STATEMENT FINDINGS

None Reported

SECTION 3 -- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported

There were no prior audit findings.



Brittingham, Brown, Prince & Hancock, LLC

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Members: American Institute of Certified Public Accountants · South Carolina Association of Certified Public Accountants · National Association of Certified Valuation Analysts

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 Chairman and Members
Of The City of West Columbia Council
West Columbia, South Carolina

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 West Columbia, South Carolina (hereafter referred to as the City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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 combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of management, the council members, any federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Brittingham, Brown, Prince & Hancock

January 25, 2011



Brittingham, Brown, Prince & Hancock, LLC

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Chairman and Members
Of The City of West Columbia Council
West Columbia, South Carolina

Compliance

We have audited the compliance of the City of West Columbia, South Carolina (hereafter referred to as the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

James T. Brittingham, C.P.A. (1924-1995) · Kerry R. Brown, C.P.A. · Kenneth E. Prince, C.P.A. · James T. Brittingham, Jr., C.P.A. · William H. Hancock, C.P.A. / P.F.S. · A. Scott Hendrix, M.B.A., C.P.A., C.V.A.
Dawn A. Wetherley, CPA ·

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Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, council members, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Brittingham, Brown, Prince & Hancock

January 25, 2011