

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2013

JENNIFER T. CUNNINGHAM
City Administrator

Prepared by:
FINANCE DEPARTMENT

CITY OF WEST COLUMBIA, SOUTH CAROLINA
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YEAR ENDED JUNE 30, 2013
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JENNIFER T. CUNNINGHAM
City Administrator
MYRON F. CORLEY
Deputy City Administrator
MARTA M. VALENTINO, CMC
City Clerk
RICHARD K. HODGE, CPA
City Treasurer
BRIAN E. CARTER, AICP
Director of Planning & Zoning
DONNA M. SMITH
Director of Economic Development
SIDNEY F. VARN, JR., P.E.
Director of Planning & Engineering



City of West Columbia

Bridging Past, Present and Future

JOSEPH W. "JOE" OWENS
Mayor
CASEY JORDAN HALLMAN
Mayor Pro-Tem
ERIC L. FOWLER
L. DALE HARLEY
BOYD J. JONES
TEMUS C. "TEM" MILES, JR.
TOMMY G. PARLER
B.J. UNTHANK
TEDDY WINGARD
Council Members

January 10, 2014

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, 2013. 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, 2013, 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, 2013, 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 three 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 8.8 square miles and serves a population of 14,998. 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 March of 2013 the City refunded its 1998A and 2009C Revenue Bond issues and its 2008 Tax Increment Finance (TIF) Bond. The 1998A bond issue had an interest rate of 4.75 percent and the 2009C bond issue had a rate of 3.53 percent. These two Revenue Bond issues were refunded by issuing a 2013 Refunding Revenue Bond at an interest rate of 1.48 percent. This resulted in an overall savings on interest cost of \$280,040 over the remainder of the life of the bond which is seven years. The outstanding 2008 TIF bond had an interest rate of 3.54 percent. The 2008 TIF bond was refunded by issuing the 2013 TIF Refunding bond at an interest rate of 1.426 percent resulting in an interest savings cost of \$111,109 over the remainder of the life of the bond which is six years.

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 held in local and regional banking institutions and consisted mainly of money market savings. The average yield on maturing investments during the year was 1.0 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 the South Carolina Employee Insurance Program (SCEIP), which is a state funded insurance program administered by Blue / Shield of South Carolina and workmen’s compensation insurance through a self-insurance fund administered through a municipal pool. 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, 2012. This was the 22nd 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.

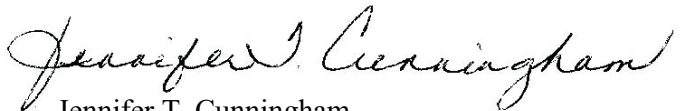
Acknowledgments – The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff and financial department. Each member of the department has our sincere appreciation for the contributions made in preparation of this report.

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,



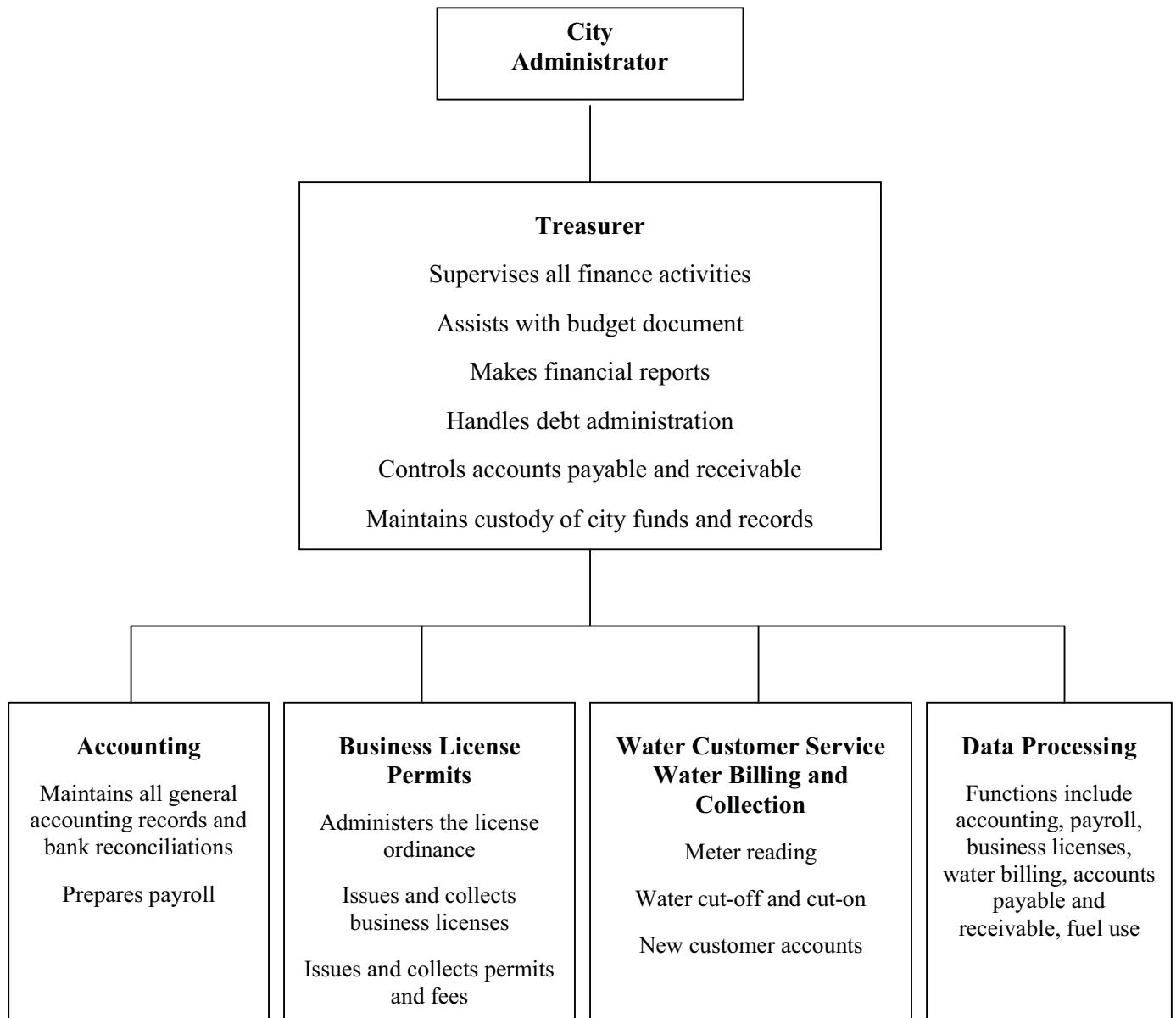
Richard K. Hodge, CPA
City Treasurer



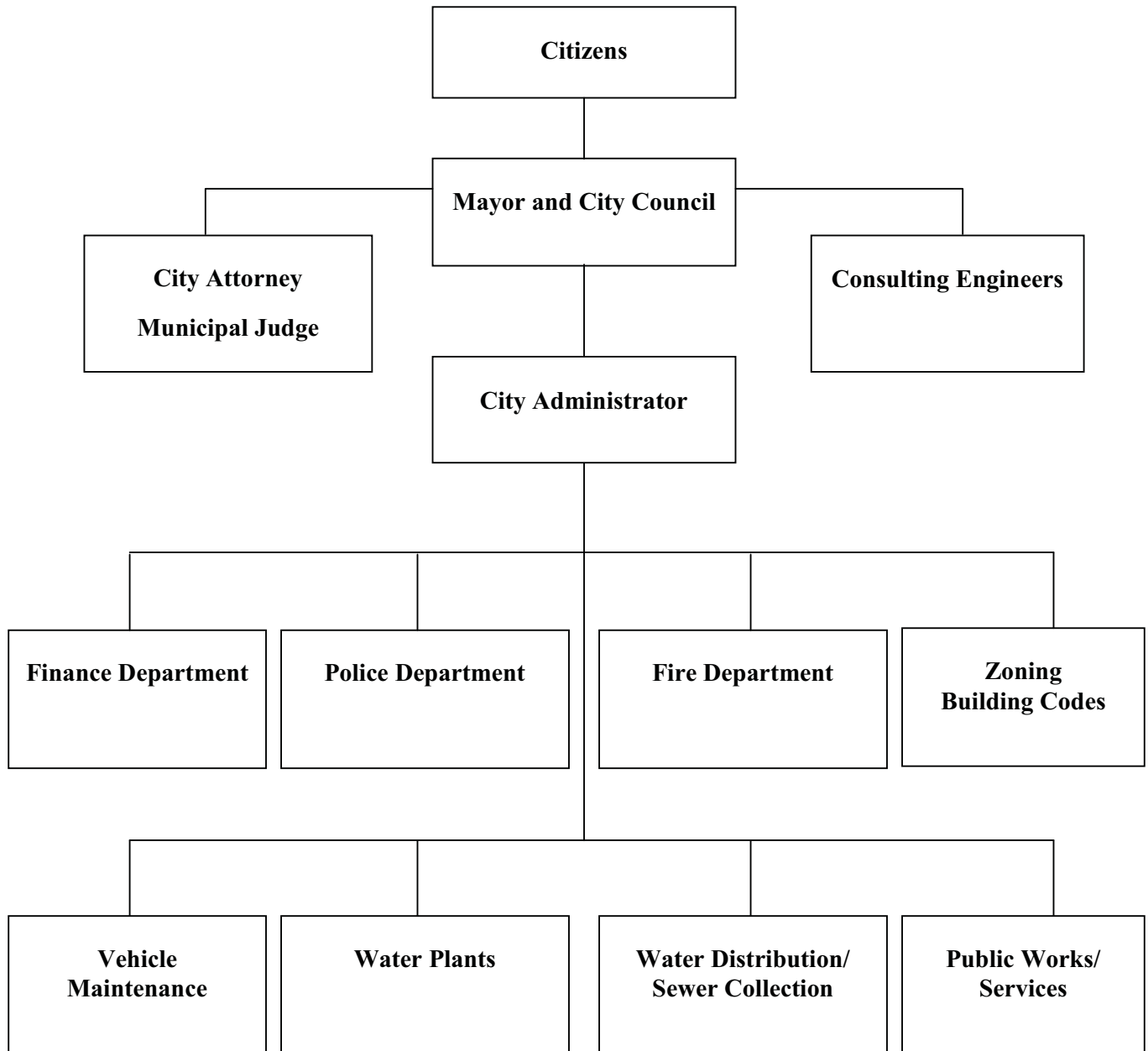
Jennifer T. Cunningham
City Administrator

City of West Columbia, South Carolina

**Finance Department
Organization Chart**



City of West Columbia, South Carolina



WEST COLUMBIA CITY COUNCIL

Joseph W. Owens, Mayor

COUNCIL MEMBERS

Boyd J. Jones, Mayor Pro-Tempore

Abbott L. Bray, Jr.

Eric L. Fowler

Casey Jordan Hallman

L. Dale Harley

Tommy G. Parler

B. J. Unthank

Teddy Wingard

CITY ADMINISTRATOR

Jennifer T. Cunningham



Government Finance Officers Association

**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, 2012

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO

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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

Associate Member: Association of Certified Fraud Examiners

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, and the aggregate remaining fund information, of the City as of June 30, 2013, and the respective changes in financial position and, where applicable, 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.

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.
Jessica N. Laney, C.P.A., H. Warren Counts Jr., C.P.A.



www.BBPHCPA.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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 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.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report date January 10, 2014 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.

Brittingham, Brown, Prince & Hancock

January 10, 2014

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, 2013. 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 2013 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 Position, 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, 2013 by \$33,588,301 (net position).
- The City's total net position increased \$571,036 with \$577,482 of the increase from governmental activities including a decrease of \$6,446 resulting from business-type activities.
- For the fiscal year ending June 30, 2013, 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 \$4,537,000, an increase of \$433,719 over the previous fiscal year. Of this amount, \$4,415,446 is unrestricted.
- The General Fund reported actual revenues of \$256,855 under budget and expenditures under budgeted appropriations by \$636,808.
- The City's total debt decreased by \$2,825,434 for the current fiscal year. The main reason for the decrease of the City's overall outstanding long-term debt is the servicing of the debt through normal operations of the City (see Note 8).

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 position presents information on all of the City’s assets, liabilities, and deferred inflows/outflows of resources with the difference between them being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City 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.

The government-wide financial statements can be found on pages 24-25 of this report.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City 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 2012-2013. 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.

The basic governmental fund financial statements can be found on pages 26-29 of this report.

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.

The basic proprietary fund financial statements can be found on pages 30-34 of this report.

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

The fiduciary fund financial statements can be found on page 35 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-58 of this report.

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 eleventh 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 position 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 \$33,588,301 at the close of the most recent fiscal year. The City's increase in net position for this fiscal year amounts to \$571,036.

For the current year, the largest portion of the City's net position, 95.56 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 Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 5,334,340	\$ 4,997,882	\$ 6,460,035	\$15,141,667	\$11,794,375	\$20,139,549
Capital assets, net	12,997,494	13,731,009	58,522,174	53,015,220	71,519,668	66,746,229
Total assets	18,331,834	18,728,891	64,982,209	68,156,887	83,314,043	86,885,778
Long-term liabilities						
outstanding	4,628,772	5,594,396	39,647,881	42,243,932	44,276,653	47,838,328
Other liabilities	1,747,934	1,752,017	3,701,155	3,766,794	5,449,089	5,518,811
Total liabilities	6,376,706	7,346,413	43,349,036	46,010,726	49,725,742	53,357,139
Net Position						
Net Investment in capital						
assets	7,594,825	7,429,902	24,500,510	23,918,424	32,095,335	31,348,326
Restricted	121,554	96,818	2,770,192	2,899,541	2,891,746	2,996,359
Unrestricted	4,238,749	3,855,758	(5,637,529)	(4,671,804)	(1,398,780)	(816,046)
Total net position	11,955,128	11,382,478	21,633,173	22,146,161	33,588,301	33,528,639

An additional portion of the City's net position (8.6 percent) represents resources that are restricted as to how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to citizens, creditors, and customers within the respective governmental and business-type activities.

At the end of the current fiscal year, the City of West Columbia is able to report positive balances in both categories of net position as a whole and individually within the governmental and business-type activities.

The changes in net position displayed below shows the governmental and business-type activities during the fiscal year. The increase in entity-wide net position is due to the general fund actual expenditures being under budget. Actual property tax revenues and business license fees exceeded budgeted revenues. However, overall the general fund revenues were under budget because budgeted grant program revenues were not received due to project delays. Also, the return of the City's pro rata share of excess health insurance premiums upon termination of the self-insured insurance pool, on June 30, 2011, of which the City was a member contributed to increased funds. These funds were used in general operations and were significant in the increase in net assets. All general fund department's actual expenditures were under budget, however, the public safety and public works departments were the main contributors to actual expenditures being significantly under budgeted expenditures.

City of West Columbia's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues						
Charges for services	\$ 4,394,467	\$ 4,391,057	\$10,814,210	\$10,788,398	\$15,208,677	\$15,179,455
Operating grants & contributions	377,865	405,215		8,470	377,865	413,685
Capital grants & contributions	481,603	505,634	202,491		684,094	505,634
General revenues						
Property taxes	4,006,034	3,947,495			4,006,034	3,947,495
Intergovernmental	468,226	411,954			468,226	411,954
Investment earnings	162	224	173,361	229,801	173,523	230,025
Other	528,880	505,535		7,800	528,880	513,335
Total revenues	<u>10,257,237</u>	<u>10,167,114</u>	<u>11,190,062</u>	<u>11,034,469</u>	<u>21,447,299</u>	<u>21,201,583</u>
Expenses						
General Government	1,656,211	1,467,482			1,656,211	1,467,482
Community Development	377,098	246,140			377,098	246,140
Public Safety	7,256,373	7,468,321			7,256,373	7,468,321
Public Services	1,708,734	1,754,463			1,708,734	1,754,463
General Services	1,047,600	941,772			1,047,600	941,772
Interest on Long-term Debt	196,505	247,238			196,505	247,238
Water & Sewer Utility			8,633,742	8,456,581	8,633,742	8,456,581
Total expenses	<u>12,242,521</u>	<u>12,125,416</u>	<u>8,633,742</u>	<u>8,456,581</u>	<u>20,876,263</u>	<u>20,581,997</u>
Excess (deficiency) before transfers	(1,985,284)	(1,958,302)	2,556,320	2,577,888	571,036	619,586
Transfers	<u>2,562,766</u>	<u>3,131,898</u>	<u>(2,562,766)</u>	<u>(3,131,898)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>577,482</u>	<u>1,173,596</u>	<u>(6,446)</u>	<u>(554,010)</u>	<u>571,036</u>	<u>619,586</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, 2013, the City of West Columbia governmental funds reported combined fund balances of \$4,537,000, an increase of \$ 433,719 over the prior year balances. Ninety-Seven (97) percent of this total amount constitutes unrestricted fund balance, which is available for spending at the City’s discretion. The remainder of the fund balance, \$121,554 is reserved, and 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, 2013, the total fund balance in the general fund was \$4,537,000. The general fund balance increased by \$433,719 during the current fiscal year. This increase is mainly a result of property tax revenues and business license fees exceeding budgeted projections, along with a return of excess insurance premiums of \$353,511. Also, actual expenditures were significantly under budget in the public safety and public works departments.

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, 2013, total net assets of the Water and Sewer Utility System amounted to \$21,633,173 as compared to \$21,639,619 at June 30, 2012. The decrease in net assets of \$6,446 for the fiscal year is due mainly to increased personnel cost and repair and maintenance cost.

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 2013 as well as the final budget are presented. Quarterly budget amendments and supplemental appropriations were approved during the 2012-2013 budget year. Total differences between the original budget and the final amended budget were \$652,390.

The General Fund budgeted revenues of \$10,505,210 before other financing sources and achieved actual revenues of \$10,248,355 or \$256,855 less than budgeted. Expenditures were budgeted for \$13,067,610 before other uses with actual expenditures of \$12,432,802. The City budgeted a deficiency of estimated revenues over its appropriated expenditures before other financing sources and uses totaling \$2,564,400, but achieved a deficiency of revenue over expenditures before other financing sources and uses of \$2,184,447. The General Fund’s budget also included budgeted net transfers in from the Enterprise Fund of \$2,564,400. The difference between budgeted and actual revenues resulted mainly from budgeted grant funding for projects that were not implemented. The difference between budgeted and actual expenditures is a result of reduction in personnel cost and projected projects that were not implemented.

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, 2013, amounts to \$64,628,709 (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):

- In order for the City of West Columbia to meet the needs of its citizens and continue to provide high quality services, the City purchased a new Genesis rescue tool for the fire department for \$25,612 and added a new Xtremovac vacuum debris collector for the sanitation department at a cost of \$20,903. As a part of the Triangle City Streetscape Enhancement Grant Project the City added a new drive-by water feature for \$99,980. This water feature is a focal point for the Triangle City area of the City of West Columbia and has beautified the area.
- Prior to the current fiscal year the City initiated two construction projects to upgrade and modernize its water and sewer facilities. The projects included upgrading and automating the City’s Saluda River water treatment plant and replacing aging sewer lines and rebuilding and upgrading numerous sewer pump stations within the City’s sewer system. The water treatment plant upgrade has been completed. The other construction project, replacing and upgrading the sewer system infrastructure and pump stations, was not complete as of June 30, 2013, and therefore, remains as construction in progress with cost to date of \$7,763,697 (see Note 16).

Capital Assets and Debt Administration (Continued)

City of West Columbia's Capital Assets (Net)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 5,557,341	\$ 5,557,341	\$ 187,500	\$ 187,500	\$ 5,744,841	\$ 5,744,841
Buildings & equipment	5,790,824	5,920,944	32,556,229	33,544,658	38,347,053	39,465,602
Improvements other than buildings			9,746,239	10,080,783	9,746,239	10,080,783
Equipment			1,304,554	1,329,413	1,304,554	1,329,413
Vehicles & equipment	1,649,329	2,252,724	72,996	109,169	1,722,325	2,361,893
Construction in progress			7,763,697	7,763,697	7,763,697	7,763,697
Total assets, net	12,997,494	13,731,009	51,631,215	53,015,220	64,628,709	66,746,229

Long-term debt - At the end of the current fiscal year, the City of West Columbia had total bonded debt outstanding of \$4,809,923 consisting of tax increment financing (TIF) bonds, series 2013, 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 \$ 27,130,705 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 \$4,654,256, 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	
	2013	2012	2013	2012	2013	2012
Capital leases	\$ 592,745	\$ 822,719			\$ 592,745	\$ 822,719
Tax increment finance bonds	2,741,000	3,154,571			2,741,000	3,154,571
General Obligation Bonds	2,068,923	2,323,817			2,068,923	2,323,817
Revenue bonds			\$27,130,705	\$29,096,796	27,130,705	29,096,796
Accrued compensated absences	552,299	542,127	251,951	223,027	804,250	765,154
Total outstanding debt	5,954,967	6,843,234	27,382,656	29,319,823	33,337,623	36,163,057

Capital Assets and Debt Administration (Continued)

The City's total outstanding debt decreased by \$2,825,434 during the current fiscal year. For additional information concerning the City's outstanding debt as of June 30, 2013, please see Notes 7 and 8 in the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for City of West Columbia is currently 6.9 percent, compared to the rate of 7.4 percent a year ago. This compares favorably with the state's rate of 8.1 percent and the national rate of 7.6 percent.
- Inflationary trends in the region compare favorably to national indices.

These indices were taken into account when adopting the general budget for 2013-2014. Amounts available for appropriation in the general fund budget are \$12,736,000, a decrease of 2.6 percent over the final 2013 budget of \$13,069,610. It should be noted that the appropriated budget for 2014 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 2013-2014 fiscal year in order to service the debt requirements. Property tax revenues for the coming year are projected to increase slightly due to growth through annexations, new housing construction and improvement in property values for existing housing as the economy begins to slowly improve. The City will monitor economic conditions closely and make necessary budget adjustments as deemed appropriate.

Budgeted expenditures for 2014 are expected to decrease over the actual 2013 expenditures due mainly to a decrease in revenues from grant related programs. The City does not anticipate entering into any major land acquisitions for economic development purposes in fiscal year 2013-2014 and has not budgeted issuing any bonded debt instruments.

As for the City's business-type activities, the City did not impose any rate increases for the water and sewer utility system. The City continues to move forward on a major initiative that the City has undertaken to upgrade and refurbish its aging Greenhill water tank reservoir. Engineering studies have estimated the cost for upgrading and refurbishing the Greenhill water tank at approximately \$160,000. Financing for the Greenhill water tank project is provided by a State grant in the amount of \$160,888, of which \$27,928 has been used to date.

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 POSITION
JUNE 30, 2013

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 1,099,612	\$ 4,419,002	\$ 5,518,614
Receivables, net	740,531	1,956,424	2,696,955
Inventory	19,439		19,439
Prepaid Charges		2,968	2,968
Internal Balances, net	3,353,204	(3,353,204)	-
Notes Receivable - Municipal Government		797,613	797,613
Restricted Cash and Cash Equivalents	121,554	2,637,232	2,758,786
Total Current Assets	5,334,340	6,460,035	11,794,375
Non -Current assets:			
Notes Receivable - Municipal Government		6,890,959	6,890,959
Capital Assets, net:			
Land	5,557,341	187,500	5,744,841
Buildings and Improvements	5,790,824	32,556,229	38,347,053
Improvements Other Than Buildings		9,746,239	9,746,239
Vehicles and Equipment	1,649,329	1,377,550	3,026,879
Construction in Progress		7,763,697	7,763,697
Total Non -Current assets	12,997,494	58,522,174	71,519,668
<u>TOTAL ASSETS</u>	18,331,834	64,982,209	83,314,043
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	325,328	204,931	530,259
Accrued Expenses and Other Liabilities	35,212	10,654	45,866
Accrued Interest Payable	41,948		41,948
Capital Leases	238,018		238,018
Accrued Compensated Absences	290,855	119,739	410,594
Customer Deposits		482,329	482,329
Unearned Revenue		673,358	673,358
(Payable from Restricted Assets)			
TIF Bonds Payable	533,000		533,000
GO Bonds Payable	264,323		264,323
Contracts Payable	19,250	48,771	68,021
Revenue Bonds Payable		2,036,930	2,036,930
Accrued Interest Payable - Revenue Bonds		124,443	124,443
Total Current Liabilities	1,747,934	3,701,155	5,449,089
Long-Term (Non-Current) Liabilities:			
Capital Leases	354,728		354,728
Bonds Payable	4,012,600	25,093,776	29,106,376
Unearned Revenue		14,003,130	14,003,130
Accrued Compensated Absences	261,444	132,212	393,656
Other Liabilities		418,763	418,763
Total Long-Term Liabilities	4,628,772	39,647,881	44,276,653
<u>TOTAL LIABILITIES</u>	6,376,706	43,349,036	49,725,742
<u>NET POSITION</u>			
Net Investment in Capital Assets	7,594,825	24,500,510	32,095,335
Restricted to:			
Debt Service	61	2,637,232	2,637,293
Capital Improvement Grant		132,960	132,960
Law Enforcement Grants & Programs	56,511		56,511
Accommodations Tax	38,296		38,296
Parks Program	26,686		26,686
Unrestricted	4,238,749	(5,637,529)	(1,398,780)
<u>TOTAL NET POSITION</u>	11,955,128	21,633,173	33,588,301

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, 2013

	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	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	\$ 1,656,211	\$ 4,080,037	\$ 220,748	\$ 125,004	\$ 2,769,578	\$	\$ 2,769,578
Community & Economic Development	377,098				(377,098)		(377,098)
Public Safety	7,256,373	314,430	157,117	356,599	(6,428,227)		(6,428,227)
Public Services	1,708,734				(1,708,734)		(1,708,734)
General Services	1,047,600				(1,047,600)		(1,047,600)
Interest on Long-Term Debt	196,505				(196,505)		(196,505)
	12,242,521	4,394,467	377,865	481,603	(6,988,586)	-	(6,988,586)
Business-type activities:							
Water and sewer utility	8,633,742	10,814,210		202,491		\$ 2,382,959	\$ 2,382,959
Total Business-type activities	8,633,742	10,814,210	-	202,491	-	2,382,959	2,382,959
<u>TOTAL FUNCTIONS AND PROGRAMS</u>	20,876,263	15,208,677	377,865	684,094	(6,988,586)	2,382,959	(4,605,627)
<u>General Revenue and Transfers</u>							
Property Taxes					4,006,034		4,006,034
Intergovernmental - Unrestricted					468,226		468,226
Gain on sale of capital assets					52,569		52,569
Investment earnings - Unrestricted					162	173,361	173,523
Miscellaneous					476,311		476,311
Transfers					2,562,766	(2,562,766)	-
Total general revenue and transfers					7,566,068	(2,389,405)	5,176,663
Changes in net position					577,482	(6,446)	571,036
Net Position-July 1					11,377,646	21,639,619	33,017,265
Net Position- June 30					11,955,128	21,633,173	33,588,301

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, 2013

	General Fund	Total Governmental Funds
<u>ASSETS</u>		
Cash	\$ 1,099,612	\$ 1,099,612
Receivables (Net of Allowance for Uncollectables)		
Property Taxes	156,326	156,326
State	92,303	92,303
Municipal Governments	142,353	142,353
Grants	189,334	189,334
Rehabilitation Loans	32,646	32,646
Other	127,569	127,569
Inventory	19,439	19,439
Due From Other Funds	3,353,204	3,353,204
Restricted assets:		
Cash	121,554	121,554
<u>TOTAL ASSETS</u>	<u>5,334,340</u>	<u>5,334,340</u>
<u>LIABILITIES</u>		
Liabilities:		
Accounts Payable	344,578	344,578
Accrued Payroll, Taxes, & Vacation Pay	326,067	326,067
<u>TOTAL LIABILITIES</u>	<u>670,645</u>	<u>670,645</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenue - property taxes	126,695	126,695
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>126,695</u>	<u>126,695</u>
<u>FUND BALANCES</u>		
Restricted	121,554	121,554
Unassigned	4,415,446	4,415,446
<u>TOTAL FUND BALANCES</u>	<u>4,537,000</u>	<u>4,537,000</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>	<u>5,334,340</u>	<u>5,334,340</u>

Reconciliation to amounts reported for governmental activities in the
Statement of Net Position (See Note 20):

Capital assets used in governmental activities are not financial resources and
therefore are not reported in these funds.

12,997,494

Other liabilities not payable from currently available resources are not reported in these funds.

(41,948)

Long-term liabilities, including bonds payable, are not due and payable in the
current period and therefore are not reported in these funds.

(5,537,418)

Net Position, end of year - Governmental Activities

11,955,128

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, 2013

	General	Total Governmental Funds
<u>REVENUES</u>		
Property Taxes	\$ 4,049,721	\$ 4,049,721
Licenses and Permits	3,371,652	3,371,652
Fines and Forfeitures	276,023	276,023
Interest	162	162
Intergovernmental	468,226	468,226
Charges For Services	708,385	708,385
Grant Proceeds	859,468	859,468
Narcotics Program Income	38,407	38,407
Other Revenues	476,311	476,311
<u>TOTAL REVENUES</u>	<u>10,248,355</u>	<u>10,248,355</u>
<u>EXPENDITURES</u>		
Current		
General Government	1,510,249	1,510,249
Community & Economic Development	375,206	375,206
Public Safety	6,860,122	6,860,122
Public Services	1,559,523	1,559,523
General Services	940,515	940,515
Debt Service		
Principal	961,063	961,063
Interest	226,124	226,124
<u>TOTAL EXPENDITURES</u>	<u>12,432,802</u>	<u>12,432,802</u>
<u>EXCESS OF EXPENDITURES</u>		
<u>(OVER)/UNDER REVENUES</u>	<u>(2,184,447)</u>	<u>(2,184,447)</u>
<u>OTHER FINANCING SOURCES/(USES)</u>		
Transfers In/(Out)		
Water and Sewer Fund	2,562,766	2,562,766
Sale of Capital Assets	55,400	55,400
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>2,618,166</u>	<u>2,618,166</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>433,719</u>	<u>433,719</u>
<u>FUND BALANCE - July 1</u>	<u>4,103,281</u>	<u>4,103,281</u>
<u>FUND BALANCE - June 30</u>	<u>4,537,000</u>	<u>4,537,000</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, 2013

Net change in fund balances - total governmental funds	\$	433,719
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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 depreciation exceeded capital outlays in the current period.		(730,684)
--	--	-----------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.		(43,687)
--	--	----------

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.		(44,991)
---	--	----------

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.		965,956
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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 position differs from the change in fund balance by the cost of the capital assets sold.		(2,831)
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Change in Net Position - Governmental Activities (See Note 20)		577,482
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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, 2013

	BUDGETED AMOUNTS			Variance with Final Budget Positive (Negative)
<u>REVENUES</u>	Original	Final	Actual	
Property Taxes	\$ 3,915,900	\$ 3,916,550	\$ 4,049,721	\$ 133,171
Licenses and Permits	3,173,000	3,236,460	3,371,652	135,192
Fines and Forfeits	473,000	473,000	276,023	(196,977)
Interest	1,000	1,000	162	(838)
Intergovernmental	417,500	417,500	468,226	50,726
Charges For Services	710,000	710,000	708,385	(1,615)
Grant Proceeds	1,872,600	1,302,600	859,468	(443,132)
Narcotics Program Income	10,600	10,600	38,407	27,807
Other Revenues	132,200	437,500	476,311	38,811
<u>TOTAL REVENUES</u>	10,705,800	10,505,210	10,248,355	(256,855)
<u>EXPENDITURES</u>				
Current				
General Government	2,638,200	1,769,660	1,510,249	259,411
Community & Economic Development	373,105	379,905	375,206	4,699
Public Safety	7,033,845	7,094,995	6,860,122	234,873
Public Services	1,712,200	1,689,700	1,559,523	130,177
General Services	919,250	941,750	940,515	1,235
Debt Service				
Principal	843,420	963,700	961,063	2,637
Interest	201,980	229,900	226,124	3,776
<u>TOTAL EXPENDITURES</u>	13,722,000	13,069,610	12,432,802	636,808
<u>EXCESS OF EXPENDITURES OVER REVENUES</u>	(3,016,200)	(2,564,400)	(2,184,447)	379,953
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers In/(Out)				
Water and Sewer Fund	3,016,200	2,564,400	2,562,766	(1,634)
Sale of Capital Assets			55,400	55,400
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	3,016,200	2,564,400	2,618,166	53,766
<u>NET CHANGE IN FUND BALANCE</u>	-	-	433,719	433,719
<u>FUND BALANCE - July 1</u>			4,103,281	
<u>FUND BALANCE - June 30</u>			4,537,000	

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2013

	<u>Business-Type Activities</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 4,419,002
Accounts Receivable	1,956,424
Prepaid Charges	2,968
Notes Receivable- Municipal Government	797,613
Restricted Cash and Cash Equivalents	<u>2,637,232</u>
<u>TOTAL CURRENT ASSETS</u>	<u>9,813,239</u>
<u>NONCURRENT ASSETS</u>	
Noncurrent Receivable - Municipal Government	<u>6,890,959</u>
CAPITAL ASSETS	
Water Plant, Lines, and Sewer System	71,203,537
Less: Accumulated Depreciation	(27,336,019)
Construction in Progress	<u>7,763,697</u>
<u>TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</u>	<u>51,631,215</u>
<u>TOTAL NONCURRENT ASSETS</u>	<u>58,522,174</u>
<u>TOTAL ASSETS</u>	<u>68,335,413</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2013

	<u>Business-Type Activities</u>
<u>LIABILITIES</u>	
CURRENT LIABILITIES	
(Payable from Current Assets)	
Accounts Payable	\$ 204,931
Customer Deposits	482,329
Accrued Payroll and Vacation Pay	130,393
Unearned Revenue	673,358
Due to Other Funds	3,353,204
(Payable from Restricted Assets)	
Contracts Payable	48,771
Revenue Bonds Payable	2,036,930
Accrued Interest Payable - Revenue Bonds	124,443
<u>TOTAL CURRENT LIABILITIES</u>	<u>7,054,359</u>
LONG-TERM LIABILITIES	
Accrued Vacation Pay - Due After One Year	132,212
Revenue Bonds - Due After One Year	25,093,776
Unearned Revenue - Due After One Year	14,003,130
Other Liabilities	418,763
<u>TOTAL LONG-TERM LIABILITIES</u>	<u>39,647,881</u>
<u>TOTAL LIABILITIES</u>	<u>46,702,240</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	24,500,510
Restricted	
Engineering and Repair Grant	132,960
Debt Service	2,637,232
Unrestricted	(5,637,529)
<u>TOTAL NET POSITION</u>	<u>21,633,173</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 NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities</u>
<u>OPERATING REVENUES</u>	
Charges for Service	\$ 10,814,210
<u>TOTAL OPERATING REVENUES</u>	<u>10,814,210</u>
<u>OPERATING EXPENSES</u>	
Personnel Services	3,033,235
Material and Supplies	564,960
Contractual Services	946,508
Utilities	903,029
Repairs and Maintenance	658,460
Depreciation	1,653,503
Other Operating Expenses	101,680
<u>TOTAL OPERATING EXPENSES</u>	<u>7,861,375</u>
<u>OPERATING INCOME</u>	<u>2,952,835</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest Revenue	173,361
Interest and Amortization Expense	(772,367)
Grant Proceeds	202,491
<u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u>	<u>(396,515)</u>
<u>NET INCOME (LOSS) BEFORE TRANSFERS</u>	<u>2,556,320</u>
<u>TRANSFERS IN/(OUT)</u>	
General Fund	(2,562,766)
<u>CHANGE IN NET POSITION</u>	<u>(6,446)</u>
<u>NET POSITION - July 1</u>	<u>21,639,619</u>
<u>NET POSITION - June 30</u>	<u>21,633,173</u>

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, 2013

	<u>Business-Type Activities</u>
<u>Cash Flows From Operating Activities</u>	
Cash Received From Customers	\$ 10,119,347
Cash Paid to Suppliers	(2,600,039)
Cash Paid to Employees	(3,003,185)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>4,516,123</u>
<u>Cash Flows From Non-Capital Financing Activities</u>	
Transfers Out	(2,562,766)
<u>Net Cash Provided (Used) by Non-Capital Financing Activities</u>	<u>(2,562,766)</u>
<u>Cash Flows From Capital and Related Financing Activities</u>	
Proceeds From Capital Debt	2,803,000
Principal Paid on Capital Debt	(4,886,927)
Interest Paid on Capital Debt	(797,864)
Aquisition of Capital Assets	(269,497)
Payments Received from Municipal Governments	811,959
Proceeds from Capital Grants	202,491
<u>Net Cash Provided (Used) by Capital and Related Financing Activities</u>	<u>(2,136,838)</u>
<u>Cash Flows From Investing Activities</u>	
Interest on Investments	173,361
<u>Net Cash Provided by Investing Activities</u>	<u>173,361</u>
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	<u>(10,120)</u>
<u>Cash and Cash Equivalents - July 1</u>	<u>7,066,354</u>
<u>Cash and Cash Equivalents - June 30</u>	<u>7,056,234</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
<u>Operating Income</u>	<u>\$ 2,952,832</u>
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</u>	
Depreciation	1,653,503
(Increase) Decrease in	
Accounts Receivable	(154,990)
Prepaid Charges	2,667
Increase (Decrease) in	
Accounts Payable	(153,092)
Unearned Revenue	(549,997)
Customer Deposits	10,124
Accrued Expenses	30,051
Due to Other Funds	<u>725,025</u>
<u>Total Adjustments</u>	<u>1,563,291</u>
<u>Net Cash Provided by Operating Activities</u>	<u><u>4,516,123</u></u>

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2013

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, 2013

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 Position, 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, 2013, there were no component units of the City.

The Statement of Net Position reports all financial and capital resources of the City and reports the difference between assets and liabilities as "net position," 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, 2013

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 reconciliations 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.

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 agency funds as presented on exhibit IX.

The agency funds consist of the Fireman’s Fund and the Narcotics Fund as presented on schedule C-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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

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. 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. 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 14 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.

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

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing 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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

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 established by function and activity within an individual fund. 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.
8. During the year ended June 30, 2013, the City Mayor and Council approved the General Fund budget as follows:

<u>Fund</u>	<u>Original Budget</u>	<u>Reduction in Appropriation</u>	<u>Final Budget</u>
General	\$ 13,772,000	\$ 652,390	\$ 13,069,610

9. 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, 2013 all commitments lapsed and no encumbrances were recognized.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

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.

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. Inventories & Prepaid Items

Governmental Activities: Inventories are valued at cost using an average costing method and consist of both gasoline and diesel fuel. The cost of such inventories is recorded as expenditures when consumed rather than when purchased.

Business-Type Activities: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

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. 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.

K. 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 Position. 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.

L. Net Position and Fund Balances

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

L. Net Position and Fund Balances (continued)

In the fund level financial statements, the difference between the City's total assets and total liabilities represents fund balance. The City reports fund balance in accordance with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," for the fund level financial statements. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. Fund balance for the fund level financial statements can display five components: nonspendable, restricted, committed, assigned and unassigned. These components focus on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. These five components are defined as:

Nonspendable Fund Balance

The nonspendable fund balance component includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that will never be converted to cash, for example, inventories of supplies and prepaid items. It may also include the long-term portion of loans and notes receivable, as well as nonfinancial assets held for resale.

Restricted Fund Balance

The restricted fund balance component includes amounts that are either restricted externally by creditors, grantor, contributors, or laws or regulation of other governments or restricted by law through constitutional provisions or enabling legislation.

Committed Fund Balance

The committed fund balance component includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The City recognizes committed fund balances that have been approved for specific purposes by City Council before the fiscal year end.

Assigned Fund Balance

The assigned fund balance component includes amounts that are constrained by the City's intent to be used for specific purposes but are not restricted or committed. The authority for making an assignment is not required to be the City's highest level of decision-making authority and as such, the nature of the actions necessary to remove or modify an assignment does not require the City's highest level of authority.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

L. Net Position and Fund Balances (continued)

Unassigned Fund Balance

The unassigned fund balance component includes amounts that have not been assigned to other funds and has not been restricted, committed, or assigned for specific purposes within the general fund.

Based on the City's policies regarding fund balance components as noted above, the City considers amounts that are restricted, committed, or assigned to be spent when the corresponding expenditure that has been designated by the City Council or donors has been made. After these fund balances have been depleted, unassigned fund balance will be considered to have been spent.

M. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section of deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. The City has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

N. 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.

O. 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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 2. Deposits and Investments

Deposits

As of June 30, 2013, 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 subsequent years.

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.

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, 2013, the City had cash on-hand of \$1,975 and cash deposits in demand, savings, money market and certificate of deposit accounts equal to \$8,625,069. Of the deposit amounts, \$516,557 is covered by FDIC insurance, and the balance of \$8,106,537 is collateralized by federal agency securities held by the various banks to secure the deposits of the City.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 2. Deposits and Investments (continued)

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, 2013, 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 to 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 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

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 5. Notes Receivable – Proprietary Fund (continued)

service areas. The Town is obligated to pay its share of the 2013 refunding bond issue requirements (61.80%) for installation of water lines and 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>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</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	8,037,981	99,980		8,137,961
Vehicles and Equipment	8,255,415	166,338	\$ 170,307	8,251,446
Total Depreciable Capital Assets	<u>16,293,396</u>	<u>266,318</u>	<u>170,307</u>	<u>16,389,407</u>
Total Capital Assets:	<u>21,850,737</u>	<u>266,318</u>	<u>170,307</u>	<u>21,946,748</u>
Less accumulated Depreciation for:				
Buildings and Improvements	2,118,422	228,715		2,347,137
Vehicles and Equipment	6,001,306	768,287	167,476	6,602,117
Total Accumulated Depreciation	<u>8,119,728</u>	<u>997,002</u>	<u>167,476</u>	<u>8,949,254</u>
Governmental Activities Capital Assets, Net:	<u>13,731,009</u>	<u>(730,684)</u>	<u>2,831</u>	<u>12,997,494</u>

Depreciation expense was charged to functions/programs in governmental activities as follows:

General government	\$ 181,471
Community and economic development	686
Public safety	530,417
Public services	179,552
General services	<u>104,876</u>
Total depreciation expense – governmental activities	<u>997,002</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

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, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
Non-Depreciable Capital Assets:				
Land	\$ 187,500			\$ 187,500
Construction in Progress	7,763,697			7,763,697
Total Non-Depreciable Capital Assets	<u>7,951,197</u>			<u>7,951,197</u>
Depreciable Capital Assets				
Buildings	44,126,217			44,126,217
Improvements Other Than Buildings	23,672,536	183,844		23,856,380
Equipment	2,112,021	85,654		2,197,675
Vehicles and Equipment	835,764			835,764
Total Depreciable Capital Assets:	<u>70,746,538</u>	<u>269,498</u>		<u>71,016,036</u>
Total Capital Assets:	<u>78,697,735</u>	<u>269,498</u>		<u>78,967,233</u>
Less accumulated Depreciation for:				
Buildings	10,581,559	988,429		11,569,988
Improvements Other Than Buildings	13,591,753	518,388		14,110,141
Equipment	782,608	110,513		893,121
Vehicles and Equipment	726,595	36,173		762,768
Total Depreciable Capital Assets:	<u>25,682,515</u>	<u>1,653,503</u>		<u>27,336,018</u>
Business-Type Activities Capital Assets, Net:	<u>53,015,220</u>	<u>(1,384,005)</u>		<u>51,631,215</u>

Depreciation expense was charged to functions/programs in business-type activities as follows:

Water and sewer utility	<u>\$ 1,653,503</u>
Total depreciation expense – business-type activities	<u>1,653,503</u>

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 \$175,164 at June 30, 2013 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, 2013.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 7. Capital Leases (continued)

Year Ending June 30	Governmental-type Activities
2014	\$ 260,071
2015	177,475
2016	101,194
2017	<u>101,194</u>
Minimum lease payments for all capital leases	639,934
Less: Amount representing interest at the City's incremental borrowing rate of interest	<u>47,189</u>
Present value of minimum lease payments	<u><u>592,745</u></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:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Long Term Debt:				
Capital Leases	\$ 822,689	\$	\$ 229,944	\$ 592,745
Tax Increment Bonds				
Series 2008	3,154,571		3,154,571	0
Series 2013	0	3,327,000	586,000	2,741,000
General Obligation Bond				
Series 2010	<u>2,323,817</u>		<u>254,894</u>	<u>2,068,923</u>
Total Payable	<u>6,301,077</u>	<u>3,327,000</u>	<u>4,225,409</u>	<u>5,402,668</u>
Compensated Absences	<u>542,127</u>	<u>57,437</u>	<u>47,265</u>	<u>552,299</u>

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

		<u>June 30, 2013</u>	
	<u>Interest Rate</u>	<u>Current Portion</u>	<u>Long Term Portion</u>
Capital Leases	2.77 to 3.97%	\$ 238,018	\$ 354,727
Tax Increment Bonds, Series 2013	1.426%	533,000	2,208,000
General Obligation Bond, Series 2010	3.699%	264,323	1,804,600
Compensated Absences		290,855	261,444

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 is 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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

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

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 had a stated rate of interest of 3.54 percent. On March 8, 2013, the City again refunded these tax increment financing bonds. The series 2013 bonds have a stated rate of interest of 1.426 percent and are payable over the next 5 years. The refunding was carried out to reduce total future debt service payments. The savings in debt service over the remaining life of the loan is \$111,109. This transaction resulted in an economic gain of \$107,310.

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>
2014	\$ 797,323	\$ 115,616
2015	814,100	98,238
2016	832,239	80,399
2017	850,753	62,070
2018-2020	<u>1,515,508</u>	<u>79,094</u>
Totals	<u>4,809,923</u>	<u>435,417</u>

Business-Type Activities:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
Long Term Debt:				
Revenue Bonds – 1998A	\$ 867,254		\$ 867,254	\$ 0
Revenue Bonds – 2005	9,197,327		577,467	8,619,859
Revenue Bonds – 2009A	9,114,248		408,689	8,705,560
Revenue Bonds 2009B	7,485,888		431,603	7,054,286
Revenue Bonds 2009C	2,510,565		2,510,565	0
Less: Deferred Issue Cost	78,486		78,486	0
Revenue Bonds 2013		\$ 2,803,000	52,000	2,751,000
Total Payable	<u>29,096,796</u>	<u>2,803,000</u>	<u>4,769,092</u>	<u>27,130,705</u>
Compensated Absences:	<u>223,027</u>	<u>31,989</u>	<u>3,065</u>	<u>251,951</u>

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

	<u>Interest Rate</u>	<u>June 30, 2013 Current Portion</u>	<u>Long Term Portion</u>
Revenue Bonds:			
Series 2005 Issue	2.25%	590,570	8,029,289
Series 2009A Issue	2.25%	417,963	8,287,597
Series 2009B Issue	2.25%	441,396	6,612,890
Series 2013 Issue	1.48%	<u>587,000</u>	<u>2,164,000</u>
Total Revenue Bonds		<u>2,036,929</u>	<u>25,093,776</u>
Compensated Absences:		<u>119,739</u>	<u>132,212</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

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

The City issued \$2,803,000 in Water and Sewer System Refunding Revenue bonds, series 2013 for a current refunding of an aggregate amount of \$2,854,534 for Water and Sewer System Revenue Bonds Series 1998A and Series 2009C of the Proprietary Fund. The transaction was undertaken to reduce total future debt service payments. The combined difference in debt service payments results in a savings of \$280,040. The refund resulted in an economic gain of \$142,412.

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. 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 \$4,654,256 at June 30, 2013 (Table 13).

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

Year Ended <u>June 30</u>	<u>Revenue Bonds</u>	
	Principal <u>Amount</u>	Interest <u>Amount</u>
2014	2,036,930	625,217
2015	1,905,828	583,630
2016	1,943,474	543,723
2017	1,993,884	502,994
2018	2,039,075	461,248
2019	2,040,064	418,284
2020	1,658,870	375,562
2021	1,696,510	337,921
2022	1,735,005	299,427
2023	1,774,373	260,058
2024	1,814,635	219,796
2025	1,855,809	178,621
2026	1,703,029	136,512
2027	1,025,608	93,138
2028	572,212	38,116
2029	585,196	25,132
2030	598,474	11,854
2031	151,729	853
Totals	<u>27,130,705</u>	<u>5,112,086</u>

Note 9. Net Position

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

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
<u>Net Investment in Capital Assets:</u>		
Net capital assets	\$ 12,997,494	\$ 51,631,215
Less net bonds payable	4,809,923	27,130,705
Less capital leases	592,746	.
Total investment in capital assets	<u>7,594,825</u>	<u>24,500,510</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 9. Net Position (continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<u>Restricted:</u>		
Debt service	\$ 61	\$ 2,637,232
Capital Improvement Grant		132,960
Law Enforcement Grants and Programs	56,511	
Parks Program	26,686	
Accommodations Tax	38,296	
Total restricted net position	<u>121,554</u>	<u>2,770,192</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, 2013, for employees covered by SCRS was \$5,843,906 and by PORS was \$2,486,649. The City's total payroll for all employees was \$8,330,555.

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.

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	7.000% of Salary	7.000% of Salary
Employer Contributions	10.450% of Salary	11.900% 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, 2013, 2012 and 2011 were \$619,454, \$536,859, and \$535,486 respectively. The City's contributions to the PORS for the years ending June 30, 2013, 2012 and 2011 were \$305,858, \$281,450, and \$269,709, 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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

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.

Note 12. Risk Management

Prior to July 1, 2011, The City of West Columbia was a member of the South Carolina Local Government Assurance Group (SCLGAG) which was a self-funded health benefits program. On July 1, 2011, the city changed coverage to the South Carolina Employee Insurance Program (SCEIP), which is a state funded insurance benefit program administrated by Blue Cross / Blue Shield of South Carolina. This program is available to employees of the state, higher education institutions, public school districts and participating local subdivisions. The General Assembly passed legislation extending voluntary participation in the state's Employee Insurance Program to eligible local subdivisions. To be eligible to participate, the local subdivisions must fall within one of the categories, which include municipalities, established by statute (Section 1-11-720 of the S.C. Code of Laws, as amended). The Employee Insurance Program of SC offers health, dental, vision, life, and long term disability. The City pays employee health (standard rate), basic dental, required life and required long term disability. Additional options are available that employees may purchase. The City 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 13. 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 \$779,590, of which the Commission is responsible for 53.72 percent. As of June 30, 2013 the City and Commission had contributed \$779,590 to the Revenue Bond Series 2005 debt service reserve fund.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 14. Inter-fund Receivables, Payables And Transfers

Individual fund inter-fund receivable and/or payable balances (shown as "Due to or Due from Other Funds") as of June 30, 2013 are as follows:

	<u>Inter-fund Receivables</u>	<u>Inter-fund Payables</u>
General Fund	\$ 3,353,204	
Proprietary Fund: Water and Sewer		\$ 3,353,204
Totals	<u>3,353,204</u>	<u>3,353,204</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.

Inter-fund transfers for the year ended June 30, 2013 are as follows:

<u>Transfer Out</u>	<u>Transfer In</u>
	<u>General Fund</u>
Proprietary Fund: Water and Sewer	<u>\$ 2,562,766</u>

The transfer of \$2,562,766 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 15. Commitments

Lake Murray Water Treatment Plant – The City of West Columbia has agreements with the 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 16. Construction Commitments

The City has an active construction project as of June 30, 2013. The project consists of 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 \$7,990,054 on the clean water project. The remaining commitment on the construction project is \$48,771.

The commitment for this project is being funded by State of South Carolina's State Infrastructure Revolving Loan Program through issuance of Revenue Bonds.

Note 17. 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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 18. Compliance - Net Earnings Covenant - Series 2005, 2009A, 2009B and 2013 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 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 19. 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, 2011, the measurement date for the plan year 2013, there were 221 covered participants; 10 members are retirees receiving benefits and 211 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 2012-2013 was \$11,850. 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. The City pays the premiums until the employee reaches age 65 or becomes Medicare eligible. For the fiscal year 2012-2013, the City contributed \$128,266 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, 2013

Note 19. 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 3.58 percent of annual covered payroll.

C. Annual OPEB Cost and Funded Status and Funding Progress

For the fiscal year 2012-2013 the City's annual OPEB cost was \$ 270,465 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, 2013:

Normal Cost	\$ 116,807
30 Year amortization of unfunded accrued liability (UAL)	<u>153,658</u>
Total Annual Required Contribution	<u>270,465</u>

Contributions included \$ 142,198 paid by the City to the Plan to pre-fund benefits and \$ 128,266 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 years ended June 30, 2013, 2012 and 2011 respectively 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>
6-30-2013	\$ 270,465	100%	\$ 0
6-30-2012	\$ 275,065	100%	\$ 0
6-30-2011	\$ 415,590	100%	\$ 0

At June 30, 2013, the actuarial accrued liability for benefits (AAL) was \$3,071,045, with \$1,311,950 in Plan assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,759,095. The funded ratio (Actuarial value of Plan assets/AAL) was 42.8 percent. The covered payroll (annual payroll of active employees covered by the Plan) was \$7,674,986, and the ratio of the UAAL to covered payroll was 23.0 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

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 19. Post-Employment Benefits Other Than Pensions (continued)

C. Annual OPEB Cost and Funded Status and Funding Progress (continued)

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.

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 Projected Unit Credit Actuarial Cost Method. The actuarial assumptions included a 6.5% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 10.5%. The trend rate will decrease until it reaches 5% after seven years. Both rates included a 3% inflation assumption. The dental cost trend rate was assumed to be 6.0% per annum. The asset valuation method used is 5-Year Smoothed 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 on a closed basis. The remaining amortization period at June 30, 2013, was 26 years.

Note 20. Reconciliation of Government – Wide Fund Financial Statements

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

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

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

Capital assets	\$ 21,946,748
Less, accumulated depreciation	<u>(8,949,254)</u>
Net amount reported	<u><u>12,997,494</u></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.

\$ (41,948)
<u><u>(41,948)</u></u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 20. 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 Position (continued)

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

Unearned Revenue	\$ 126,695
Bonds and Capital leases payable	(5,402,669)
Compensated absences	<u>(261,444)</u>
Net amount reported	<u><u>(5,537,418)</u></u>

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

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

Capital outlay expenditures	\$ 261,318
Depreciation expense	<u>(997,002)</u>
Net amount reported	<u><u>(730,684)</u></u>

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

Property taxes	\$ (43,687)
Net amount reported	<u><u>(43,687)</u></u>

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

Amortization – Bond issue cost	\$ (67,548)
Change in Accrued compensated absences	(2,169)
Change in Accrued interest expense	<u>24,726</u>
Net amount reported	<u><u>(44,991)</u></u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

Note 20. 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:

Principal payments – Bonds	736,013
Principal payments – Capital Leases	<u>229,943</u>
Net amount reported	<u>965,956</u>

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 position differs from the change in fund balance by the costs of the capital assets sold.

\$ (2,831)

Note 21. Subsequent Events

The City has evaluated all events subsequent to the basic financial statements for the year ended June 30, 2013 through January 10, 2013, which is the date the financial statements were available to be issued, and determined that there are no additional subsequent events requiring note disclosure.

Note 22. Prior Period Adjustment

The beginning fund balance of the general fund has been restated to reflect a \$20,293 increase as the result of a reclassification of gasoline and diesel fuel to inventory instead of expense. This transaction also caused a decrease in the due to/from water and sewer fund balance, as well as, an increase in the net position and an increase in the due to/from general fund of the proprietary fund by \$4,300. This reclassification was necessary to create an ending inventory balance of \$24,593 in the general fund at the end of fiscal year June 30, 2012.

The beginning net position of governmental activities in the government-wide financial statements has been restated to reflect a \$25,149 reduction as the result of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. As such, the beginning fund balance in the proprietary fund has been restated to reflect a \$510,842 reduction. These are the amounts of amortized bond issuance cost at the end of fiscal year June 30, 2012. GASB Statement No. 65 states that issuance costs are to be treated as an expense rather than amortized.

Required Supplementary Information

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

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
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%
6-30-11	975,879	3,763,069	2,787,190	26.0%	5,711,025	48.8%
6-30-12	1,013,200	3,071,045	2,057,845	33.0%	7,674,986	26.9%
6-30-13	1,311,950	3,071,045	1,759,095	42.8%	7,674,986	23.0%

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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.

SCHEDULE A-1

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
AS OF JUNE 30, 2013 AND 2012

	<u>June 30,</u>	<u>June 30,</u>
	<u>2013</u>	<u>2012</u>
	<u>\$ 1,099,612</u>	<u>\$ 1,222,684</u>
<u>ASSETS</u>		
Cash		
Receivables (Net of Allowance for Uncollectibles)		
Property Taxes - Delinquent	156,326	203,779
State	92,303	88,386
Municipal Governments	142,353	261,630
Grants	189,334	317,962
Rehabilitation Loans	32,646	32,646
Other	127,569	116,349
Inventory	19,439	24,593
Due From Other Funds		
Water and Sewer Fund	3,353,204	2,628,179
Restricted Assets		
Cash	121,554	96,818
<u>TOTAL ASSETS</u>	<u>5,334,340</u>	<u>4,993,026</u>
<u>LIABILITIES</u>		
Accounts Payable	325,328	383,210
Contracts / Retainage Payable	19,250	16,050
Payroll Withholding	6,533	9,271
Accrued Salaries	28,679	27,974
Accrued Vacation Pay	290,855	282,852
<u>TOTAL LIABILITIES</u>	<u>670,645</u>	<u>719,357</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenue - property taxes	126,695	170,382
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>126,695</u>	<u>170,382</u>
<u>FUND BALANCE</u>		
Restricted	121,554	96,818
Unassigned	4,415,446	4,006,469
<u>TOTAL FUND BALANCE</u>	<u>4,537,000</u>	<u>4,103,287</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES,</u>		
<u>AND FUND BALANCE</u>	<u>5,334,340</u>	<u>4,993,026</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEARS ENDED JUNE 30, 2013 AND 2012

	<u>June 30,</u> <u>2013</u>	<u>June 30,</u> <u>2012</u>
<u>REVENUES</u>		
Property Taxes	\$ 4,049,721	\$ 3,926,503
Licenses and Permits	3,371,652	3,208,692
Fines and Forfeitures	276,023	452,259
Interest	162	224
Intergovernmental	468,226	411,954
Charges For Services	708,385	711,394
Grant Proceeds	859,468	910,849
Narcotics Program Income	38,407	18,712
Other Revenues	476,311	479,996
<u>TOTAL REVENUES</u>	<u>10,248,355</u>	<u>10,120,583</u>
<u>EXPENDITURES</u>		
Current		
General Government	1,510,249	1,328,397
Community and Economic Development	375,206	245,729
Public Safety	6,860,122	7,256,318
Public Services	1,559,523	1,720,341
General Services	940,515	890,605
Debt Service		
Principal	961,063	1,062,958
Interest	226,124	264,484
<u>TOTAL EXPENDITURES</u>	<u>12,432,802</u>	<u>12,768,832</u>
<u>EXCESS OF EXPENDITURES</u>		
<u>OVER/(UNDER) REVENUES</u>	<u>(2,184,447)</u>	<u>(2,648,249)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In/(Out)		
Water and Sewer Fund	2,562,766	3,131,898
Sale of Capital Assets	55,400	27,358
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>2,618,166</u>	<u>3,159,256</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER</u>		
<u>FINANCING SOURCES OVER EXPENDITURES</u>		
<u>AND OTHER FINANCING USES</u>	<u>433,719</u>	<u>511,007</u>
<u>FUND BALANCE - July 1</u>	<u>4,103,281</u>	<u>3,592,274</u>
<u>FUND BALANCE - June 30</u>	<u>4,537,000</u>	<u>4,103,281</u>

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, 2013 AND 2012

	June 30, 2013			June 30, 2012		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property Taxes	\$ 3,916,550	\$ 4,049,721	\$ 133,171	\$ 3,920,900	\$ 3,926,503	\$ 5,603
Licenses and Permits	3,236,460	3,371,652	135,192	3,230,000	3,208,692	(21,308)
Fines and Forfeitures	473,000	276,023	(196,977)	341,000	452,259	111,259
Interest	1,000	162	(838)	3,000	224	(2,776)
Intergovernmental	417,500	468,226	50,726	397,600	411,954	14,354
Charges for Services	710,000	708,385	(1,615)	710,000	711,394	1,394
Grant Proceeds	1,302,600	859,468	(443,132)	914,966	910,849	(4,117)
Narcotics Program Income	10,600	38,407	27,807	21,100	18,712	(2,388)
Other Revenues	437,500	476,311	38,811	512,300	479,996	(32,304)
TOTAL REVENUES	10,505,210	10,248,355	(256,855)	10,050,866	10,120,583	69,717
EXPENDITURES						
General Government	1,769,660	1,510,249	259,411	1,400,153	1,328,397	71,756
Community and Economic Development	379,905	375,206	4,699	254,600	245,729	8,871
Public Safety	7,094,995	6,860,122	234,873	7,373,581	7,256,318	117,263
Public Services	1,689,700	1,559,523	130,177	1,911,600	1,720,341	191,259
General Services	941,750	940,515	1,235	914,200	890,605	23,595
Debt Service	963,700	961,063	2,637	1,064,100	1,062,958	1,142
Principal	229,900	226,124	3,776	264,532	264,484	48
Interest						
TOTAL EXPENDITURES	13,069,610	12,432,802	636,808	13,182,766	12,768,832	413,934
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,564,400)	(2,184,447)	379,953	(3,131,900)	(2,648,249)	483,651
OTHER FINANCING SOURCES/(USES)						
Transfers In/(Out)						
Water and Sewer Fund	2,564,400	2,562,766	(1,634)	3,131,900	3,131,898	(2)
Sale of Capital Assets		55,400	55,400		27,358	27,358
TOTAL OTHER FINANCING SOURCES/(USES)	2,564,400	2,618,166	53,766	3,131,900	3,159,256	27,356
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	433,719	433,719	-	511,007	511,007
FUND BALANCE - July 1		4,103,281			3,592,274	
FUND BALANCE - June 30		4,537,000			4,103,281	

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2012)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2012 Actual</u>
GENERAL GOVERNMENT				
LEGISLATIVE (MAYOR & COUNCIL)				
Personnel Services	\$ 138,900	\$ 150,176	\$ (11,276)	\$ 131,820
Other Services and Charges	50,860	39,552	11,308	54,476
Capital Outlay	1,150	1,127	23	
TOTALS	190,910	190,855	55	186,296
ADMINISTRATIVE				
Personnel Services	469,500	484,310	(14,810)	438,747
Supplies	21,200	18,326	2,874	22,949
Other Services and Charges	311,500	413,347	(101,847)	316,646
Capital Outlay	776,550	403,411	373,139	363,759
Debt Service - Principal	733,700	731,120	2,580	710,472
Debt Service - Interest	200,000	195,996	4,004	223,171
TOTALS	2,512,450	2,246,510	265,940	2,075,744
TOTAL GENERAL GOVERNMENT	2,703,360	2,437,365	265,995	2,262,040
COMMUNITY DEVELOPMENT				
INSPECTIONS / CODES COMPLIANCE				
Personnel Services	229,900	229,358	542	122,012
Supplies	4,095	3,758	337	948
Other Supplies and Charges	22,310	19,967	2,343	10,184
Capital Outlay	3,120	1,928	1,192	2,202
TOTAL COMMUNITY DEVELOPMENT	259,425	255,011	4,414	135,346
ECONOMIC DEVELOPMENT				
Personnel Services	102,650	102,372	278	98,539
Supplies	100	520	(420)	61
Other Services and Charges	17,730	17,303	427	11,783
Capital Outlay			-	
Debt Service - Interest			-	
TOTAL ECONOMIC DEVELOPMENT	120,480	120,195	285	110,383
TOTAL COMMUNITY & ECONOMIC DEVELOPMENT	379,905	375,206	4,699	245,729
PUBLIC SAFETY				
POLICE DEPARTMENT				
ADMINISTRATION				
Personnel Services	2,869,400	2,960,807	(91,407)	2,812,813
Supplies	41,295	32,328	8,967	32,903
Other Services and Charges	614,975	648,462	(33,487)	653,525
Capital Outlay	69,950	95,375	(25,425)	374,834
Debt Service - Principal			-	
Debt Service - Interest			-	
TOTALS	3,595,620	3,736,972	(141,352)	3,874,075

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2012)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2012 Actual</u>
<u>PUBLIC SAFETY (CONTINUED)</u>				
<u>DETECTIVES</u>				
Personnel Services	\$ 1,121,010	\$ 804,532	\$ 316,478	\$ 979,197
Supplies	23,690	13,364	10,326	35,487
Other Services and Charges	158,035	106,073	51,962	142,274
Capital Outlay	1,600	1,268	332	12,057
<u>TOTALS</u>	1,304,335	925,237	379,098	1,169,015
<u>DISPATCH - 911 CALL CENTER</u>				
Personnel Services	254,450	273,827	(19,377)	249,701
Supplies	4,400	2,699	1,701	2,078
Other Services and Charges	4,750	3,828	922	7,328
Capital Outlay	1,600	2,579	(979)	
<u>TOTALS</u>	265,200	282,933	(17,733)	259,107
<u>COURT ADMINISTRATION</u>				
Personnel Services	186,450	188,106	(1,656)	181,071
Supplies	4,850	3,652	1,198	4,719
Other Services and Charges	55,900	55,394	506	52,464
Capital Outlay		625	(625)	
<u>TOTALS</u>	247,200	247,777	(577)	238,254
<u>TOTAL POLICE DEPARTMENT</u>	5,412,355	5,192,919	219,436	5,540,451
<u>CROSSING GUARDS</u>				
Personnel Services	550	534	16	617
Other Services and Charges			-	
<u>TOTALS</u>	550	534	16	617
<u>FIRE DEPARTMENT</u>				
Personnel Services	1,464,400	1,460,087	4,313	1,453,983
Supplies	22,000	20,521	1,479	18,908
Other Services and Charges	156,240	139,092	17,148	152,173
Capital Outlay	39,450	46,969	(7,519)	90,186
Debt Service - Principal	187,200	187,206	(6)	180,791
Debt Service - Interest	27,000	27,226	(226)	33,641
<u>TOTALS</u>	1,896,290	1,881,101	15,189	1,929,682
<u>TOTAL PUBLIC SAFETY</u>	7,309,195	7,074,554	234,641	7,470,750

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2012)

	Budget	Actual	Variance Favorable (Unfavorable)	2012 Actual
<u>PUBLIC SERVICES</u>				
STREET DEPARTMENT				
Personnel Services	\$ 204,350	\$ 142,508	\$ 61,842	\$ 199,589
Supplies	5,250	4,050	1,200	8,452
Other Services and Charges	285,950	302,042	(16,092)	291,815
Capital Outlay	7,950	10,899	(2,949)	22,515
Debt Service - Principal	12,100	12,111	(11)	11,719
Debt Service - Interest	900	822	78	1,214
<u>TOTALS</u>	516,500	472,432	44,068	535,304
SANITATION DEPARTMENT				
Personnel Services	972,400	865,139	107,261	879,977
Supplies	18,400	13,037	5,363	19,327
Other Services and Charges	170,400	195,220	(24,820)	164,657
Capital Outlay	25,000	26,628	(1,628)	134,009
Debt Service - Principal	30,700	30,626	74	159,976
Debt Service - Interest	2,000	2,080	(80)	6,458
<u>TOTALS</u>	1,218,900	1,132,730	86,170	1,364,404
<u>TOTAL PUBLIC SERVICES</u>	1,735,400	1,605,162	130,238	1,899,708
<u>DIVISION OF GENERAL SERVICES</u>				
MAINTENANCE SHOP				
Personnel Services	493,000	493,927	(927)	466,895
Supplies	6,400	3,881	2,519	6,610
Other Services and Charges	65,000	67,998	(2,998)	54,070
Capital Outlay	10,000	8,398	1,602	28,329
<u>TOTALS</u>	574,400	574,204	196	555,904
PARKS AND RECREATION				
Personnel Services	265,900	290,714	(24,814)	219,288
Supplies	21,500	20,032	1,468	32,625
Other Service and Charges	78,450	55,565	22,885	50,827
Capital Outlay	1,500		1,500	31,961
<u>TOTALS</u>	367,350	366,311	1,039	334,701
<u>TOTAL GENERAL SERVICES</u>	941,750	940,515	1,235	890,605
<u>GRAND TOTAL</u>	13,069,610	12,432,802	636,808	12,768,832

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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 foods 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 POSITION
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2013 AND 2012

	<u>June 30,</u> <u>2013</u>	<u>June 30,</u> <u>2012</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 4,419,002	\$ 4,299,773
Accounts Receivable	1,956,424	1,801,434
Prepaid Charges	2,968	5,635
Notes Receivable- Municipal Government	797,613	762,666
Restricted Cash and Cash Equivalents	2,637,232	2,766,581
<u>TOTAL CURRENT ASSETS</u>	<u>9,813,239</u>	<u>9,636,089</u>
<u>NONCURRENT ASSETS</u>		
Noncurrent Receivable - Municipal Government	6,890,959	7,705,701
CAPITAL ASSETS		
Water Plant, Lines, and Sewer System	71,203,537	70,934,039
Less: Accumulated Depreciation	(27,336,019)	(25,682,516)
Construction in Progress	7,763,697	7,763,697
<u>TOTAL CAPITAL ASSETS (NET OF</u> <u>ACCUMULATED DEPRECIATION)</u>	<u>51,631,215</u>	<u>53,015,220</u>
<u>TOTAL NONCURRENT ASSETS</u>	<u>58,522,174</u>	<u>60,720,921</u>
<u>TOTAL ASSETS</u>	<u>68,335,413</u>	<u>70,357,010</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2013 AND 2012

	<u>June 30,</u> <u>2013</u>	<u>June 30,</u> <u>2012</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
(Payable from Current Assets)		
Accounts Payable	\$ 204,931	\$ 358,023
Customer Deposits	482,329	472,205
Accrued Payroll and Vacation Pay	130,393	106,241
Capital Lease Obligation		
Unearned Revenue	673,358	673,358
Due to Other Funds	3,353,204	2,628,179
(Payable from Restricted Assets)		
Contracts Payable	48,771	48,771
Revenue Bonds Payable	2,036,930	1,969,468
Accrued Interest Payable - Revenue Bonds	124,443	149,940
	<u>7,054,359</u>	<u>6,406,185</u>
<u>TOTAL CURRENT LIABILITIES</u>		
LONG-TERM LIABILITIES		
Accrued Vacation Pay - Due After One Year	132,212	126,313
Revenue Bonds - Due After One Year	25,093,776	27,205,816
Unearned Revenue - Due After One Year	14,003,130	14,553,125
Other Liabilities	418,763	425,952
	<u>39,647,881</u>	<u>42,311,206</u>
<u>TOTAL LONG-TERM LIABILITIES</u>		
<u>TOTAL LIABILITIES</u>		
	<u>46,702,240</u>	<u>48,717,391</u>
<u>NET POSITION</u>		
Net Investment In Capital Assets	24,500,510	23,918,424
Restricted		
Capital Improvement Grant	132,960	132,960
Debt Service	2,637,232	2,766,581
Unrestricted	(5,637,529)	(5,178,346)
	<u>21,633,173</u>	<u>21,639,619</u>
<u>TOTAL NET POSITION</u>		

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND - WATER AND SEWER
YEARS ENDED JUNE 30, 2013 AND 2012

	<u>June 30,</u> <u>2013</u>	<u>June 30,</u> <u>2012</u>
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 10,814,210	\$ 10,788,398
<u>TOTAL OPERATING REVENUES</u>	<u>10,814,210</u>	<u>10,788,398</u>
<u>OPERATING EXPENSES</u>		
Personnel Services	3,033,235	2,819,165
Material and Supplies	564,960	569,408
Contractual Services	946,508	960,568
Utilities	903,029	919,767
Repairs and Maintenance	658,460	547,348
Depreciation	1,653,503	1,674,697
Other Operating Expenses	101,680	90,380
<u>TOTAL OPERATING EXPENSES</u>	<u>7,861,375</u>	<u>7,581,333</u>
<u>OPERATING INCOME</u>	<u>2,952,835</u>	<u>3,207,065</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	173,361	229,801
Interest and Amortization Expense	(772,367)	(1,381,790)
Grant Proceeds	202,491	8,470
Gain on Sale of Fixed Assets		7,800
<u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u>	<u>(396,515)</u>	<u>(1,135,719)</u>
<u>NET INCOME BEFORE TRANSFERS</u>	<u>2,556,320</u>	<u>2,071,346</u>
<u>TRANSFERS IN/(OUT)</u>		
General Fund	(2,562,766)	(3,131,898)
<u>CHANGE IN NET POSITION</u>	<u>(6,446)</u>	<u>(1,060,552)</u>
<u>NET POSITION - July 1</u>	<u>21,639,619</u>	<u>22,700,171</u>
<u>NET POSITION - June 30</u>	<u>21,633,173</u>	<u>21,639,619</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER
YEARS ENDED JUNE 30, 2013 AND 2012

	<u>June 30,</u> <u>2013</u>	<u>June 30,</u> <u>2012</u>
<u>Cash Flows From Operating Activities</u>		
Cash Received From Customers	\$ 10,119,347	\$ 10,706,565
Cash Paid to Suppliers	(2,600,039)	(3,433,268)
Cash Paid to Employees	(3,003,185)	(2,837,952)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	4,516,123	4,435,345
	<hr/>	<hr/>
<u>Cash Flows from Non-Capital Financing Activities</u>		
Transfers Out	(2,562,766)	(3,131,898)
	<hr/>	<hr/>
Net Cash Used in Non-Capital Financing Activities	(2,562,766)	(3,131,898)
	<hr/>	<hr/>
<u>Cash Flows From Capital and Related</u>		
<u>Financing Activities</u>		
Proceeds From Capital Debt	2,803,000	
Principal Paid on Capital Debt	(4,886,927)	(1,868,197)
Interest Paid on Capital Debt	(797,864)	(887,281)
Acquisition of Capital Assets	(269,497)	(107,532)
Principal Paid on Capital Lease		(52,253)
Payments Received from Municipal Governments	811,959	755,935
Proceeds from Capital Grants	202,491	
Proceeds from Sale of Capital Assets		7,800
	<hr/>	<hr/>
Net Cash Provided (Used) in Capital and Related Financing Activities	(2,136,838)	(2,151,528)
	<hr/>	<hr/>
<u>Cash Flows From Investing Activities</u>		
Interest in Investments	173,361	229,801
	<hr/>	<hr/>
Net Cash Provided by Investing Activities	173,361	229,801
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and and Cash Equivalents	(10,120)	(618,280)
	<hr/>	<hr/>
<u>Cash and Cash Equivalents - July 1</u>	7,066,354	7,684,634
	<hr/>	<hr/>
<u>Cash and Cash Equivalents - June 30</u>	7,056,234	7,066,354
	<hr/>	<hr/>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER
YEARS ENDED JUNE 30, 2013 AND 2012

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

	<u>June 30,</u> <u>2013</u>	<u>June 30,</u> <u>2012</u>
<u>Operating Income</u>	<u>\$ 2,952,832</u>	<u>\$ 3,202,765</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	1,653,503	1,674,697
(Increase) Decrease in		
Accounts Receivable	(154,990)	452,134
Prepaid Charges	2,667	(2,000)
Increase (Decrease) in		
Accounts Payable	(153,092)	(319,722)
Unearned Revenue	(549,997)	(546,097)
Customer Deposits	10,124	12,130
Accrued Expenses	30,051	(18,787)
Due to Other Funds	725,025	(19,775)
Total Adjustments	<u>1,563,291</u>	<u>1,232,580</u>
<u>Net Cash Provided by Operating Activities</u>	<u>4,516,123</u>	<u>4,435,345</u>

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, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>FIREMAN'S FUND</u>				
ASSETS- CASH	\$ 18,088	\$ 28,032	\$ 31,131	\$ 14,989
LIABILITIES				
Due to Fireman's Organization	18,088	28,032	31,131	14,989
<u>NARCOTIC SEIZURE</u>				
ASSETS- CASH	31,481	6,755	22,324	15,912
LIABILITIES				
Agency Funds Held	31,481	6,755	22,324	15,912
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS- CASH	49,569	34,787	53,455	30,901
LIABILITIES				
Due to Fireman's Organization	18,088	28,032	31,131	14,989
Agency Funds Held	31,481	6,755	22,324	15,912
	49,569	34,787	53,455	30,901

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

SCHEDULE D-1

CITY OF WEST COLUMBIA, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
JUNE 30, 2013 AND 2012

	<u>June 30,</u> <u>2013</u>	<u>June 30,</u> <u>2012</u>
<u>CAPITAL ASSETS</u>		
Land	\$ 5,557,341	\$ 5,557,341
Buildings and Improvements	8,137,961	8,037,981
Vehicles and Equipment	8,251,446	8,255,415
<u>TOTAL CAPITAL ASSETS</u>	<u>21,946,748</u>	<u>21,850,737</u>
<u>INVESTMENT IN CAPITAL ASSETS</u>		
<u>BY SOURCE</u>		
General Fund	<u>21,946,748</u>	<u>21,850,737</u>
<u>TOTAL INVESTMENT IN CAPITAL ASSETS</u>	<u>21,946,748</u>	<u>21,850,737</u>

SCHEDULE D-2

CITY OF WEST COLUMBIA, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2013

	<u>Land, Buildings and Fixtures</u>	<u>Vehicles and Equipment</u>	<u>Total</u>
<u>FUNCTION AND ACTIVITIES</u>			
GENERAL GOVERNMENT	\$ 7,002,165	\$ 438,175	\$ 7,440,340
COMMUNITY DEVELOPMENT	3,764,695	2,536	3,767,231
PUBLIC SAFETY			
Police		3,702,073	3,702,073
Fire	590,941	2,058,725	2,649,666
TOTAL PUBLIC SAFETY	590,941	5,760,798	6,351,739
PUBLIC SERVICES			
Street		746,476	746,476
Sanitation	76,418	912,463	988,881
TOTAL PUBLIC SERVICES	76,418	1,658,939	1,735,357
GENERAL SERVICES			
General Services	87,329		87,329
Maintenance Shop	87,183	191,974	279,157
Parks and Recreation	2,086,571	199,024	2,285,595
TOTAL GENERAL SERVICES	2,261,083	390,998	2,652,081
<u>TOTAL CAPITAL ASSETS</u>	<u>13,695,302</u>	<u>8,251,446</u>	<u>21,946,748</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, 2013

<u>FUNCTION AND ACTIVITY</u>	<u>Capital Assets June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Capital Assets June 30, 2013</u>
GENERAL GOVERNMENT	\$ 7,340,360	\$ 99,980		\$ 7,440,340
COMMUNITY DEVELOPMENT	3,767,231			3,767,231
PUBLIC SAFETY				
Police	3,770,103	90,842	\$ 158,872	3,702,073
Fire	2,611,522	38,144		2,649,666
TOTAL PUBLIC SAFETY	6,381,626	128,986	158,872	6,351,739
PUBLIC SERVICES				
Street	739,275	10,724	3,523	746,476
Sanitation	962,253	26,628		988,881
TOTAL PUBLIC SERVICES	1,701,527	37,352	3,523	1,735,357
GENERAL SERVICES				
General Services	87,329			87,329
Maintenance Shop	281,013		1,856	279,157
Parks and Recreation	2,291,651		6,056	2,285,595
TOTAL GENERAL SERVICES	2,659,993	-	7,912	2,652,081
<u>TOTAL CAPITAL ASSETS</u>	<u>21,850,737</u>	<u>266,318</u>	<u>170,307</u>	<u>21,946,748</u>

VICTIM'S RIGHTS ASSISTANCE

CITY OF WEST COLUMBIA
SCHEDULE OF FINES, FEES, ASSESSMENTS AND SURCHARGES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

For the Month of:

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Court Fines													
Court Fines Collected	\$ 15,794	\$ 20,106	\$ 12,349	\$ 14,755	\$ 13,018	\$ 6,628	\$ 8,336	\$ 15,394	\$ 12,028	\$ 12,500	\$ 12,740	\$ 11,346	\$ 154,994
Court Fines Retained	15,794	20,106	12,349	14,755	13,018	6,628	8,336	15,394	12,028	12,500	12,740	11,346	154,994
Court Fines Remitted to State Treasurer	-	-	-	-	-	-	-	-	-	-	-	-	-
Court Assessments													
Court Assessments Collected	15,926	21,884	12,208	15,652	14,054	7,332	9,010	17,143	12,804	14,255	13,943	12,682	166,893
Court Assessments Retained by City	1,776	2,441	1,377	1,749	1,569	804	1,011	1,914	1,430	1,592	1,557	1,416	18,636
Court Assessments Remitted to State Treasurer	14,150	19,443	10,831	13,903	12,485	6,528	7,999	15,229	11,374	12,663	12,386	11,266	148,257
Court Surcharges													
Court Surcharges Collected	9,994	12,005	8,484	9,808	7,214	3,860	6,129	8,907	6,989	7,463	7,964	7,471	96,288
Court Surcharges Retained by City	875	1,375	925	1,184	1,125	549	950	1,125	905	1,300	1,256	1,100	12,669
Court Surcharges Remitted to State Treasurer	9,119	10,630	7,559	8,624	6,089	3,311	5,179	7,782	6,084	6,163	6,708	6,371	83,619
Victims Services													
Court Assessments Allocated to Victims Services	1,776	2,441	1,377	1,749	1,569	804	1,011	1,914	1,430	1,592	1,557	1,416	18,636
Court Surcharges Allocated to Victims Services	875	1,375	925	1,184	1,125	549	950	1,125	905	1,300	1,256	1,100	12,669
Funds Allocated to Victims Services	2,651	3,816	2,302	2,933	2,694	1,353	1,961	3,039	2,335	2,892	2,813	2,516	31,305
Victims Services Expenditures	2,651	3,816	2,302	2,933	2,694	1,353	1,961	3,039	2,335	2,892	2,813	2,516	31,305
Funds in Excess (Shortage) of Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Victims Services Fund Carryover from 2012													
Victims Services Fund Balance, June 30, 2013													-

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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	86
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	
Revenue Capacity	92
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	
Debt Capacity	96
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.	
Demographic and Economic Information	101
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	
Operating Information	103
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.	

City of West Columbia, South Carolina
Net Position By Component
Last Ten Fiscal Years
 (accrual basis of accounting)
 (UNAUDITED)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	Fiscal Year									
Governmental Activities										
Net investment in capital assets	\$ 4,509,197	\$ 4,275,252	\$ 4,955,796	\$ 5,554,041	\$ 5,429,423	\$ 5,903,901	\$ 5,918,026	\$ 6,771,907	\$ 7,429,902	\$ 7,594,825
Restricted	1,257,349	137,071	101,111	132,988	208,897	117,304	73,883	95,481	96,818	121,554
Unrestricted	1,220,740	2,597,353	2,435,312	2,511,164	2,392,695	3,243,735	3,375,634	3,341,494	3,855,758	4,238,749
Total Governmental Activities Net Position	6,987,286	7,009,676	7,492,219	8,198,193	8,031,015	9,264,940	9,367,543	10,208,882	11,382,478	11,955,128
Business-Type Activities										
Net investment in capital assets	18,121,657	19,245,559	20,735,753	21,419,166	23,072,906	24,534,957	23,309,987	23,130,592	23,918,424	24,500,510
Restricted	1,236,968	1,259,756	1,675,094	1,781,843	1,560,382	1,648,573	2,917,030	3,154,651	2,899,541	2,770,192
Unrestricted	3,919,297	3,366,427	1,602,153	1,206,030	(354,368)	(2,875,162)	(3,199,076)	(3,585,072)	(4,671,804)	(5,637,529)
Total Business-Type Activities Net Position	23,277,922	23,871,742	24,013,000	24,407,039	24,278,920	23,308,368	23,027,941	22,700,171	22,146,161	21,633,173
Primary Government										
Net investment in capital assets	22,630,854	23,520,811	25,691,549	26,973,207	28,502,329	30,438,858	29,228,013	29,902,499	31,348,326	32,095,335
Restricted	2,494,317	1,396,827	1,359,451	1,914,831	1,769,279	1,765,877	2,990,913	3,250,132	2,996,359	2,891,746
Unrestricted	5,140,037	5,963,780	4,454,219	3,717,194	2,038,327	368,573	176,558	(243,578)	(816,046)	(1,398,780)
Total Primary Governmental Net Position	30,265,208	30,881,418	31,505,219	32,605,232	32,309,935	32,573,308	32,395,484	32,909,053	33,528,639	33,588,301

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 768,140	\$ 1,507,884	\$ 2,249,566	\$ 2,138,451	\$ 2,217,939	\$ 1,419,307	\$ 1,476,296	\$ 1,423,194	\$ 1,467,482	\$ 1,656,211
Community & economic development	95,346	161,769	400,334	269,194	296,736	304,065	277,395	260,905	246,140	377,098
Public safety	5,058,690	5,319,500	5,752,943	6,118,117	6,561,902	7,150,941	7,356,707	7,479,607	7,468,321	7,256,373
Public services	1,649,182	1,783,619	1,928,878	1,983,943	2,400,374	2,141,973	2,121,412	1,975,679	1,754,463	1,708,734
General services	394,919	417,813	1,767,58	128,543	635,425	727,417	695,689	843,702	941,772	1,047,600
Interest on Long-Term Debt				449,462	441,713	314,780	333,755	285,970	247,238	196,505
Total governmental activities expenses	7,966,277	9,190,585	10,508,479	11,087,710	12,554,089	12,058,483	12,261,254	12,269,057	12,125,416	12,242,521
Business-type activities:										
Water & sewer utility	6,338,039	6,167,794	6,581,696	7,606,049	7,916,623	8,408,956	7,817,515	8,355,960	8,456,581	8,633,742
Total business-type activities expenses	6,338,039	6,167,794	6,581,696	7,606,049	7,916,623	8,408,956	7,817,515	8,355,960	8,456,581	8,633,742
Total primary government expenses	14,304,316	15,358,379	17,090,175	18,693,759	20,470,712	20,467,439	20,078,769	20,625,017	20,581,997	20,876,263
Program Revenues										
Governmental activities:										
Charges for services:										
General government	3,055,158	3,316,421	3,567,906	3,832,256	3,905,135	3,934,447	3,773,352	3,788,349	3,920,086	4,080,037
Public safety	394,986	291,335	190,779	236,976	339,670	375,602	417,452	351,337	470,971	314,430
Public services	253,620	250,625	233,017	265,344	282,751	326,871	148,511			
Operating grants and contributions	137,228	159,159	297,468	178,711	239,628	223,126	390,495	375,272	405,215	377,865
Capital grants and contributions	77,596	147,214	319,594	435,760	150,979	758,618	395,089	261,407	505,634	481,603
Total governmental activities program revenues	3,918,588	4,164,754	4,608,764	4,949,047	4,918,163	5,618,664	5,124,899	4,776,365	5,301,906	5,253,935
Business-type activities:										
Charges for services:										
Water & sewer utility	7,940,055	8,812,144	9,398,782	10,700,282	11,105,473	10,914,652	10,601,741	10,971,120	10,788,398	10,814,210
Capital grants and contributions	65,707			79,501	28,000		28,011	12,514	8,470	202,491
Total business-type activities program revenues	8,005,762	8,812,144	9,398,782	10,779,783	11,133,473	10,914,652	10,629,752	10,983,634	10,796,868	11,016,701
Total primary government program revenues	11,924,350	12,976,898	14,007,546	15,728,830	16,051,636	16,533,316	15,754,651	15,759,999	16,098,774	16,270,636
Net (expense)/revenue										
Governmental activities	(4,047,689)	(5,025,831)	(5,899,715)	(6,138,663)	(7,635,926)	(6,439,819)	(7,136,355)	(7,492,692)	(6,823,510)	(6,988,586)
Business-type activities	1,667,723	2,644,350	2,817,086	3,173,734	3,216,850	2,505,696	2,812,237	2,627,674	2,340,287	2,382,959
Total primary government net expense	(2,379,966)	(2,381,481)	(3,082,629)	(2,964,929)	(4,419,076)	(3,934,123)	(4,324,118)	(4,865,018)	(4,483,223)	(4,605,627)

City of West Columbia, South Carolina
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 2,065,577	\$ 2,063,752	\$ 2,587,185	\$ 2,723,856	\$ 2,946,957	\$ 3,108,150	\$ 3,150,684	\$ 3,591,516	\$ 3,947,495	\$ 4,006,034
Gain on sale of capital asset		4,859	17,989	166,818			27,129	80,030	25,539	52,569
Intergovernmental	478,829	507,517	499,963	525,915	569,936	552,911	443,768	422,332	411,954	468,226
Investment earnings	497	21,138	7,264	12,342	238	49	27	2,385	224	162
Recapture of Professional Fees								800,000		
Miscellaneous	120,112	141,615	161,609	164,373	168,200	198,360	203,550	160,670	479,996	476,311
Transfers	2,308,400	2,309,340	3,108,248	3,251,333	3,783,417	3,814,274	3,413,800	3,277,098	3,131,898	2,562,766
Total governmental activities	4,973,415	5,048,221	6,382,238	6,844,637	7,468,748	7,673,744	7,238,958	8,334,031	7,997,106	7,566,068
Business-type activities:										
Gain on sale of capital asset							3,385	23,950	7,800	
Intergovernmental							25,000			
Investment earnings	233,391	244,920	117,834	471,638	438,448	338,026	292,751	297,704	229,801	173,361
Miscellaneous		13,890	314,586							
Transfers	(2,308,400)	(2,309,340)	(3,108,248)	(3,251,333)	(3,783,417)	(3,814,274)	(3,413,800)	(3,277,098)	(3,131,898)	(2,562,766)
Total Business-type activities	(2,075,009)	(2,050,530)	(2,675,828)	(2,779,695)	(3,344,969)	(3,476,248)	(3,092,664)	(2,955,444)	(2,894,297)	(2,389,405)
Total primary government	2,898,406	2,997,691	3,706,430	4,064,942	4,123,779	4,197,496	4,146,294	5,378,587	5,102,809	5,176,663
Change in Net Position										
Governmental activities	925,726	22,390	482,543	705,974	(167,178)	1,233,925	102,603	841,339	1,173,596	577,482
Business-type activities	(407,286)	593,820	141,258	394,039	(128,119)	(970,552)	(280,427)	(327,770)	(554,010)	(6,446)
Total primary government	518,440	616,210	623,801	1,100,013	(295,297)	263,373	(177,824)	513,569	619,586	571,036

Table 3

City of West Columbia, South Carolina
Governmental Activities Tax Revenues By Source
Last Ten 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>
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
2011	2,676,687	52,412	279,456	4,862	16,400	3,029,817
2012	2,725,644	60,906	334,199	4,756	6,900	3,132,405
2013	2,987,811	72,173	369,427	4,847	10,050	3,444,308

Table 4

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 37,317	\$ 48,428	\$ 101,111	\$ 132,988	\$ 208,897	\$ 117,304	\$ 73,883	\$ 95,481	\$ 96,818	\$ 121,554
Nonspendable			936	4,360	149,530	43,597	27,355	119,862		
Unassigned	3,785,317	117,191	(132,452)	(1,685)	(292,419)	677,186	3,500,517	3,583,591	4,006,469	4,415,446
Total general fund	<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>	<u>3,798,934</u>	<u>4,103,287</u>	<u>4,537,000</u>
All other governmental funds										
Reserved For:										
Capital Construction Projects	1,220,032	(4,149)								
Unassigned										
Total all other governmental funds	<u>1,220,032</u>	<u>(4,149)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Table 5

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 2,038,680	\$ 2,078,202	\$ 2,565,436	\$ 2,727,463	\$ 2,954,180	\$ 3,060,330	\$ 3,145,451	\$ 3,613,165	\$ 3,926,503	\$ 4,049,721
Licenses and permits	2,650,326	2,792,956	2,986,123	3,221,082	3,264,683	3,253,493	3,084,136	3,132,209	3,208,692	3,371,652
Intergovernmental	478,829	507,517	499,963	525,915	569,936	552,911	443,768	422,332	411,954	468,226
Charges for services	658,452	774,090	814,800	876,518	923,202	1,007,825	837,727	656,140	711,394	708,385
Fines and Forfeitures	394,638	256,214	179,043	209,828	293,065	354,904	389,324	343,474	452,259	276,023
Investment earnings	62,006	21,138	7,264	12,342	238	49	27	2,385	224	162
Grant proceeds	153,315	306,373	617,062	614,471	390,607	981,744	785,584	636,679	910,849	859,468
Narcotics program	348	35,121	11,736	41,710	44,606	20,698	28,128	7,863	18,712	38,407
Other revenues	120,112	142,115	161,609	164,373	168,200	198,360	203,550	160,670	479,996	476,311
Total revenues	6,556,706	6,913,726	7,843,036	8,393,702	8,610,717	9,430,314	8,917,695	8,974,917	10,120,583	10,248,355
Expenditures										
General government	4,708,630	2,943,552	1,978,119	2,018,699	2,033,226	1,254,049	1,259,765	1,235,857	1,328,992	1,510,249
Public safety	4,934,114	5,465,774	5,717,114	6,830,324	6,416,802	7,076,661	7,560,272	7,575,576	7,264,921	6,860,122
Public services	1,639,632	1,959,119	1,863,555	2,213,272	2,433,413	2,297,144	1,926,353	2,118,363	1,730,813	1,559,523
General services	375,240	404,400	481,640	512,347	594,899	759,897	707,366	769,804	891,228	940,515
Community and economic development	1,591,302	2,221,017	468,937	256,408	288,053	293,357	280,864	255,414	245,729	375,206
Debt Service										
Principal			286,879	928,271	532,122	708,225	772,427	985,012	1,062,958	961,063
Interest			395,754	458,832	455,274	290,176	345,080	306,494	264,484	226,124
Total expenditures	13,248,918	12,993,862	11,191,998	13,218,153	12,753,789	12,679,509	12,852,127	13,246,520	12,789,125	12,432,802
Excess of revenues over (under) expenditures	(6,692,212)	(6,080,136)	(3,348,962)	(4,824,451)	(4,143,072)	(3,249,195)	(3,934,432)	(4,271,603)	(2,668,542)	(2,184,447)
Other financing sources (uses)										
Transfers in	2,446,152	2,538,891	3,112,397	3,251,333	3,908,417	3,814,274	3,413,800	3,277,098	3,131,898	2,562,766
Transfers out	(137,752)	(229,551)	(4,149)				2,813,623			
Bonds issued										
Bond Anticipation Note Proceeds	2,200,000	1,085,241	30,849	1,150,035	290,000	207,000	345,000	105,000		55,400
Capital leases								800,000		
Recapture of Professional Fees								80,030		
Sale of capital assets										
Total other financing sources (uses)	4,508,400	3,398,940	3,157,086	4,990,519	4,198,417	4,021,274	6,698,100	4,262,128	3,159,256	2,618,166
Net change in fund balances	(2,183,812)	(2,681,196)	(191,876)	166,068	55,345	772,079	2,763,668	(9,475)	490,714	433,719
Debt service as a percentage of noncapital expenditures			6.2%	11.3%	8.1%	8.4%	9.6%	10.8%	11.6%	10.6%

Table 6

City of West Columbia, South Carolina
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten 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					
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%
2011	16,610,070	25,524,490	4,495,920	5,779,110	1,103,540	51,306,050	6.188	969,975,938	5.29%
2012	17,834,150	26,757,350	5,088,520	6,534,807	1,659,460	54,555,367	6.188	1,021,146,591	5.34%
2013	18,151,150	28,035,150	5,826,080	6,165,820	1,345,020	56,833,180	6.188	1,057,292,262	5.38%

Source: Lexington County Auditor

Table 8

City of West Columbia, South Carolina
Principal Property Taxpayers
June 30, 2013

Taxpayer	2013			2004		
	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.	\$1,589,010	1	17.90%	\$ 1,247,870	1	17.00%
Abberly Village at West Columbia	1,386,240	2	15.61%	1,247,870	2	17.00%
Campus Investors HSRE-SC	1,171,760	3	13.20%			0.00%
Columbia Farms, Inc.	819,150	4	9.23%	522,540	5	7.12%
Wal-Mart Stores	716,810	5	8.07%	859,550	3	11.71%
Westside Meshekoff Family LP	569,360	6	6.41%	418,550	7	5.70%
Sun, Inc	509,430	7	5.74%			0.00%
Captial Hospitality LLC	407,150	8	4.59%			0.00%
Granby Oaks Association	365,020	9	4.11%	318,610	8	4.34%
Bell South Telecommunications	361,600	10	4.07%	501,220	6	6.83%
Baker and Baker	318,680	12	3.59%			0.00%
TimeWarner/Advanced Newhouse	244,160	15	2.75%	1,071,240	2	14.60%
Chevy Chase Limited Partnership	240,350	16	2.71%	229,110	9	3.12%
West Columbia Apartments	<u>180,000</u>	19	2.03%	205,140	10	2.80%
Kline Iron & Steel				<u>717,280</u>	4	9.77%
Totals	<u>\$ 8,878,720</u>			<u>7,338,980</u>		

Table 9

City of West Columbia, South Carolina
Property Tax Levies and Collections
Last Ten 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
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%	141,164	3,177,038	98.2%
2011	3,426,912	3,215,363	93.8%	141,751	3,357,114	98.0%
2012	3,646,032	3,431,176	94.1%	165,253	3,596,429	98.6%
2013	3,744,919	3,551,665	94.8%	209,568	3,761,233	100.4%

Table 10

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

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government ¹	Percentage of Personal Income ²	Per Capita ²
	General Obligation Bonds	General		Capital Leases	Water/Sewer Bonds	Capital Leases				
		Obligation Bond Anticipation Note	Tax Increment Finance Bonds							
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	
2011	2,569,619		3,619,241	1,177,199	30,953,781	52,253	38,372,093	10.45%	2,558	
2012	2,323,817		3,154,571	822,687	29,096,796		35,397,871	9.55%	2,360	
2013	2,068,923		2,741,000	592,745	27,130,705		32,533,373	9.88%	2,169	

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.

Table 11

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
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
2011	2,569,619		2,569,619	0.26%	171
2012	2,323,817		2,323,817	0.23%	155
2013	2,068,923		2,068,923	0.20%	138

Table 12

City of West Columbia, South Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Lexington County	\$ 54,980,604	5.66%	\$ 3,111,902
School District No. 2	30,547,000	18.58%	5,675,633
Lexington County Recreation District	19,200,000	8.21%	1,576,320
Riverbanks Park District	3,090,746	2.30%	71,087
Subtotal, overlapping debt			<u>10,434,942</u>
City of West Columbia, South Carolina direct debt			<u>5,402,668</u>
Total direct and overlapping debt			<u><u>15,837,610</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 Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$3,059,631	\$3,016,286	\$3,529,721	\$3,716,800	\$3,865,173	\$3,960,772	\$4,054,300	\$4,192,767	\$ 4,497,186	\$ 4,654,256
Total net debt applicable to limit	2,200,000	2,660,000	2,660,000	2,660,000	2,660,000	2,660,000	2,813,623	2,569,619	2,323,817	2,068,923
Legal debt margin	859,631	356,286	869,721	1,056,800	1,205,173	1,300,772	1,240,677	1,623,148	2,173,369	2,585,333
Total net debt applicable to the limit as a percentage of the debt limit	71.90%	88.19%	75.36%	71.57%	68.82%	67.16%	69.40%	61.29%	51.67%	44.45%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Value	\$ 56,833,180
Add back: exempt real property	1,345,020
Total assessed value	58,178,200
Debt limit (8%)	4,654,256
Debt applicable to limit:	
General obligation bonds	2,068,923
Less: Amount set aside for repayment	
general obligation debt	
Total net debt applicable to limit	
Legal debt margin	2,068,923
	2,585,333

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 \$4,654,256 at June 30, 2013, which would be the legal debt margin.

Table 14

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

Fiscal Year	Water/Sewer Charges and Other	Less: Operating Expenses	<u>Water and Sewer Revenue Bonds</u>				Coverage
			Net Available Revenue	Principal	Interest	Total	
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
2011	10,971,120	5,887,846	5,083,274	1,599,899	883,989	2,483,888	2.05
2012	10,788,398	5,910,936	4,877,462	1,868,197	884,185	2,752,382	1.77
2013	10,814,209	6,207,874	4,606,335	1,993,044	701,216	2,694,260	1.71

Note: 1 Details regarding the government's outstanding debt can be found in the notes to the financial statements.

Table 15

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education		School Enrollment	Unemployment Rate
					Level in Years of Formal Schooling			
2004	13,064	\$ 237,307,560	\$ 18,135	38.7	14.0		2,985	3.10%
2005	13,064	267,224,120	20,455	41.2	14.0		2,995	4.50%
2006	13,064	279,661,048	21,407	41.4	14.0		3,025	4.40%
2007	13,064	280,222,800	21,450	41.4	14.0		3,025	4.40%
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%
2011	14,998	367,316,018	24,491	41.6	14.0		3,060	10.10%
2012	14,998	370,780,556	24,722	37.4	14.0		3,075	7.40%
2013	14,998	329,281,090	21,955	37.5	14.0		3,080	6.90%

Data sources: Central Midlands Council of Governments and the
U. S. Bureau of Labor Statistics

Table 16

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

Employer	2013			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wal-Mart Stores	522	1	25.54%	515	1	22.67%
House of Raeford Farms	360	2	17.61%	425	2	18.71%
Lexington School District 2	247	3	12.08%	264	3	11.62%
South Carolina Episcopal Home	236	4	11.55%	200	4	8.80%
City of West Columbia	191	5	9.34%	176	6	7.75%
Heartland of Lexington	132	6	6.46%	153	7	6.73%
Belcher Staffing Services	105	7	5.14%	187	5	8.23%
U S Postal Service	92	8	4.50%	100	10	4.40%
Bi-Lo LLC	82	9	4.01%	105	9	4.62%
H T Hackney Company	77	10	3.77%	147	8	6.47%
 Total	 <u>2,044</u>		 <u>74.5%</u>	 <u>2,272</u>		 <u>77.3%</u>

Information available for current year and seven years ago only.

Table 17

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

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	12	12	12	12	12	12	14	14	14	16
Building Inspectors	1	2	3	3	3	3	3	3	3	3
Code Compliance								2	2	2
Community Development			1	1	1	1	1	1	1	1
Public Safety										
Police										
Officers	42	48	52	52	54	56	58	58	58	53
Civilians	12	12	12	12	12	14	14	14	14	12
Fire										
Firefighters and officers	24	24	24	24	24	24	24	24	24	24
Maintenance - Garage	5	5	6	6	6	6	6	7	7	7
Sanitation (Garbage & Trash)	28	30	30	30	30	32	32	32	32	27
Parks and Recreation	1	1	1	3	3	3	3	6	5	7
Water (Production & Distribution)	32	32	32	32	32	32	32	32	32	36
Sewer Collection	3	3	3	3	4	4	4	4	4	4
Total	160	169	176	178	181	187	191	197	196	192

Source: City of West Columbia Finance Office

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

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Physical arrests	1,268	1,804	1,785	1,830	1,913	2,265	2,058	3,398	2,097	741
Fire										
Number of calls answered	925	876	857	1,108	853	627	757	651	992	999
Inspections	3,076	3,156	2,990	1,140	941	849	1,000	1,328	1,406	1,472
Sanitation										
Refuse collected (tons/day) Lexington Landfill ¹	38	36	37	38	33	35	30	24	22	22
Refuse collected (tons/day) Richland Landfill ²	22	21	21	22	21	22	10			
Recyclables collected (tons/day)	2	2	2	2	2	2	2	2	2	2
Culture and Recreation										
Community Center (Times Used)	42	38	36	110	94	137	108	164	118	116
Water										
New connections	240	360	270	285	1,369	24	101	74	82	116
Water mains breaks	8	6	7	4	9	12	14	20	24	16
Water customers	19,224	17,853	18,483	18,768	19,250	19,274	19,025	19,032	19,205	19,321
Water Plant I	3,512	3,310	3,519	3,670	3,643	3,353	2,633	3,225	3,227	3,074
Water Plant II	6,738	6,598	7,204	8,080	8,187	7,443	9,310	9,042	8,992	8,589
Total Average daily consumption (thousands of gallons)	10,250	9,908	10,723	11,750	11,830	10,796	11,943	12,267	12,219	11,663
Wastewater										
Average daily sewage treatment ³ (thousands of gallons)	1,883	2,432	1,598	4,800	5,900	6,054	6,095	6,095	6,095	6,095
Sewer customers	8,115	8,546	9,454	10,050	10,733	10,745	10,758	11,157	11,197	11,268
Overlapping customers - City of Cayce ⁴	1,002	1,093	1,205	1,372	1,508	1,510	1,515			
Total sewer customers	9,117	9,639	10,659	11,422	12,241	12,255	12,273	11,157	11,197	11,268

Sources:

¹ Lexington Landfill² Richland Landfill - As of January, 2010, the City no longer uses the Richland Landfill³ City of Columbia waste water treatment plant⁴ As of July, 2010, the City no longer bills for City of Cayce sewer customers

Table 19

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

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	30	31	35	46	50	57	63	67	65	65
Fire stations	1	1	1	1	1	1	1	1	1	1
Responding units	11	12	12	12	14	14	14	11	11	11
Sanitation										
Garbage collection trucks	12	13	12	14	14	14	14	12	12	12
Yard trash collection trucks	5	5	5	6	6	6	6	7	7	7
Highways and streets										
Streetlights ¹	911	929	938	947	942	961	989	989	989	1,017
Traffic signals	19	19	21	23	24	28	30	30	30	30
Culture and recreation										
Parks	4	5	5	5	5	5	5	5	5	5
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	185	198	210	212	213	243	288	288	288	288
Fire hydrants	510	540	550	555	566	569	573	580	583	583
Water Plant I	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Water Plant II	13.5	13.5	13.5	13.5	22.5	23.0	23.0	23.0	23.0	23.0
Maximum daily capacity (millions of gallons)	20.5	20.5	20.5	20.5	29.5	30.0	30.0	30.0	30.0	30.0
Sewer										
Sanitary sewers (miles)	95	105	110	112	113	113	115	115	115	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	3.27	3.27

Sources:

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

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SCHEDULE F-1

CITY OF WEST COLUMBIA, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

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>			
Brookland-Lakeview Empowerment Center (Passed through to Sub-Recipient)	14.251		\$ 216,330 *
<u>Passed Through Lexington County Department of Community Development</u>			
CDBG Spring Street Water Line Upgrade	14.218		183,844
ARRA - CDBG Lexington County - West Columbia Demo	14.218		6,540
<u>US Department of Justice</u>			
Bullet Proof Vest Grant	16.607		3,978
COPS - Technology Program Grant - LPR	16.710	2010CKWX0103	340,468 *
ARRA - COPS - Hiring Program Grant	16.710	2009RKWX0768	23,367 *
Justice Assistance Grant 2012	16.738	2011DJBX2399	10,787
<u>Passed Through SC Department of Public Safety</u>			
Project Safe Neighborhood	16.609	1P11001	1,725
White Collar Crime Investigation Grant	16.738	1G11003	52,374
Traffic Enforcement Program	20.600	2H12020	16,131
<u>US Department of Health and Human Services</u>			
LRADAC Coalition Grant	93.276	5H79SP017093	65,012
<u>US Department of Transportation</u>			
<u>Passed Through the SC Department of Transportation</u>			
12th Street Streetscape	20.205	32.036349A	105,419
Triangle City Streetscape	20.205	32.272B	10,436
Total Federal Assistance Expended			<u>1,036,411</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, 2013

SECTION 1—SUMMARY OF AUDITORS' RESULTSFinancial Statements

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

Federal Awards

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

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.251	Brookland-Lakeview Empowerment Center
16.710	COPS Program Grants

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

SECTION 2 -- FINANCIAL STATEMENT FINDINGSNone Reported**SECTION 3 -- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**None Reported

The prior year audit findings were addressed and corrected.



Brittingham, Brown, Prince & Hancock, LLC

Certified Public Accountants & Business Consultants

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Associate Member: Association of Certified Fraud Examiners

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Columbia, South Carolina, (hereafter referred to as the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 10, 2014.

Internal Control Over Financial Reporting

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

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



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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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

Brittingham, Brown, Prince & Hancock

January 10, 2014



Brittingham, Brown, Prince & Hancock, LLC

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited City of West Columbia, South Carolina's (hereafter referred to as the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

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.
Jessica N. Laney, C.P.A.,- H. Warren Counts Jr., C.P.A.



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Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the City, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Brittingham, Brown, Prince & Hancock

January 10, 2014