

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2014**

**JENNIFER T. CUNNINGHAM**  
City Administrator

**Prepared by:**  
**FINANCE DEPARTMENT**



**CITY OF WEST COLUMBIA, SOUTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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JENNIFER T. CUNNINGHAM  
City Administrator  
MYRON F. CORLEY  
Deputy City Administrator  
BRIAN E. CARTER, AICP  
Assistant Administrator  
KELLISON D. BRAZELL  
City Clerk  
JUSTIN R. BLACK, CPA  
City Treasurer  
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

February 26, 2015

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, 2014. 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 The Brittingham Group, LLP, 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, 2014, 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, 2014, 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 did not receive and expended more than \$500,000 in federal financial assistance and therefore was not required to have a single audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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 a pedestrian bridge that will cross the Saluda River. This project is in the planning and development stage and should be completed within one to two 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** – During this fiscal year ending, June 30, 2014, the City entered into a lease purchase agreement with Branch, Banking and Trust. This capital lease purchase was in the amount of \$255,000, and covered many departments within the City. Its purpose was to upgrade software and hardware systems City wide. The bulk of the lease purchase was for the Police Department in the purchase of new RMS/CAD software, in-car printers and new computers. The City also updated its servers, backup capabilities and some new computers.

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 0.35 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 Public Employee Benefit Authority (PEBA), which is a state funded insurance program administered by Blue Cross / Blue Shield of South Carolina and workmen’s compensation insurance through a municipal pool, the South Carolina Municipal Insurance Trust (SCMIT). Specific excess insurance, such as liability insurance, is provided through the South Carolina Municipal Insurance and Risk Financing Fund (SCMIRF).

## **Other Information**

**Awards** – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Columbia, South Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the 23rd 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.

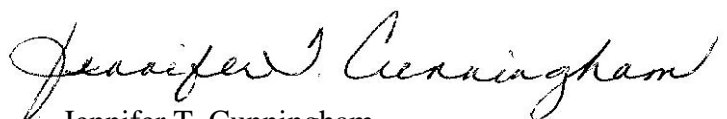
**Acknowledgments** – The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff and financial department. Each member of the department has our sincere appreciation for the contributions made in preparation of this report.

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,



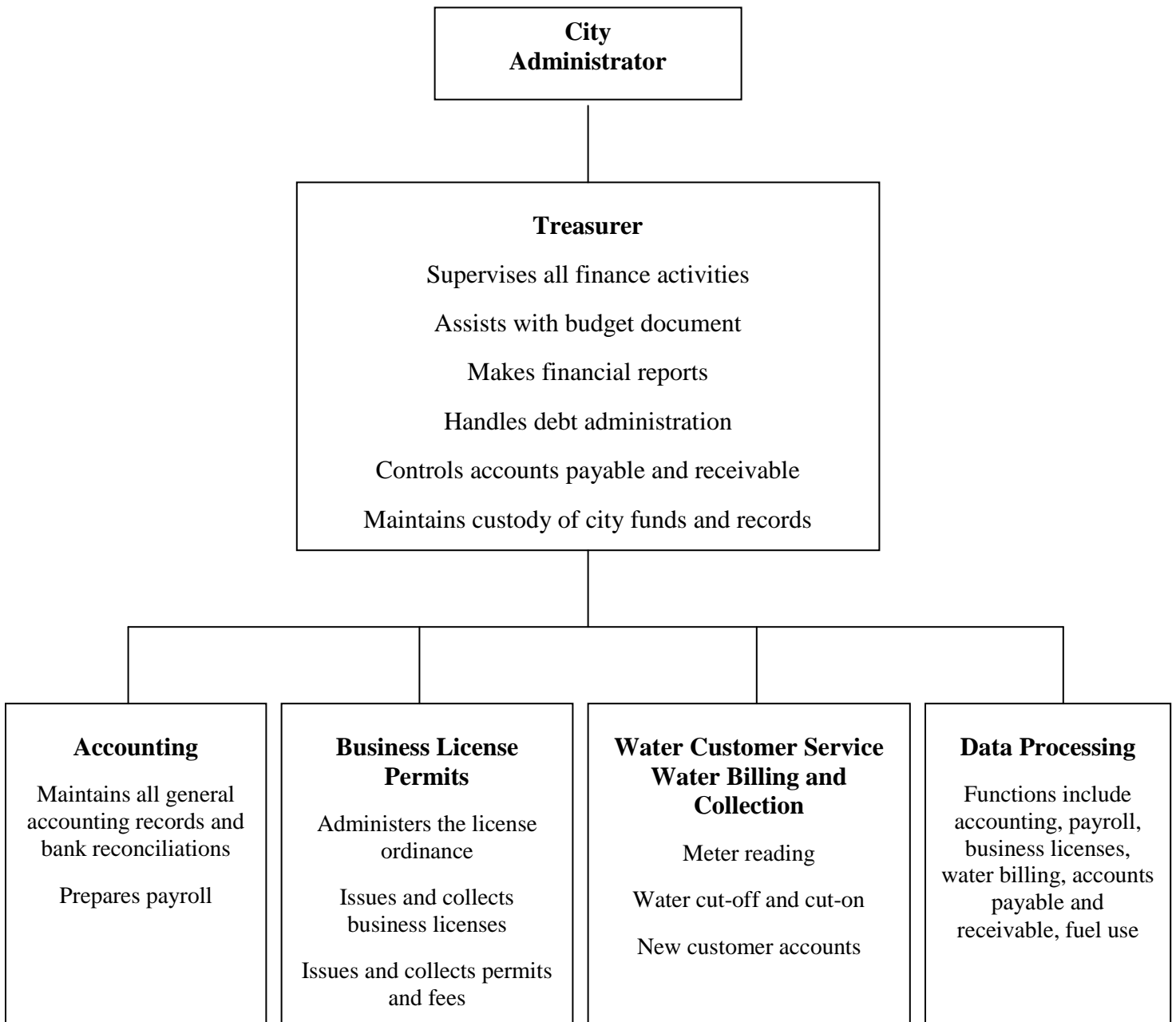
Justin R. Black, CPA  
City Treasurer



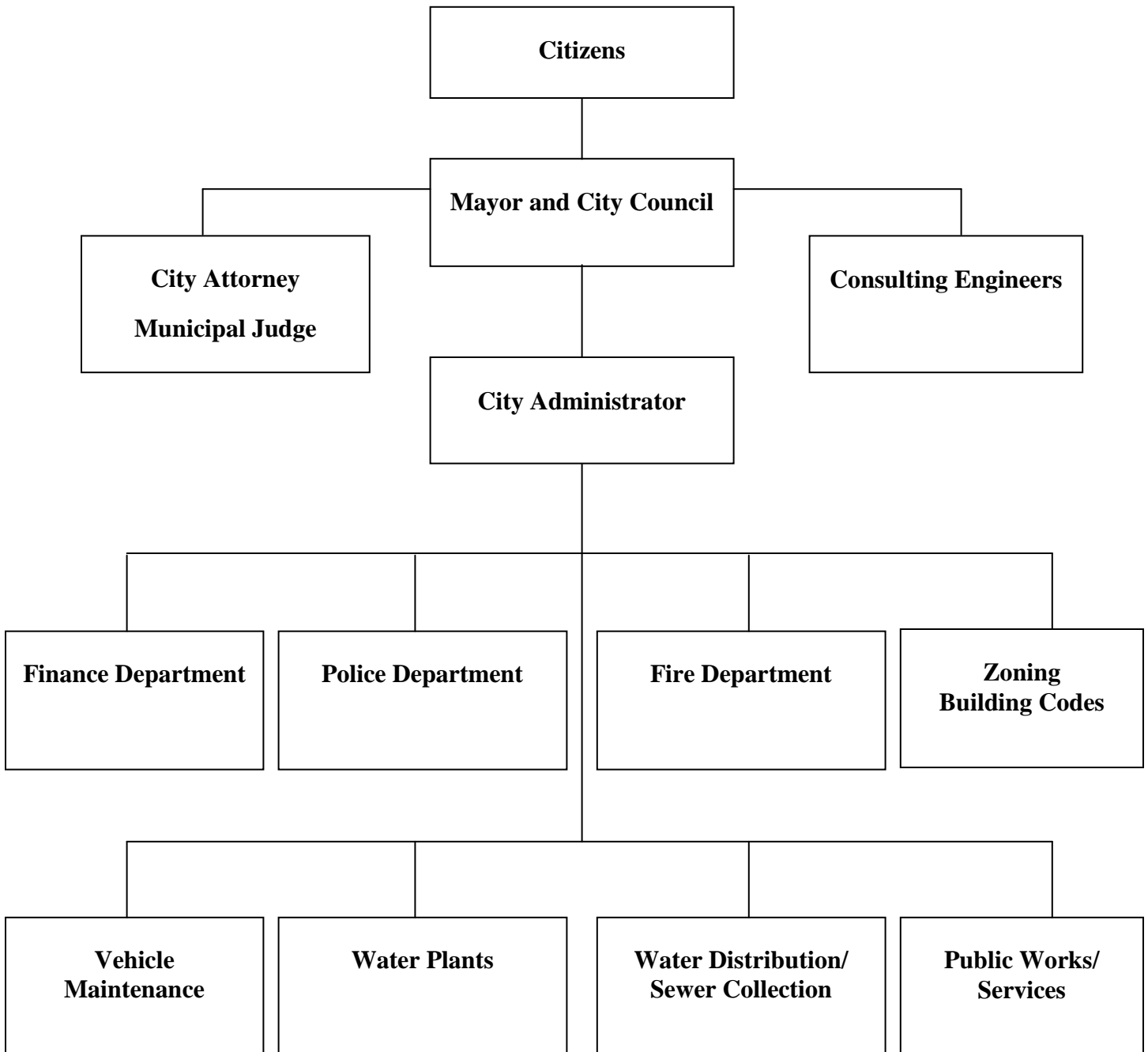
Jennifer T. Cunningham  
City Administrator

**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**

**Casey Jordan Hallman, Mayor Pro-Tempore**

**Eric L. Fowler**

**L. Dale Harley**

**Boyd J. Jones**

**Temus C. Miles, Jr.**

**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, 2013**



Executive Director/CEO



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# THE BRITTINGHAM GROUP, L.L.P.

## CERTIFIED PUBLIC ACCOUNTANTS

501 STATE STREET  
POST OFFICE BOX 5949  
WEST COLUMBIA, SOUTH CAROLINA 29171

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PHONE: (803) 739-3090  
FAX: (803) 791-0834

### INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of City Council  
City of West Columbia, South Carolina  
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, 2014, 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 of West Columbia, South Carolina as of June 30, 2014, 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.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Funding Progress – Employees' Other Postemployment Benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 as a whole. The introductory section, supplementary information, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information in Schedules A-1 through E-1 is the responsibility of management and was derived from and relates 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 supplementary information in Schedules A-1 through E-1 is 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 dated February 26, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of 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 control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*The Brittingham Group LLP*

West Columbia, South Carolina  
February 26, 2015

## **City of West Columbia, SC 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, 2014. 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 2014 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, 2014 by \$34,147,933 (net position).
- The City's total net position increased \$559,632 with \$310,712 of the increase from governmental activities and an increase of \$248,920 resulting from business-type activities.
- For the fiscal year ending June 30, 2014, 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 \$4,673,341, an increase of \$136,341 over the previous fiscal year. Of this amount, \$4,508,614 is unrestricted.
- The General Fund reported actual revenues of \$231,680 over budget and expenditures under budgeted appropriations by \$179,421.
- The City's total long-term debt decreased by \$2,401,856 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 2013-2014. 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 36-59 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 twelfth 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 \$34,147,933 at the close of the most recent fiscal year. The City's increase in net position for this fiscal year amounts to \$559,632.

For the current year, the largest portion of the City's net position, 96.53 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<br>Activities |                   | Business-type<br>Activities |                   | Total             |                   |
|--------------------------------------|----------------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
|                                      | 2014                       | 2013              | 2014                        | 2013              | 2014              | 2013              |
| Current and other assets             | \$ 5,493,426               | \$ 5,334,340      | \$ 6,418,316                | \$ 6,460,035      | \$11,911,742      | \$11,794,375      |
| Capital assets, net                  | 12,369,438                 | 12,997,494        | 56,882,607                  | 58,522,174        | 69,252,045        | 71,519,668        |
| <b>Total assets</b>                  | <b>17,862,864</b>          | <b>18,331,834</b> | <b>63,300,923</b>           | <b>64,982,209</b> | <b>81,163,787</b> | <b>83,314,043</b> |
| Long-term liabilities<br>outstanding | 3,866,189                  | 4,628,772         | 37,600,331                  | 39,647,881        | 41,466,520        | 44,276,653        |
| Other liabilities                    | 1,730,835                  | 1,747,934         | 3,818,499                   | 3,701,155         | 5,549,334         | 5,449,089         |
| <b>Total liabilities</b>             | <b>5,597,024</b>           | <b>6,376,706</b>  | <b>41,418,830</b>           | <b>43,349,036</b> | <b>47,015,854</b> | <b>49,725,742</b> |
| <b>Net Position</b>                  |                            |                   |                             |                   |                   |                   |
| Net Investment in capital<br>assets  | 7,754,760                  | 7,594,825         | 25,210,043                  | 24,500,510        | 32,964,803        | 32,095,335        |
| Restricted                           | 143,948                    | 121,554           | 2,593,418                   | 2,770,192         | 2,737,366         | 2,891,746         |
| Unrestricted                         | 4,367,132                  | 4,238,749         | (5,921,368)                 | (5,637,529)       | (1,554,236)       | (1,398,780)       |
| <b>Total net position</b>            | <b>12,265,840</b>          | <b>11,955,128</b> | <b>21,882,093</b>           | <b>21,633,173</b> | <b>34,147,933</b> | <b>33,588,301</b> |

An additional portion of the City's net position (8.0 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 revenues being over budget and expenditures being under budget, as well as, proprietary fund revenues over expenditures. Actual business license fees exceeded budgeted revenues in the general fund. All general fund departments' actual expenditures were under budget, however, the general government and public safety departments were the main contributors to actual expenditures being significantly under budgeted expenditures. In the proprietary fund charges for services increased, but the main reason there was an increase in net position was the decrease in the transfers to the General Fund.



### City of West Columbia's Change in Net Position

|   | Governmental<br>Activities |              | Business-type<br>Activities |              | Total        |              |
|---|----------------------------|--------------|-----------------------------|--------------|--------------|--------------|
|   | 2014                       | 2013         | 2014                        | 2013         | 2014         | 2013         |
| <b>Revenues</b>                         |                            |              |                             |              |              |              |
| Program revenues                        |                            |              |                             |              |              |              |
| Charges for services                    | \$ 4,933,465               | \$ 4,394,467 | \$11,036,602                | \$10,814,210 | \$15,970,067 | \$15,208,677 |
| Operating grants & contributions        | 10,459                     | 377,865      | 102,654                     |              | 113,113      | 377,865      |
| Capital grants & contributions          | 37,797                     | 481,603      | 81,202                      | 202,491      | 118,999      | 684,094      |
| General revenues                        |                            |              |                             |              |              |              |
| Property taxes                          | 4,124,188                  | 4,006,034    |                             |              | 4,124,188    | 4,006,034    |
| Intergovernmental                       | 478,509                    | 468,226      |                             |              | 478,509      | 468,226      |
| Investment earnings                     | 164                        | 162          | 112,845                     | 173,361      | 113,009      | 173,523      |
| Other                                   | 160,565                    | 528,880      |                             |              | 160,565      | 528,880      |
| Total revenues                          | 9,745,147                  | 10,257,237   | 11,333,303                  | 11,190,062   | 21,078,450   | 21,447,299   |
| <b>Expenses</b>                         |                            |              |                             |              |              |              |
| General Government                      | 1,346,552                  | 1,656,211    |                             |              | 1,346,552    | 1,656,211    |
| Community Development                   | 346,572                    | 377,098      |                             |              | 346,572      | 377,098      |
| Public Safety                           | 7,275,636                  | 7,256,373    |                             |              | 7,275,636    | 7,256,373    |
| Public Services                         | 1,800,762                  | 1,708,734    |                             |              | 1,800,762    | 1,708,734    |
| General Services                        | 1,078,525                  | 1,047,600    |                             |              | 1,078,525    | 1,047,600    |
| Interest on Long-term Debt              | 130,510                    | 196,505      |                             |              | 130,510      | 196,505      |
| Water & Sewer Utility                   |                            |              | 8,540,261                   | 8,633,742    | 8,540,261    | 8,633,742    |
| Total expenses                          | 11,978,557                 | 12,242,521   | 8,540,261                   | 8,633,742    | 20,518,818   | 20,876,263   |
| Excess (deficiency)<br>before transfers | (2,233,410)                | (1,985,284)  | 2,793,042                   | 2,556,320    | 559,632      | 571,036      |
| Transfers                               | 2,544,122                  | 2,562,766    | (2,544,122)                 | (2,562,766)  | -            | -            |
| Increase (decrease)<br>in net position  | 310,712                    | 577,482      | 248,920                     | (6,446)      | 559,632      | 571,036      |

### 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2014, the City of West Columbia governmental funds reported combined fund balances of \$4,673,341, an increase of \$ 136,341 over the prior year balances. Ninety-Six (96) percent of this total amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is split between a nonspendable amount of \$20,779, and \$143,948 being reserved that is not available for new spending because it has already been restricted for specific purposes.

## **Financial Analysis of City of West Columbia Funds (Continued)**

The General Fund is the primary operating fund of the City. At June 30, 2014, the total fund balance in the general fund was \$4,673,341. The General Fund balance increased by \$136,341 during the current fiscal year. This increase is mainly a result of business license fees exceeding budgeted projections, along with transferring \$405,178 less than budgeted from the Proprietary Fund. Also, actual expenditures were notably under budget in the general government and public safety 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, 2014, total net assets of the Water and Sewer Utility System amounted to \$21,882,093 as compared to \$21,633,173 at June 30, 2013. The increase in net assets of \$248,920 for the fiscal year is due mainly to increased operating revenues and decreased transfers to the General Fund.

### **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 2014 as well as the final budget are presented. Quarterly budget amendments and supplemental appropriations were approved during the 2013-2014 budget year. There was not a total difference between the original budget and the final amended budget.

The General Fund budgeted revenues of \$9,531,700 before other financing sources and achieved actual revenues of \$9,763,380, or \$231,680 more than budgeted. Expenditures were budgeted for \$12,736,000 before other uses with actual expenditures of \$12,556,579. The City budgeted a deficiency of estimated revenues over its appropriated expenditures before other financing sources and uses totaling \$3,204,300, but achieved a deficiency of revenue over expenditures before other financing sources and uses of \$2,793,199. The General Fund’s budget also included budgeted net transfers in from the Proprietary Fund of \$2,949,300. The difference between budgeted and actual revenues resulted mainly from an increase in business license fees. 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’s investments in capital assets for its governmental and business type activities as of June 30, 2014, amounts to \$63,051,805 (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 new RMS/CAD software for the police department for \$124,655 and added a new International truck for the sanitation department at a cost of \$76,401. The City also sold property located at 351 Meeting Street, West Columbia, SC, for a contract price of \$100,500.
- 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, 2014, and therefore, remains as construction in progress with cost to date of \$8,328,327 (see Note 16).

## Capital Assets and Debt Administration (Continued)

### City of West Columbia's Capital Assets (Net)

|                                      | Governmental<br>Activities |                   | Business-type<br>Activities |                   | Total             |                   |
|--------------------------------------|----------------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
|                                      | 2014                       | 2013              | 2014                        | 2013              | 2014              | 2013              |
| Land                                 | \$ 5,557,341               | \$ 5,557,341      | \$ 187,500                  | \$ 187,500        | \$ 5,744,841      | \$ 5,744,841      |
| Buildings & equipment                | 5,408,273                  | 5,790,824         | 31,567,800                  | 32,556,229        | 36,976,073        | 38,347,053        |
| Improvements other than<br>buildings |                            |                   | 9,355,641                   | 9,746,239         | 9,355,641         | 9,746,239         |
| Equipment                            |                            |                   | 1,194,503                   | 1,304,554         | 1,194,503         | 1,304,554         |
| Vehicles & equipment                 | 1,403,823                  | 1,649,329         | 43,421                      | 72,996            | 1,447,244         | 1,722,325         |
| Construction in progress             |                            |                   | 8,333,503                   | 7,763,697         | 8,333,503         | 7,763,697         |
| Total assets, net                    | <u>12,369,437</u>          | <u>12,997,494</u> | <u>50,682,368</u>           | <u>51,631,215</u> | <u>63,051,805</u> | <u>64,628,709</u> |

**Long-term debt** - At the end of the current fiscal year, the City of West Columbia had total bonded debt outstanding of \$4,012,600 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 \$ 25,464,675 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 \$4,745,948, as reflected in note 8 and table 13 of the statistical section of this report.

### City of West Columbia's Outstanding Long-term Debt

|                                 | Governmental<br>Activities |                  | Business-type<br>Activities |                   | Total             |                   |
|---------------------------------|----------------------------|------------------|-----------------------------|-------------------|-------------------|-------------------|
|                                 | 2014                       | 2013             | 2014                        | 2013              | 2014              | 2013              |
| Capital leases                  | \$ 602,077                 | \$ 592,745       | \$ 7,650                    |                   | \$ 609,727        | \$ 592,745        |
| Tax increment finance<br>bonds  | 2,208,000                  | 2,741,000        |                             |                   | 2,208,000         | 2,741,000         |
| General Obligation Bonds        | 1,804,600                  | 2,068,923        |                             |                   | 1,804,600         | 2,068,923         |
| Revenue bonds                   |                            |                  | 25,464,675                  | \$27,130,705      | 25,464,675        | 27,130,705        |
| Accrued compensated<br>absences | 565,688                    | 552,299          | 283,077                     | 251,951           | 848,765           | 804,250           |
| Total outstanding debt          | <u>5,180,365</u>           | <u>5,954,967</u> | <u>25,755,402</u>           | <u>27,382,656</u> | <u>30,935,767</u> | <u>33,337,623</u> |

## **Capital Assets and Debt Administration (Continued)**

The City's total outstanding debt decreased by \$2,401,856 during the current fiscal year. For additional information concerning the City's outstanding debt as of June 30, 2014, 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 4.7 percent, compared to the rate of 6.9 percent a year ago. This compares favorably with the state's rate of 5.7 percent and the national rate of 6.1 percent.
- Inflationary trends in the region compare favorably to national indices.

These indices were taken into account when adopting the general budget for 2014-2015. Amounts available for appropriation in the general fund budget are \$12,878,000, an increase of 1.1 percent over the final 2014 budget of \$12,736,000. It should be noted that the appropriated budget for 2015 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 2014-2015 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 2015 are expected to increase over the actual 2014 expenditures due mainly to an increase in expenditures for all public services. The City does not anticipate entering into any major land acquisitions for economic development purposes in fiscal year 2014-2015 and has not budgeted issuing any bonded debt instruments.

As for the City's business-type activities, the City did impose a fifteen percent (15%) rate increase for the water and sewer utility system in fiscal year 2015. This increase was imposed mainly to ensure the City could continue to maintain the water and sewer utility system and match recurring revenues to recurring expenditures. The City continues 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 \$200,000. Financing for the Greenhill water tank project is provided by State grants in the amount of \$190,388, of which \$109,130 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 Justin R. Black, CPA, City of West Columbia Treasurer.

## **BASIC FINANCIAL STATEMENTS**

## CITY OF WEST COLUMBIA, SOUTH CAROLINA

## STATEMENT OF NET POSITION

JUNE 30, 2014

|  | Governmental<br>Activities | Business-Type<br>Activities | Total             |
|--|----------------------------|-----------------------------|-------------------|
| <b>ASSETS</b>                            |                            |                             |                   |
| Current Assets:                          |                            |                             |                   |
| Cash                                     | \$ 1,214,889               | \$ 3,914,626                | \$ 5,129,515      |
| Receivables, net                         | 1,135,613                  | 2,206,045                   | 3,341,658         |
| Inventory                                | 19,439                     |                             | 19,439            |
| Prepaid Charges                          | 1,340                      | 11,143                      | 12,483            |
| Internal Balances, net                   | 2,997,635                  | (2,997,635)                 | -                 |
| Notes Receivable - Municipal Government  |                            | 690,719                     | 690,719           |
| Restricted Cash and Cash Equivalents     | 124,510                    | 2,593,418                   | 2,717,928         |
| Total Current Assets                     | 5,493,426                  | 6,418,316                   | 11,911,742        |
| Non -Current assets:                     |                            |                             |                   |
| Notes Receivable - Municipal Government  |                            | 6,200,239                   | 6,200,239         |
| Capital Assets, net:                     |                            |                             |                   |
| Land                                     | 5,557,341                  | 187,500                     | 5,744,841         |
| Buildings and Improvements               | 5,408,274                  | 31,567,800                  | 36,976,074        |
| Improvements Other Than Buildings        |                            | 9,355,641                   | 9,355,641         |
| Vehicles and Equipment                   | 1,403,823                  | 1,237,924                   | 2,641,747         |
| Construction in Progress                 |                            | 8,333,503                   | 8,333,503         |
| Total Non -Current assets                | 12,369,438                 | 56,882,607                  | 69,252,045        |
| <b>TOTAL ASSETS</b>                      | <b>17,862,864</b>          | <b>63,300,923</b>           | <b>81,163,787</b> |
| <b>LIABILITIES</b>                       |                            |                             |                   |
| Current Liabilities:                     |                            |                             |                   |
| Accounts Payable                         | 320,527                    | 438,579                     | 759,106           |
| Accrued Expenses and Other Liabilities   | 61,342                     | 23,083                      | 84,425            |
| Accrued Interest Payable                 | 34,789                     |                             | 34,789            |
| Capital Leases                           | 211,705                    | 1,482                       | 213,187           |
| Accrued Compensated Absences             | 288,372                    | 129,255                     | 417,627           |
| Customer Deposits                        |                            | 495,607                     | 495,607           |
| Unearned Revenue                         |                            | 621,656                     | 621,656           |
| (Payable from Restricted Assets)         |                            |                             |                   |
| TIF Bonds Payable                        | 540,000                    |                             | 540,000           |
| GO Bonds Payable                         | 274,100                    |                             | 274,100           |
| Contracts Payable                        |                            | 91,334                      | 91,334            |
| Revenue Bonds Payable                    |                            | 1,905,828                   | 1,905,828         |
| Accrued Interest Payable - Revenue Bonds |                            | 111,675                     | 111,675           |
| Total Current Liabilities                | 1,730,835                  | 3,818,499                   | 5,549,334         |
| Long-Term (Non-Current) Liabilities:     |                            |                             |                   |
| Capital Leases                           | 390,373                    | 6,168                       | 396,541           |
| Bonds Payable                            | 3,198,500                  | 23,558,848                  | 26,757,348        |
| Unearned Revenue                         |                            | 13,462,730                  | 13,462,730        |
| Accrued Compensated Absences             | 277,316                    | 153,822                     | 431,138           |
| Other Liabilities                        |                            | 418,763                     | 418,763           |
| Total Long-Term Liabilities              | 3,866,189                  | 37,600,331                  | 41,466,520        |
| <b>TOTAL LIABILITIES</b>                 | <b>5,597,024</b>           | <b>41,418,830</b>           | <b>47,015,854</b> |
| <b>NET POSITION</b>                      |                            |                             |                   |
| Net Investment in Capital Assets         | 7,754,760                  | 25,210,043                  | 32,964,803        |
| Restricted to:                           |                            |                             |                   |
| Debt Service                             | 21,542                     | 2,460,458                   | 2,482,000         |
| Capital Improvement Grant                |                            | 132,960                     | 132,960           |
| Law Enforcement Grants & Programs        | 75,741                     |                             | 75,741            |
| Accommodations Tax                       | 30,680                     |                             | 30,680            |
| Parks Program                            | 15,985                     |                             | 15,985            |
| Unrestricted                             | 4,367,132                  | (5,921,368)                 | (1,554,236)       |
| <b>TOTAL NET POSITION</b>                | <b>12,265,840</b>          | <b>21,882,093</b>           | <b>34,147,933</b> |

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, 2014**

|  | Program Revenue |                  |  |  | Net (Expense) Revenue and<br>Changes in Net Position |                             |              |
|--|-----------------|------------------|--|--|--|-----------------------------|--------------|
|  | Expenses        | Fee for Services | Operating<br>Grants and<br>Contributions | Capital Grants<br>and<br>Contributions | Governmental<br>Activities                           | Business-type<br>Activities | Totals       |
| <b><u>FUNCTIONS AND PROGRAMS</u></b>       |                 |                  |  |  |  |                             |              |
| Governmental activities:                   |                 |                  |  |  |  |                             |              |
| General government                         | \$ 1,346,552    | \$ 4,760,461     | \$ 2,644                                 | \$ 28,265                              | \$ 3,444,818   | \$                          | \$ 3,444,818 |
| Community & Economic Development           | 346,572         |                  |  |  | (346,572)  |                             | (346,572)    |
| Public Safety                              | 7,275,636       | 173,004          | 7,815                                    | 9,532                                  | (7,085,285)  |                             | (7,085,285)  |
| Public Services                            | 1,800,762       |                  |  |  | (1,800,762)  |                             | (1,800,762)  |
| General Services                           | 1,078,525       |                  |  |  | (1,078,525)  |                             | (1,078,525)  |
| Interest on Long-Term Debt                 | 130,510         |                  |  |  | (130,510)  |                             | (130,510)    |
|  | 11,978,557      | 4,933,465        | 10,459                                   | 37,797                                 | (6,996,836)  | -                           | (6,996,836)  |
| Business-type activities:                  |                 |                  |  |  |  |                             |              |
| Water and sewer utility                    | 8,540,261       | 11,036,602       | 102,654                                  | 81,202                                 |  | \$ 2,680,197                | 2,680,197    |
| Total Business-type activities             | 8,540,261       | 11,036,602       | 102,654                                  | 81,202                                 | -  | 2,680,197                   | 2,680,197    |
| <b><u>TOTAL FUNCTIONS AND PROGRAMS</u></b> | 20,518,818      | 15,970,067       | 113,113                                  | 118,999                                | (6,996,836)  | 2,680,197                   | (4,316,639)  |
| General Revenue and Transfers              |                 |                  |  |  |  |                             |              |
| Property Taxes                             |                 |                  |  |  | 4,124,188  |                             | 4,124,188    |
| Intergovernmental - Unrestricted           |                 |                  |  |  | 478,509  |                             | 478,509      |
| Loss on sale of capital assets             |                 |                  |  |  | (41,384)   |                             | (41,384)     |
| Investment earnings - Unrestricted         |                 |                  |  |  | 164  | 112,845                     | 113,009      |
| Miscellaneous                              |                 |                  |  |  | 201,949  |                             | 201,949      |
| Transfers                                  |                 |                  |  |  | 2,544,122  | (2,544,122)                 | -            |
| Total general revenue and transfers        |                 |                  |  |  | 7,307,548  | (2,431,277)                 | 4,876,271    |
| Changes in net position                    |                 |                  |  |  | 310,712  | 248,920                     | 559,632      |
| Net Position-July 1                        |                 |                  |  |  | 11,955,128   | 21,633,173                  | 33,588,301   |
| Net Position- June 30                      |                 |                  |  |  | 12,265,840   | 21,882,093                  | 34,147,933   |

*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, 2014**

|   | General<br>Fund         | Total<br>Governmental<br>Funds |
|---|-------------------------|--------------------------------|
| <b><u>ASSETS</u></b>  |                         |                                |
| Cash  | \$ 1,214,889            | \$ 1,214,889                   |
| Receivables (Net of Allowance for Uncollectables)                                 |                         |                                |
| Property Taxes  | 198,292                 | 198,292                        |
| State   | 95,312                  | 95,312                         |
| Municipal Governments   | 661,889                 | 661,889                        |
| Grants  | 4,880                   | 4,880                          |
| Rehabilitation Loans  | 32,646                  | 32,646                         |
| Other   | 142,596                 | 142,596                        |
| Inventory   | 19,439                  | 19,439                         |
| Prepaid Charges   | 1,340                   | 1,340                          |
| Due From Other Funds  | 2,997,635               | 2,997,635                      |
| Restricted assets:  |                         |                                |
| Cash  | 124,510                 | 124,510                        |
| <b><u>TOTAL ASSETS</u></b>  | <b><u>5,493,428</u></b> | <b><u>5,493,428</u></b>        |
| <b><u>LIABILITIES</u></b>   |                         |                                |
| Liabilities:  |                         |                                |
| Accounts Payable  | 320,527                 | 320,527                        |
| Accrued Payroll, Taxes, & Vacation Pay  | 349,714                 | 349,714                        |
| <b><u>TOTAL LIABILITIES</u></b>   | <b><u>670,241</u></b>   | <b><u>670,241</u></b>          |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>                                       |                         |                                |
| Unavailable revenue - property taxes  | 149,846                 | 149,846                        |
| <b><u>TOTAL DEFERRED INFLOWS OF RESOURCES</u></b>                                 | <b><u>149,846</u></b>   | <b><u>149,846</u></b>          |
| <b><u>FUND BALANCES</u></b>   |                         |                                |
| Nonspendable  | 20,779                  | 20,779                         |
| Restricted  | 143,948                 | 143,948                        |
| Unassigned  | 4,508,614               | 4,508,614                      |
| <b><u>TOTAL FUND BALANCES</u></b>   | <b><u>4,673,341</u></b> | <b><u>4,673,341</u></b>        |
| <b><u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u></b> | <b><u>5,493,428</u></b> |                                |

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.

12,369,437

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

(34,790)

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

(4,742,148)

Net Position, end of year - Governmental Activities

12,265,840

*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, 2014**

|  |                    | Total<br>Governmental<br>Funds |
|--|--------------------|--------------------------------|
| <b><u>REVENUES</u></b>                             | <b>General</b>     |                                |
| Property Taxes                                     | \$ 4,101,037       | \$ 4,101,037                   |
| Licenses and Permits                               | 4,028,076          | 4,028,076                      |
| Fines and Forfeitures                              | 161,744            | 161,744                        |
| Interest   | 164                | 164                            |
| Intergovernmental                                  | 478,509            | 478,509                        |
| Charges For Services                               | 732,385            | 732,385                        |
| Grant Proceeds                                     | 48,256             | 48,256                         |
| Narcotics Program Income                           | 11,260             | 11,260                         |
| Other Revenues                                     | 201,949            | 201,949                        |
| <b><u>TOTAL REVENUES</u></b>                       | <b>9,763,380</b>   | <b>9,763,380</b>               |
| <b><u>EXPENDITURES</u></b>                         |                    |                                |
| Current  |                    |                                |
| General Government                                 | 1,206,552          | 1,206,552                      |
| Community & Economic Development                   | 341,838            | 341,838                        |
| Public Safety                                      | 7,100,438          | 7,100,438                      |
| Public Services                                    | 1,741,512          | 1,741,512                      |
| General Services                                   | 993,229            | 993,229                        |
| Debt Service                                       |                    |                                |
| Principal  | 1,035,340          | 1,035,340                      |
| Interest   | 137,670            | 137,670                        |
| <b><u>TOTAL EXPENDITURES</u></b>                   | <b>12,556,579</b>  | <b>12,556,579</b>              |
| <b><u>EXCESS OF EXPENDITURES</u></b>               |                    |                                |
| <b><u>(OVER)/UNDER REVENUES</u></b>                | <b>(2,793,199)</b> | <b>(2,793,199)</b>             |
| <b><u>OTHER FINANCING SOURCES/(USES)</u></b>       |                    |                                |
| Transfers In/(Out)                                 |                    |                                |
| Water and Sewer Fund                               | 2,544,122          | 2,544,122                      |
| Capital Leases                                     | 247,350            | 247,350                        |
| Sale of Capital Assets                             | 138,068            | 138,068                        |
| <b><u>TOTAL OTHER FINANCING SOURCES (USES)</u></b> | <b>2,929,540</b>   | <b>2,929,540</b>               |
| <b><u>NET CHANGE IN FUND BALANCES</u></b>          | <b>136,341</b>     | <b>136,341</b>                 |
| <b><u>FUND BALANCE - July 1</u></b>                | <b>4,537,000</b>   | <b>4,537,000</b>               |
| <b><u>FUND BALANCE - June 30</u></b>               | <b>4,673,341</b>   | <b>4,673,341</b>               |

*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, 2014**

|   |                |
|---|----------------|
| Net change in fund balances - total governmental funds  | \$ 136,341     |
| 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.    | (448,606)      |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.  | 23,151         |
| 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.   | (8,713)        |
| 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. | 787,990        |
| In the statement of activities, only the loss 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.        | (179,451)      |
| Change in Net Position - Governmental Activities (See Note 20)  | <u>310,712</u> |

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

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2014**

|  | <b><u>BUDGETED AMOUNTS</u></b> |                     |                      | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|--------------------------------|---------------------|----------------------|---|
| <b><u>REVENUES</u></b>                             | <b><u>Original</u></b>         | <b><u>Final</u></b> | <b><u>Actual</u></b> |   |
| Property Taxes                                     | \$ 4,315,000                   | \$ 4,311,800        | \$ 4,101,037         | \$ (210,763)  |
| Licenses and Permits                               | 3,164,600                      | 3,680,600           | 4,028,076            | 347,476   |
| Fines and Forfeits                                 | 191,000                        | 159,000             | 161,744              | 2,744   |
| Interest   | 200                            | 200                 | 164                  | (36)  |
| Intergovernmental                                  | 417,500                        | 467,500             | 478,509              | 11,009  |
| Charges For Services                               | 710,000                        | 710,000             | 732,385              | 22,385  |
| Grant Proceeds                                     | 216,400                        | 74,600              | 48,256               | (26,344)  |
| Narcotics Program Income                           | 22,100                         | 22,100              | 11,260               | (10,840)  |
| Other Revenues                                     | 349,900                        | 105,900             | 201,949              | 96,049  |
| <b><u>TOTAL REVENUES</u></b>                       | <b>9,386,700</b>               | <b>9,531,700</b>    | <b>9,763,380</b>     | <b>231,680</b>  |
| <b><u>EXPENDITURES</u></b>                         |                                |                     |                      |   |
| Current  |                                |                     |                      |   |
| General Government                                 | 1,302,306                      | 1,268,406           | 1,206,552            | 61,854  |
| Community & Economic Development                   | 392,735                        | 343,035             | 341,838              | 1,197   |
| Public Safety                                      | 7,282,289                      | 7,197,789           | 7,100,438            | 97,351  |
| Public Services                                    | 1,646,165                      | 1,754,565           | 1,741,512            | 13,053  |
| General Services                                   | 1,082,435                      | 998,135             | 993,229              | 4,906   |
| Debt Service                                       |                                |                     |                      |   |
| Principal  | 892,000                        | 1,036,000           | 1,035,340            | 660   |
| Interest   | 138,070                        | 138,070             | 137,670              | 400   |
| <b><u>TOTAL EXPENDITURES</u></b>                   | <b>12,736,000</b>              | <b>12,736,000</b>   | <b>12,556,579</b>    | <b>179,421</b>  |
| <b><u>EXCESS OF EXPENDITURES OVER REVENUES</u></b> | <b>(3,349,300)</b>             | <b>(3,204,300)</b>  | <b>(2,793,199)</b>   | <b>411,101</b>  |
| <b><u>OTHER FINANCING SOURCES/(USES)</u></b>       |                                |                     |                      |   |
| Transfers In/(Out)                                 |                                |                     |                      |   |
| Water and Sewer Fund                               | 3,349,300                      | 2,949,300           | 2,544,122            | (405,178)   |
| Capital Leases                                     |                                | 255,000             | 247,350              | (7,650)   |
| Sale of Capital Assets                             |                                |                     | 138,068              | 138,068   |
| <b><u>TOTAL OTHER FINANCING SOURCES (USES)</u></b> | <b>3,349,300</b>               | <b>3,204,300</b>    | <b>2,929,540</b>     | <b>(274,760)</b>  |
| <b><u>NET CHANGE IN FUND BALANCE</u></b>           | <b>-</b>                       | <b>-</b>            | <b>136,341</b>       | <b>136,341</b>  |
| <b><u>FUND BALANCE - July 1</u></b>                |                                |                     | <b>4,537,000</b>     |   |
| <b><u>FUND BALANCE - June 30</u></b>               |                                |                     | <b>4,673,341</b>     |   |

*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, 2014**

|  | <b><u>Business-Type<br/>Activities</u></b> |
|--|--|
| <b><u>ASSETS</u></b>   |  |
| <b>CURRENT ASSETS</b>  |  |
| Cash   | \$ 3,914,626                               |
| Accounts Receivable  | 2,206,045                                  |
| Prepaid Charges  | 11,143                                     |
| Notes Receivable- Municipal Government                                   | 690,719                                    |
| Restricted Cash and Cash Equivalents                                     | <u>2,593,418</u>                           |
| <b><u>TOTAL CURRENT ASSETS</u></b>                                       | <u>9,415,951</u>                           |
| <b><u>NONCURRENT ASSETS</u></b>  |  |
| Noncurrent Receivable - Municipal Government                             | <u>6,200,239</u>                           |
| <b>CAPITAL ASSETS</b>  |  |
| Water Plant, Lines, and Sewer System                                     | 71,338,616                                 |
| Less: Accumulated Depreciation   | (28,989,751)                               |
| Construction in Progress   | <u>8,333,503</u>                           |
| <b><u>TOTAL CAPITAL ASSETS (NET OF<br/>ACCUMULATED DEPRECIATION)</u></b> | <u>50,682,368</u>                          |
| <b><u>TOTAL NONCURRENT ASSETS</u></b>                                    | <u>56,882,607</u>                          |
| <b><u>TOTAL ASSETS</u></b>   | <u>66,298,558</u>                          |

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND - WATER AND SEWER**  
**AS OF JUNE 30, 2014**

|   | <b><u>Business-Type<br/>Activities</u></b> |
|---|--|
| <b><u>LIABILITIES</u></b>                     |  |
| <b>CURRENT LIABILITIES</b>                    |  |
| (Payable from Current Assets)                 |  |
| Accounts Payable                              | \$ 438,579                                 |
| Customer Deposits                             | 495,607                                    |
| Accrued Payroll and Vacation Pay              | 152,338                                    |
| Capital Lease Obligation                      | 1,482                                      |
| Unearned Revenue                              | 621,656                                    |
| Due to Other Funds                            | 2,997,635                                  |
| (Payable from Restricted Assets)              |  |
| Contracts Payable                             | 91,334                                     |
| Revenue Bonds Payable                         | 1,905,828                                  |
| Accrued Interest Payable - Revenue Bonds      | <u>111,675</u>                             |
| <b><u>TOTAL CURRENT LIABILITIES</u></b>       | <b><u>6,816,134</u></b>                    |
| <b>LONG-TERM LIABILITIES</b>                  |  |
| Accrued Vacation Pay - Due After One Year     | 153,822                                    |
| Capital Lease Obligation - Due After One Year | 6,168                                      |
| Revenue Bonds - Due After One Year            | 23,558,848                                 |
| Unearned Revenue - Due After One Year         | 13,462,730                                 |
| Other Liabilities                             | <u>418,763</u>                             |
| <b><u>TOTAL LONG-TERM LIABILITIES</u></b>     | <b><u>37,600,331</u></b>                   |
| <b><u>TOTAL LIABILITIES</u></b>               | <b><u>44,416,465</u></b>                   |
| <b><u>NET POSITION</u></b>                    |  |
| Net Investment in Capital Assets              | 25,210,043                                 |
| Restricted                                    |  |
| Engineering and Repair Grant                  | 132,960                                    |
| Debt Service                                  | 2,460,458                                  |
| Unrestricted                                  | <u>(5,921,368)</u>                         |
| <b><u>TOTAL NET POSITION</u></b>              | <b><u>21,882,093</u></b>                   |

*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, 2014**

|  | <b><u>Business-Type<br/>Activities</u></b> |
|--|--|
| <b><u>OPERATING REVENUES</u></b>                       |  |
| Charges for Service                                    | \$ 11,036,602                              |
| <b><u>TOTAL OPERATING REVENUES</u></b>                 | <b><u>11,036,602</u></b>                   |
| <b><u>OPERATING EXPENSES</u></b>                       |  |
| Personnel Services                                     | 3,211,750                                  |
| Material and Supplies                                  | 658,900                                    |
| Contractual Services                                   | 895,245                                    |
| Utilities  | 923,105                                    |
| Repairs and Maintenance                                | 478,470                                    |
| Depreciation   | 1,653,732                                  |
| Other Operating Expenses                               | 106,610                                    |
| <b><u>TOTAL OPERATING EXPENSES</u></b>                 | <b><u>7,927,812</u></b>                    |
| <b><u>OPERATING INCOME</u></b>                         | <b><u>3,108,790</u></b>                    |
| <b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>        |  |
| Interest Revenue                                       | 112,845                                    |
| Interest and Amortization Expense                      | (612,449)                                  |
| Grant Proceeds   | 102,654                                    |
| <b><u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u></b>  | <b><u>(396,950)</u></b>                    |
| <b><u>CAPITAL CONTRIBUTIONS - GRANTS AND OTHER</u></b> | <b><u>81,202</u></b>                       |
| <b><u>NET INCOME (LOSS) BEFORE TRANSFERS</u></b>       | <b><u>2,793,042</u></b>                    |
| <b><u>TRANSFERS IN/(OUT)</u></b>                       |  |
| General Fund   | (2,544,122)                                |
| <b><u>CHANGE IN NET POSITION</u></b>                   | <b><u>248,920</u></b>                      |
| <b><u>NET POSITION - July 1</u></b>                    | <b><u>21,633,173</u></b>                   |
| <b><u>NET POSITION - June 30</u></b>                   | <b><u>21,882,093</u></b>                   |

*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, 2014**

|  | <b><u>Business-Type<br/>Activities</u></b> |
|--|--|
| <b><u>Cash Flows From Operating Activities</u></b>                                     |  |
| Cash Received From Customers   | \$ 10,208,157                              |
| Cash Paid to Suppliers   | (3,149,863)                                |
| Cash Paid to Employees   | (3,168,195)                                |
| <b><u>Net Cash Provided (Used) by Operating<br/>Activities</u></b>                     | <b><u>3,890,099</u></b>                    |
| <b><u>Cash Flows From Non-Capital Financing<br/>Activities</u></b>                     |  |
| Proceeds from Operating Grants   | 102,653                                    |
| Transfers Out  | (2,544,122)                                |
| <b><u>Net Cash Provided (Used) by Non-Capital<br/>Financing Activities</u></b>         | <b><u>(2,441,469)</u></b>                  |
| <b><u>Cash Flows From Capital and Related Financing<br/>Activities</u></b>             |  |
| Proceeds From Capital Debt   | 345,933                                    |
| Principal Paid on Capital Debt   | (2,036,930)                                |
| Interest Paid on Capital Debt  | (625,217)                                  |
| Aquisition of Capital Assets   | (672,268)                                  |
| Payments Received from Municipal Governments   | 797,615                                    |
| Proceeds from Capital Grants   | 81,202                                     |
| <b><u>Net Cash Provided (Used) by Capital and Related<br/>Financing Activities</u></b> | <b><u>(2,109,665)</u></b>                  |
| <b><u>Cash Flows From Investing Activities</u></b>                                     |  |
| Interest on Investments  | 112,845                                    |
| <b><u>Net Cash Provided by Investing Activities</u></b>                                | <b><u>112,845</u></b>                      |
| <b><u>Net Increase (Decrease) in Cash and<br/>Cash Equivalents</u></b>                 | <b><u>(548,190)</u></b>                    |
| <b><u>Cash and Cash Equivalents - July 1</u></b>                                       | <b><u>7,056,234</u></b>                    |
| <b><u>Cash and Cash Equivalents - June 30</u></b>                                      | <b><u>6,508,044</u></b>                    |

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2014**

|  | <b><u>Business-Type<br/>Activities</u></b> |
|--|--|
| Reconciliation of Operating Income to<br>Net Cash Provided by Operating Activities                       |  |
| <b><u>Operating Income</u></b>   | <b><u>\$ 3,108,790</u></b>                 |
| <b><u>Adjustments to Reconcile Operating Income to<br/>Net Cash Provided by Operating Activities</u></b> |  |
| Depreciation   | 1,653,732                                  |
| (Increase) Decrease in   |  |
| Accounts Receivable  | (249,621)                                  |
| Prepaid Charges  | (8,175)                                    |
| Increase (Decrease) in   |  |
| Accounts Payable   | 276,211                                    |
| Unearned Revenue   | (592,102)                                  |
| Customer Deposits  | 13,278                                     |
| Accrued Expenses   | 43,555                                     |
| Due to Other Funds   | <u>(355,569)</u>                           |
| <b><u>Total Adjustments</u></b>  | <b><u>781,309</u></b>                      |
| <b><u>Net Cash Provided by Operating Activities</u></b>  | <b><u>3,890,099</u></b>                    |

*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, 2014**

|                                 | <b><u>Total<br/>Agency<br/>Funds</u></b> |
|---------------------------------|--|
|                                 |  |
| <b><u>ASSETS</u></b>            |  |
| Cash and Cash Equivalents       |  |
| <b><u>TOTAL ASSETS</u></b>      | <b><u>\$ 25,671</u></b>                  |
|                                 |  |
| <b><u>LIABILITIES</u></b>       |  |
| Due to Fireman's Organization   | 11,918                                   |
| Agency Funds Held               | <u>13,753</u>                            |
| <b><u>TOTAL LIABILITIES</u></b> | <b><u>25,671</u></b>                     |

*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, 2014**

**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, 2014, 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, 2014**

**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, 2014**

**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, 2014**

**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, 2014, the City Mayor and Council approved the General Fund budget as follows:

| <b><u>Fund</u></b> | <b><u>Original Budget</u></b> | <b><u>Reduction in<br/>Appropriation</u></b> | <b><u>Final Budget</u></b> |
|--------------------|-------------------------------|--|----------------------------|
| <b>General</b>     | <b>\$ 12,736,000</b>          | <b>\$ -</b>                                  | <b>\$ 12,736,000</b>       |

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, 2014 all commitments lapsed and no encumbrances were recognized.

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2014**

**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 and certain prepayments to vendors are 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, 2014**

**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 only Governmental Fund, the General Fund, 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 the General Fund 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, 2014**

**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, 2014**

**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, 2014**

**Note 2.      Deposits and Investments**

**Deposits**

As of June 30, 2014, 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, 2014, the City had cash on-hand of \$1,975 and cash deposits in demand, savings, money market and certificate of deposit accounts equal to \$8,597,957. Of the deposit amounts, \$515,202 is covered by FDIC insurance, and the balance of \$8,082,755 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, 2014**

**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, 2014, 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, 2014**

**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:

|                                    | <b><u>Balance</u></b><br><b><u>July 1, 2013</u></b> | <b><u>Additions</u></b> | <b><u>Deletions</u></b> | <b><u>Balance</u></b><br><b><u>June 30, 2014</u></b> |
|------------------------------------|---|-------------------------|-------------------------|--|
| <b>Non-Depreciable</b>             |   |                         |                         |  |
| <b>Capital Assets:</b>             |   |                         |                         |  |
| Land                               | \$ 5,557,341  |                         |                         | \$ 5,557,341   |
| <b>Total Non-Depreciable</b>       |   |                         |                         |  |
| <b>Capital Assets:</b>             | <b><u>5,557,341</u></b>                             |                         |                         | <b><u>5,557,341</u></b>                              |
| <b>Depreciable Capital Assets:</b> |   |                         |                         |  |
| Buildings and Improvements         | 8,137,961   | \$ 9,625                | \$ 161,341              | 7,986,245  |
| Vehicles and Equipment             | 8,251,446   | 496,994                 | 96,853                  | 8,651,587  |
| <b>Total Depreciable</b>           |   |                         |                         |  |
| <b>Capital Assets</b>              | <b><u>16,389,407</u></b>                            | <b><u>506,619</u></b>   | <b><u>258,194</u></b>   | <b><u>16,637,832</u></b>                             |
| <b>Total Capital Assets:</b>       | <b><u>21,946,748</u></b>                            | <b><u>506,619</u></b>   | <b><u>258,194</u></b>   | <b><u>22,195,173</u></b>                             |
| <b>Less accumulated</b>            |   |                         |                         |  |
| <b>Depreciation for:</b>           |   |                         |                         |  |
| Buildings and Improvements         | 2,347,137   | 230,835                 |                         | 2,577,972  |
| Vehicles and Equipment             | 6,602,117   | 724,390                 | 78,743                  | 7,247,764  |
| <b>Total Accumulated</b>           |   |                         |                         |  |
| <b>Depreciation</b>                | <b><u>8,949,254</u></b>                             | <b><u>955,225</u></b>   | <b><u>78,743</u></b>    | <b><u>9,825,736</u></b>                              |
| <b>Governmental Activities</b>     |   |                         |                         |  |
| <b>Capital Assets, Net:</b>        | <b><u>12,997,494</u></b>                            | <b><u>(448,606)</u></b> | <b><u>179,451</u></b>   | <b><u>12,369,437</u></b>                             |

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

|   |                       |
|---|-----------------------|
| General government  | \$ 187,007            |
| Community and economic development                          | 672                   |
| Public safety   | 509,915               |
| Public services   | 161,911               |
| General services  | 95,720                |
| <b>Total depreciation expense – governmental activities</b> | <b><u>955,225</u></b> |

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2014**

**Note 6. Changes in Capital Assets (continued)**

**Business-Type Activities:**

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

|  | <b><u>Balance</u></b><br><b><u>July 1, 2013</u></b> | <b><u>Additions</u></b>  | <b><u>Deletions</u></b> | <b><u>Balance</u></b><br><b><u>June 30, 2014</u></b> |
|--|---|--------------------------|-------------------------|--|
| <b>Non-Depreciable Capital Assets:</b>               |   |                          |                         |  |
| Land   | \$ 187,500  |                          |                         | \$ 187,500   |
| Construction in Progress                             | 7,763,697   | \$ 569,806               |                         | 8,333,503  |
| <b>Total Non-Depreciable Capital Assets</b>          | <b><u>7,951,197</u></b>                             | <b><u>569,806</u></b>    |                         | <b><u>8,521,003</u></b>                              |
| <b>Depreciable Capital Assets</b>                    |   |                          |                         |  |
| Buildings  | 44,126,217  |                          |                         | 44,126,217   |
| Improvements Other Than Buildings                    | 23,856,380  | 135,079                  |                         | 23,991,459   |
| Equipment  | 2,197,675   |                          |                         | 2,197,675  |
| Vehicles and Equipment                               | 835,764   |                          |                         | 835,764  |
| <b>Total Depreciable Capital Assets:</b>             | <b><u>71,016,036</u></b>                            | <b><u>135,079</u></b>    |                         | <b><u>71,151,115</u></b>                             |
| <b>Total Capital Assets:</b>                         | <b><u>78,967,233</u></b>                            | <b><u>704,885</u></b>    |                         | <b><u>79,672,118</u></b>                             |
| <b>Less accumulated Depreciation for:</b>            |   |                          |                         |  |
| Buildings  | 11,569,988  | 988,429                  |                         | 12,558,417   |
| Improvements Other Than Buildings                    | 14,110,141  | 525,677                  |                         | 14,635,818   |
| Equipment  | 893,121   | 110,051                  |                         | 1,003,172  |
| Vehicles and Equipment                               | 762,768   | 29,575                   |                         | 792,343  |
| <b>Total Depreciable Capital Assets:</b>             | <b><u>27,336,018</u></b>                            | <b><u>1,653,732</u></b>  |                         | <b><u>28,989,750</u></b>                             |
| <b>Business-Type Activities Capital Assets, Net:</b> | <b><u>51,631,215</u></b>                            | <b><u>( 948,847)</u></b> |                         | <b><u>50,682,368</u></b>                             |

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

|  |                         |
|--|-------------------------|
| Water and sewer utility                                      | <u>\$ 1,653,732</u>     |
| <b>Total depreciation expense – business-type activities</b> | <b><u>1,653,732</u></b> |

**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 \$172,662 at June 30, 2014 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, 2014.

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2014**

**Note 7. Capital Leases (continued)**

| <b>Year Ending<br/><u>June 30</u></b>  | <b>Governmental-type<br/><u>Activities</u></b> | <b>Business-type<br/><u>Activities</u></b> |
|--|--|--|
| 2015   | \$ 229,330                                     | \$ 1,604                                   |
| 2016   | 153,049  | 1,604                                      |
| 2017   | 153,049  | 1,604                                      |
| 2018-2019  | <u>103,709</u>                                 | <u>3,208</u>                               |
| Minimum lease payments for all capital leases  | 639,136  | 8,020                                      |
| Less: Amount representing interest at the<br>City's incremental borrowing rate of interest | <u>37,058</u>                                  | <u>370</u>                                 |
| Present value of minimum lease payments  | <u>602,077</u>                                 | <u>7,650</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:**

|                             | <b>Balance<br/><u>July 1, 2013</u></b> | <b><u>Additions</u></b> | <b><u>Deletions</u></b> | <b>Balance<br/><u>June 30, 2014</u></b> |
|-----------------------------|--|-------------------------|-------------------------|---|
| <b>Long Term Debt:</b>      |  |                         |                         |   |
| Capital Leases              | \$ 592,745                             | \$ 247,350              | \$ 238,018              | \$ 602,077                              |
| Tax Increment Bonds         |  |                         |                         |   |
| Series 2013                 | 2,741,000                              |                         | 533,000                 | 2,208,000                               |
| General Obligation Bond     |  |                         |                         |   |
| Series 2010                 | <u>2,068,923</u>                       |                         | <u>264,323</u>          | <u>1,804,600</u>                        |
| <b>Total Payable</b>        | <b><u>5,402,668</u></b>                | <b><u>247,350</u></b>   | <b><u>1,035,341</u></b> | <b><u>4,614,677</u></b>                 |
| <b>Compensated Absences</b> | <b><u>552,299</u></b>                  | <b><u>44,866</u></b>    | <b><u>31,407</u></b>    | <b><u>565,688</u></b>                   |

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

|                                      |                             | <b><u>June 30, 2014</u></b>   |                                 |
|--------------------------------------|-----------------------------|-------------------------------|---------------------------------|
|                                      | <b><u>Interest Rate</u></b> | <b><u>Current Portion</u></b> | <b><u>Long Term Portion</u></b> |
| Capital Leases                       | 1.59 to 3.97%               | \$ 211,705                    | \$ 390,372                      |
| Tax Increment Bonds, Series 2013     | 1.426%                      | 540,000                       | 1,668,000                       |
| General Obligation Bond, Series 2010 | 3.699%                      | 274,100                       | 1,530,500                       |
| Compensated Absences                 |                             | 288,372                       | 277,316                         |

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 2009B, 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, 2014**

**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 4 years.

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

| <b><u>Year Ending June 30</u></b> | <b><u>Governmental Activities</u></b> |                               |
|-----------------------------------|---------------------------------------|-------------------------------|
|                                   | <b><u>Principal Amount</u></b>        | <b><u>Interest Amount</u></b> |
| 2015                              | \$ 814,100                            | \$ 98,238                     |
| 2016                              | 832,239                               | 80,399                        |
| 2017                              | 850,753                               | 62,070                        |
| 2018                              | 869,656                               | 43,239                        |
| 2019-2020                         | <u>645,852</u>                        | <u>35,855</u>                 |
| <b>Totals</b>                     | <b><u>4,012,600</u></b>               | <b><u>319,801</u></b>         |

**Business-Type Activities:**

|                              | <b><u>Balance<br/>July 1, 2013</u></b> | <b><u>Additions</u></b> | <b><u>Deletions</u></b> | <b><u>Balance<br/>June 30, 2014</u></b> |
|------------------------------|--|-------------------------|-------------------------|---|
| <b>Long Term Debt:</b>       |  |                         |                         |   |
| Capital Leases               |  | \$ 7,650                |                         | \$ 7,650                                |
| Revenue Bonds – 2005         | \$ 8,619,859                           |                         | \$ 590,571              | 8,029,288                               |
| Revenue Bonds – 2009A        | 8,705,560                              |                         | 417,963                 | 8,287,597                               |
| Revenue Bonds – 2009B        | 7,054,286                              | 370,900                 | 441,396                 | 6,983,790                               |
| Revenue Bonds – 2013         | <u>2,751,000</u>                       |                         | <u>587,000</u>          | <u>2,164,000</u>                        |
| <b>Total Payable</b>         | <b><u>27,130,705</u></b>               | <b><u>378,550</u></b>   | <b><u>2,036,930</u></b> | <b><u>25,472,325</u></b>                |
| <b>Compensated Absences:</b> | <b><u>251,951</u></b>                  | <b><u>31,912</u></b>    | <b><u>786</u></b>       | <b><u>283,077</u></b>                   |

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

|                      | <b><u>Interest Rate</u></b> | <b><u>June 30, 2014<br/>Current Portion</u></b> | <b><u>Long Term Portion</u></b> |
|----------------------|-----------------------------|---|---------------------------------|
| Capital Leases       | 1.59%                       | 1,482   | 6,168                           |
| Revenue Bonds:       |                             |   |                                 |
| Series 2005 Issue    | 2.25%                       | 603,971   | 7,425,317                       |
| Series 2009A Issue   | 2.25%                       | 427,446   | 7,860,151                       |
| Series 2009B Issue   | 2.25%                       | 451,411   | 6,532,379                       |
| Series 2013 Issue    | 1.48%                       | <u>423,000</u>                                  | <u>1,741,000</u>                |
| Total Revenue Bonds  |                             | <b><u>1,905,828</u></b>                         | <b><u>23,558,847</u></b>        |
| Compensated Absences |                             | 129,255   | 153,822                         |

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2014**

**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.

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 \$4,745,948 at June 30, 2014 (Table 13).

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

| <b><u>Year Ended</u></b><br><b><u>June 30</u></b> | <b><u>Revenue Bonds</u></b>                     |  |
|---|---|--|
|   | <b><u>Principal</u></b><br><b><u>Amount</u></b> | <b><u>Interest</u></b><br><b><u>Amount</u></b> |
| 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  | 1,150,402                                       | 104,471  |
| 2028  | 818,318   | 54,507   |
| 2029  | 585,196   | 25,132   |
| 2030  | 598,474   | 11,854   |
| 2031  | 151,729   | 853  |
| <b>Totals</b>                                     | <b><u>25,464,675</u></b>                        | <b><u>4,514,593</u></b>                        |

**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:

|   | <b><u>Governmental</u></b><br><b><u>Activities</u></b> | <b><u>Business-Type</u></b><br><b><u>Activities</u></b> |
|---|--|---|
| <b><u>Net Investment in Capital Assets:</u></b> |  |   |
| Net capital assets                              | \$ 12,369,437  | \$ 50,682,368   |
| Less net bonds payable                          | 4,012,600  | 25,464,675  |
| Less capital leases                             | 602,078  | 7,650   |
| <b>Total investment in capital assets</b>       | <b><u>7,754,759</u></b>                                | <b><u>25,210,043</u></b>                                |



**CITY OF WEST COLUMBIA, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2014**

**Note 9.      Net Position (continued)**

|                                      | <b><u>Governmental<br/>Activities</u></b> | <b><u>Business-Type<br/>Activities</u></b> |
|--------------------------------------|---|--|
| <b><u>Restricted:</u></b>            |   |  |
| Debt service                         | \$ 21,542                                 | \$ 2,460,458                               |
| Capital Improvement Grant            |   | 132,960                                    |
| Law Enforcement Grants and Programs  | 75,741                                    |  |
| Parks Program                        | 15,985                                    |  |
| Accommodations Tax                   | 30,680                                    |  |
| <b>Total restricted net position</b> | <b><u>143,948</u></b>                     | <b><u>2,593,418</u></b>                    |

**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, 2014, for employees covered by SCRS was \$6,058,125 and by PORS was \$2,379,480. The City's total payroll for all employees was \$8,437,605.

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:

|                        | <b><u>SCRS</u></b> | <b><u>PORS</u></b> |
|------------------------|--------------------|--------------------|
| Employee Contributions | 7.500% of Salary   | 7.840% of Salary   |
| Employer Contributions | 10.450% of Salary  | 12.440% 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, 2014, 2013 and 2012 were \$642,161, \$619,454, and \$536,859 respectively. The City's contributions to the PORS for the years ending June 30, 2014, 2013 and 2012 were \$305,525, \$305,858, and \$281,450, 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, 2014**

**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**

On July 1, 2011, the city began coverage in the South Carolina Public Employee Benefit Authority (PEBA), 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 PEBA 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). PEBA 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 (SCMIT), 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, 2014 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, 2014**

**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, 2014 are as follows:

|                                   | <b><u>Inter-fund Receivables</u></b> | <b><u>Inter-fund Payables</u></b> |
|-----------------------------------|--------------------------------------|-----------------------------------|
| General Fund                      | \$ 2,997,635                         |                                   |
| Proprietary Fund: Water and Sewer |                                      | \$ 2,997,635                      |
| <b>Totals</b>                     | <b><u>2,997,635</u></b>              | <b><u>2,997,635</u></b>           |

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, 2014 are as follows:

| <b><u>Transfer Out</u></b>        | <b><u>Transfer In</u></b>  |
|-----------------------------------|----------------------------|
|                                   | <b><u>General Fund</u></b> |
| Proprietary Fund: Water and Sewer | \$ 2,544,122               |

The transfer of \$2,544,122 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. Based on capacity purchased as of June 30, 2014, forty-nine and one fifth percent (49.20%) of the water produced is to be made available to the Commission and twenty-eight and nine tenths percent (28.89%) to the Town. Water is sold at a bulk rate, which in turn would be sold to their customers. The Commission and the Town only have an operational interest in the plant and not an equitable interest.

**Note 16. Construction Commitments**

The City has an active construction project as of June 30, 2014. 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 \$8,328,327 on the clean water project. The remaining commitment on the construction project is \$81,388.

The commitment for this project is being funded by State of South Carolina's State Infrastructure Revolving Loan Program through issuance of Revenue Bonds. The total obligation for this project is \$10,304,746, with proceeds of \$1,849,855 left to be spent on this project.

**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, 2014**

**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. The City will contribute toward the medical premium for retirees who retire with 15 years of continuous service with the City and was employed with the City as of June 30, 2008 as a fulltime employee. The portion of the premium paid by the City for these retirees varies based on service at retirement. Anyone hired by the City on July 1, 2008 or later is required to pay the full premium regardless of service at retirement. 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, 2013, the measurement date for the plan year 2013, there were 206 covered participants; 16 members are retirees and covered spouses receiving benefits and 190 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 2013-2014 was \$10,980. 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.

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2014**

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

**B. Funding Policy (continued)**

The City pays the premiums until the employee reaches age 65 or becomes Medicare eligible. For the fiscal year 2013-2014, the City contributed \$92,246 for retiree healthcare coverage and the retirees contributed the balance based on the number of years of service.

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 closed period with 25 years remaining as of the most recent valuation date. The current ARC rate is based on an actuarial valuation that is prepared in accordance within certain parameters. The rate as of the most recent valuation was 2.80 percent of annual covered payroll.

**C. Annual OPEB Cost and Funded Status and Funding Progress**

For the fiscal year 2013-2014 the City's annual OPEB cost was \$ 224,009 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, 2014:

|  |                       |
|--|-----------------------|
| Normal Cost  | \$ 114,541            |
| 30 Year amortization of unfunded accrued liability (UAL) | <u>104,943</u>        |
| Subtotal   | 219,484               |
| Expenses   | <u>4,525</u>          |
| Total Annual Required Contribution (ARC)                 | <u><u>224,009</u></u> |

The ARC included \$ 131,763 paid by the City to the Plan to pre-fund benefits and \$ 92,246 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, 2014, 2013 and 2012 respectively were as follows:

| <u>Fiscal Year</u><br><u>Ended</u> | <u>Annual</u><br><u>OPEB Cost</u> | <u>Percentage of</u><br><u>Annual OPEB</u><br><u>Cost Contributed</u> | <u>Net OPEB</u><br><u>(Obligation)</u><br><u>Asset</u> |
|------------------------------------|-----------------------------------|---|--|
| 6-30-2014                          | \$ 224,009                        | 100%  | \$ 0   |
| 6-30-2013                          | \$ 270,465                        | 100%  | \$ 0   |
| 6-30-2012                          | \$ 275,065                        | 100%  | \$ 0   |

At June 30, 2013, the actuarial accrued liability for benefits (AAL) was \$2,839,742, with \$1,286,721 in the actuarial value of Plan assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,553,021. The funded ratio (Actuarial value of Plan assets/AAL) was 45.31 percent. The covered payroll (annual payroll of active employees covered by the Plan) was \$7,997,866, and the ratio of the UAAL to covered payroll was 19.42 percent. As a result of Annual Required Contributions to the plan subsequent to July 1, 2013, the market value of the plan assets totaled \$1,463,192 as of June 30, 2014.

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2014**

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

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

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

**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 5.0% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 8.5% for the claims of those not yet eligible for Medicare and 6.5% for the claims of those eligible for Medicare. The pre-Medicare trend rate will decrease until it reaches 5% after five years. Both rates included a 2.75% inflation assumption. The dental cost trend rate was assumed to be 4.5% 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, 2014, was 24 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                 | \$ 22,195,173            |
| Less, accumulated depreciation | <u>(9,825,736)</u>       |
| <b>Net amount reported</b>     | <b><u>12,369,437</u></b> |

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2014**

**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)**

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. \$    (34,790)

**Net amount reported** (34,790)

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                 | \$    149,846    |
| Bonds and Capital leases payable | (4,614,678)      |
| Compensated absences             | <u>(277,316)</u> |

**Net amount reported** (4,742,148)

**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 | \$    506,619    |
| Depreciation expense        | <u>(955,225)</u> |

**Net amount reported** (448,606)

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

|                |              |
|----------------|--------------|
| Property taxes | \$    23,151 |
|----------------|--------------|

**Net amount reported** 23,151

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2014**

**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)**

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

|  |              |
|--|--------------|
| Change in Accrued compensated absences | (15,872)     |
| Change in Accrued interest expense     | <u>7,159</u> |

|                            |                              |
|----------------------------|------------------------------|
| <b>Net amount reported</b> | <b><u><u>(8,713)</u></u></b> |
|----------------------------|------------------------------|

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

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

|                                     |                |
|-------------------------------------|----------------|
| Capital Lease Proceeds              | (247,350)      |
| Principal payments – Bonds          | 797,322        |
| Principal payments – Capital Leases | <u>238,018</u> |

|                            |                              |
|----------------------------|------------------------------|
| <b>Net amount reported</b> | <b><u><u>787,990</u></u></b> |
|----------------------------|------------------------------|

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.

**\$ (179,451)**

**Note 21.      New Pronouncements**

The GASB issued Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27." This Statement replaces the requirement of Statement No. 27 and No. 50 related to pension plans that are administered through trust or equivalent arrangements. The requirements of Statement No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014.

The GASB issued Statement No. 69, "Government Combinations and Disposals of Government Operations." This Statement establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement should be applied prospectively and are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. However, earlier application of the Statement is encouraged.



**CITY OF WEST COLUMBIA, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2014**

**Note 21. New Pronouncements (continued)**

The GASB issued Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees." This Statement establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions (i.e., nonexchange financial guarantees). The issuer of the guaranteed obligation can be a legally separate entity or individual, including a blended or discretely presented component unit. Guidance is provided for situations where a state or local government extends or receives a nonexchange financial guarantee. The requirements of this Statement are effective for financial statement periods beginning after June 15, 2013.

**Note 22. Subsequent Events**

The City has evaluated all events subsequent to the basic financial statements for the year ended June 30, 2014 through February 26, 2015, which is the date the financial statements were available to be issued, and determined that there are two additional subsequent events requiring note disclosure.

The City contracts with the City of Columbia for sewer treatment services. The City of Columbia has requested the City to share in the capital improvement costs to their system, as well as, negotiate a new contract. The City has not yet determined the impact of these changes, but feels they will be significant to the proprietary fund.

The City entered into a contract and sold property located at 136 Sunset Blvd, West Columbia, SC, on February 9, 2015, in the amount of \$300,000.

## **Required Supplementary Information**

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

| <b><u>Actuarial<br/>Valuation<br/>Date*</u></b> | <b><u>Actuarial<br/>Value<br/>of Assets</u></b> | <b><u>Accrued<br/>Liability</u></b> | <b><u>Unfunded Actuarial<br/>Accrued Liability<br/>(UAAL)</u></b> | <b><u>Funded<br/>Ratio</u></b> | <b><u>Covered<br/>Payroll</u></b> | <b><u>UAAL as a<br/>Percentage of<br/>Covered Payroll</u></b> |
|---|---|-------------------------------------|---|--------------------------------|-----------------------------------|---|
| 7-1-2010  | \$ 695,681                                      | \$ 3,868,995                        | \$ 3,173,314  | 17.98%                         | \$ 6,810,014                      | 46.60%  |
| 7-1-2011  | 1,013,200                                       | 3,071,045                           | 2,057,845   | 32.99%                         | 7,674,986                         | 26.81%  |
| 7-1-2013  | 1,286,721                                       | 2,839,742                           | 1,553,021   | 42.31%                         | 7,997,866                         | 19.42%  |

\* Actuarial valuations are performed every two years.

## **GENERAL FUND**

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

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**  
**GENERAL FUND**  
**COMPARATIVE BALANCE SHEETS**  
**AS OF JUNE 30, 2014 AND 2013**

|  | <b><u>June 30,</u></b>  | <b><u>June 30,</u></b>  |
|--|-------------------------|-------------------------|
|  | <b><u>2014</u></b>      | <b><u>2013</u></b>      |
|  | <b>\$ 1,214,889</b>     | <b>\$ 1,099,612</b>     |
| <b><u>ASSETS</u></b>   |                         |                         |
| Cash   |                         |                         |
| Receivables (Net of Allowance for Uncollectibles)              |                         |                         |
| Property Taxes - Delinquent                                    | 198,292                 | 156,326                 |
| State  | 95,312                  | 92,303                  |
| Municipal Governments  | 661,889                 | 142,353                 |
| Grants   | 4,880                   | 189,334                 |
| Rehabilitation Loans   | 32,646                  | 32,646                  |
| Other  | 142,596                 | 127,569                 |
| Inventory  | 19,439                  | 19,439                  |
| Prepaid Charges  | 1,340                   |                         |
| Due From Other Funds   |                         |                         |
| Water and Sewer Fund   | 2,997,635               | 3,353,204               |
| Restricted Assets  |                         |                         |
| Cash   | 124,510                 | 121,554                 |
| <b><u>TOTAL ASSETS</u></b>                                     | <b><u>5,493,428</u></b> | <b><u>5,334,340</u></b> |
|  |                         |                         |
| <b><u>LIABILITIES</u></b>                                      |                         |                         |
| Accounts Payable   | 320,527                 | 325,328                 |
| Contracts / Retainage Payable                                  |                         | 19,250                  |
| Payroll Withholding  | 8,048                   | 6,533                   |
| Accrued Salaries   | 53,294                  | 28,679                  |
| Accrued Vacation Pay   | 288,372                 | 290,855                 |
| <b><u>TOTAL LIABILITIES</u></b>                                | <b><u>670,241</u></b>   | <b><u>670,645</u></b>   |
|  |                         |                         |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>                    |                         |                         |
| Unavailable revenue - property taxes                           | 149,846                 | 126,695                 |
| <b><u>TOTAL DEFERRED INFLOWS OF RESOURCES</u></b>              | <b><u>149,846</u></b>   | <b><u>126,695</u></b>   |
|  |                         |                         |
| <b><u>FUND BALANCE</u></b>                                     |                         |                         |
| Nonspendable   | 20,779                  | 19,439                  |
| Restricted   | 143,948                 | 121,554                 |
| Unassigned   | 4,508,614               | 4,396,007               |
| <b><u>TOTAL FUND BALANCE</u></b>                               | <b><u>4,673,341</u></b> | <b><u>4,537,000</u></b> |
|  |                         |                         |
| <b><u>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES,</u></b> |                         |                         |
| <b><u>AND FUND BALANCE</u></b>                                 | <b><u>5,493,428</u></b> | <b><u>5,334,340</u></b> |

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**YEARS ENDED JUNE 30, 2014 AND 2013**

|   | June 30,<br>2014   | June 30,<br>2013   |
|---|--------------------|--------------------|
| <b><u>REVENUES</u></b>                                  |                    |                    |
| Property Taxes  | \$ 4,101,037       | \$ 4,049,721       |
| Licenses and Permits                                    | 4,028,076          | 3,371,652          |
| Fines and Forfeitures                                   | 161,744            | 276,023            |
| Interest  | 164                | 162                |
| Intergovernmental                                       | 478,509            | 468,226            |
| Charges For Services                                    | 732,385            | 708,385            |
| Grant Proceeds  | 48,256             | 859,468            |
| Narcotics Program Income                                | 11,260             | 38,407             |
| Other Revenues  | 201,949            | 476,311            |
| <b><u>TOTAL REVENUES</u></b>                            | <b>9,763,380</b>   | <b>10,248,355</b>  |
| <b><u>EXPENDITURES</u></b>                              |                    |                    |
| Current   |                    |                    |
| General Government                                      | 1,206,552          | 1,510,249          |
| Community and Economic Development                      | 341,838            | 375,206            |
| Public Safety   | 7,100,438          | 6,860,122          |
| Public Services   | 1,741,512          | 1,559,523          |
| General Services  | 993,229            | 940,515            |
| Debt Service  |                    |                    |
| Principal   | 1,035,340          | 961,063            |
| Interest  | 137,670            | 226,124            |
| <b><u>TOTAL EXPENDITURES</u></b>                        | <b>12,556,579</b>  | <b>12,432,802</b>  |
| <b><u>EXCESS OF EXPENDITURES</u></b>                    |                    |                    |
| <b><u>OVER/(UNDER) REVENUES</u></b>                     | <b>(2,793,199)</b> | <b>(2,184,447)</b> |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>            |                    |                    |
| Transfers In/(Out)                                      |                    |                    |
| Water and Sewer Fund                                    | 2,544,122          | 2,562,766          |
| Capital Leases  | 247,350            |                    |
| Refunding Bonds Issued                                  |                    | 3,327,000          |
| Payments to Refunding Bond Agent                        |                    | (3,327,000)        |
| Sale of Capital Assets                                  | 138,068            | 55,400             |
| <b><u>TOTAL OTHER FINANCING SOURCES (USES)</u></b>      | <b>2,929,540</b>   | <b>2,618,166</b>   |
| <b><u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER</u></b> |                    |                    |
| <b><u>FINANCING SOURCES OVER EXPENDITURES</u></b>       |                    |                    |
| <b><u>AND OTHER FINANCING USES</u></b>                  | <b>136,341</b>     | <b>433,719</b>     |
| <b><u>FUND BALANCE - July 1</u></b>                     | <b>4,537,000</b>   | <b>4,103,281</b>   |
| <b><u>FUND BALANCE - June 30</u></b>                    | <b>4,673,341</b>   | <b>4,537,000</b>   |

## 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, 2014 AND 2013

|   | June 30, 2014      |                    |                                    | June 30, 2013      |                    |                                    |
|---|--------------------|--------------------|------------------------------------|--------------------|--------------------|------------------------------------|
| REVENUES  | Budget             | Actual             | Variance<br>Positive<br>(Negative) | Budget             | Actual             | Variance<br>Positive<br>(Negative) |
| Property Taxes  | \$ 4,311,800       | \$ 4,101,037       | \$ (210,763)                       | \$ 3,916,550       | \$ 4,049,721       | \$ 133,171                         |
| Licenses and Permits  | 3,680,600          | 4,028,076          | 347,476                            | 3,236,460          | 3,371,652          | 135,192                            |
| Fines and Forfeitures   | 159,000            | 161,744            | 2,744                              | 473,000            | 276,023            | (196,977)                          |
| Interest  | 200                | 164                | (36)                               | 1,000              | 162                | (838)                              |
| Intergovernmental   | 467,500            | 478,509            | 11,009                             | 417,500            | 468,226            | 50,726                             |
| Charges for Services  | 710,000            | 732,385            | 22,385                             | 710,000            | 708,385            | (1,615)                            |
| Grant Proceeds  | 74,600             | 48,256             | (26,344)                           | 1,302,600          | 859,468            | (443,132)                          |
| Narcotics Program Income  | 22,100             | 11,260             | (10,840)                           | 10,600             | 38,407             | 27,807                             |
| Other Revenues  | 105,900            | 201,949            | 96,049                             | 437,500            | 476,311            | 38,811                             |
| <b>TOTAL REVENUES</b>   | <b>9,531,700</b>   | <b>9,763,380</b>   | <b>231,680</b>                     | <b>10,505,210</b>  | <b>10,248,355</b>  | <b>(256,855)</b>                   |
| <b>EXPENDITURES</b>   |                    |                    |                                    |                    |                    |                                    |
| General Government  | 1,268,406          | 1,206,552          | 61,854                             | 1,769,660          | 1,510,249          | 259,411                            |
| Community and Economic Development  | 343,035            | 341,838            | 1,197                              | 379,905            | 375,206            | 4,699                              |
| Public Safety   | 7,197,789          | 7,100,438          | 97,351                             | 7,094,995          | 6,860,122          | 234,873                            |
| Public Services   | 1,754,565          | 1,741,512          | 13,053                             | 1,689,700          | 1,559,523          | 130,177                            |
| General Services  | 998,135            | 993,229            | 4,906                              | 941,750            | 940,515            | 1,235                              |
| Debt Service  |                    |                    |                                    |                    |                    |                                    |
| Principal   | 1,036,000          | 1,035,340          | 660                                | 963,700            | 961,063            | 2,637                              |
| Interest  | 138,070            | 137,670            | 400                                | 229,900            | 226,124            | 3,776                              |
| <b>TOTAL EXPENDITURES</b>   | <b>12,736,000</b>  | <b>12,556,579</b>  | <b>179,421</b>                     | <b>13,069,610</b>  | <b>12,432,802</b>  | <b>636,808</b>                     |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>  | <b>(3,204,300)</b> | <b>(2,793,199)</b> | <b>411,101</b>                     | <b>(2,564,400)</b> | <b>(2,184,447)</b> | <b>379,953</b>                     |
| <b>OTHER FINANCING SOURCES/(USES)</b>   |                    |                    |                                    |                    |                    |                                    |
| Transfers In/(Out)  |                    |                    |                                    |                    |                    |                                    |
| Water and Sewer Fund  | 2,949,300          | 2,544,122          | (405,178)                          | 2,564,400          | 2,562,766          | (1,634)                            |
| Capital Leases  | 255,000            | 247,350            | (7,650)                            |                    |                    |                                    |
| Refunding Bonds Issued  |                    |                    |                                    |                    |                    |                                    |
| Payments to Refunding Bond Agent  |                    |                    |                                    |                    | 3,327,000          | 3,327,000                          |
| Sale of Capital Assets  |                    |                    |                                    |                    | (3,327,000)        | (3,327,000)                        |
|   |                    | 138,068            | 138,068                            |                    | 55,400             | 55,400                             |
| <b>TOTAL OTHER FINANCING SOURCES/(USES)</b>   | <b>3,204,300</b>   | <b>2,929,540</b>   | <b>(274,760)</b>                   | <b>2,564,400</b>   | <b>2,618,166</b>   | <b>53,766</b>                      |
| <b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b> | <b>-</b>           | <b>136,341</b>     | <b>136,341</b>                     | <b>-</b>           | <b>433,719</b>     | <b>433,719</b>                     |
| <b>FUND BALANCE - July 1</b>  |                    | <b>4,537,000</b>   |                                    |                    | <b>4,103,281</b>   |                                    |
| <b>FUND BALANCE - June 30</b>   |                    | <b>4,673,341</b>   |                                    |                    | <b>4,537,000</b>   |                                    |

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET**  
**YEAR ENDED JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

|  | Budget           | Actual           | Variance<br>Favorable<br>(Unfavorable) | 2013 Actual      |
|--|------------------|------------------|--|------------------|
| <b><u>GENERAL GOVERNMENT</u></b>                         |                  |                  |  |                  |
| <b><u>LEGISLATIVE (MAYOR &amp; COUNCIL)</u></b>          |                  |                  |  |                  |
| Personnel Services                                       | \$ 155,200       | \$ 156,130       | \$ (930)                               | \$ 150,176       |
| Other Services and Charges                               | 46,840           | 45,094           | 1,746                                  | 39,552           |
| Capital Outlay   | 1,445            | 1,128            | 317                                    | 1,127            |
| <b><u>TOTALS</u></b>                                     | <b>203,485</b>   | <b>202,352</b>   | <b>1,133</b>                           | <b>190,855</b>   |
| <b><u>ADMINISTRATIVE</u></b>                             |                  |                  |  |                  |
| Personnel Services                                       | 548,670          | 529,013          | 19,657                                 | 484,310          |
| Supplies   | 20,811           | 15,641           | 5,170                                  | 18,326           |
| Other Services and Charges                               | 397,625          | 368,347          | 29,278                                 | 413,347          |
| Capital Outlay   | 96,015           | 90,009           | 6,006                                  | 403,411          |
| Debt Service - Principal                                 | 533,983          | 533,000          | 983                                    | 731,120          |
| Debt Service - Interest                                  | 39,087           | 39,087           | -                                      | 195,996          |
| <b><u>TOTALS</u></b>                                     | <b>1,636,191</b> | <b>1,575,097</b> | <b>61,094</b>                          | <b>2,246,510</b> |
| <b><u>TOTAL GENERAL GOVERNMENT</u></b>                   | <b>1,839,676</b> | <b>1,777,449</b> | <b>62,227</b>                          | <b>2,437,365</b> |
| <b><u>COMMUNITY DEVELOPMENT</u></b>                      |                  |                  |  |                  |
| <b><u>INSPECTIONS / CODES COMPLIANCE</u></b>             |                  |                  |  |                  |
| Personnel Services                                       | 190,185          | 192,710          | (2,525)                                | 229,358          |
| Supplies   | 2,350            | 1,765            | 585                                    | 3,758            |
| Other Supplies and Charges                               | 26,930           | 24,428           | 2,502                                  | 19,967           |
| Capital Outlay   | 200              | 13               | 187                                    | 1,928            |
| <b><u>TOTAL COMMUNITY DEVELOPMENT</u></b>                | <b>219,665</b>   | <b>218,916</b>   | <b>749</b>                             | <b>255,011</b>   |
| <b><u>ECONOMIC DEVELOPMENT</u></b>                       |                  |                  |  |                  |
| Personnel Services                                       | 107,010          | 105,809          | 1,201                                  | 102,372          |
| Supplies   | 600              |                  | 600                                    | 520              |
| Other Services and Charges                               | 17,560           | 18,303           | (743)                                  | 17,303           |
| Capital Outlay   | 264,330          | 264,323          | 7                                      |                  |
| Debt Service - Interest                                  | 76,530           | 76,529           | 1                                      |                  |
| <b><u>TOTAL ECONOMIC DEVELOPMENT</u></b>                 | <b>466,030</b>   | <b>464,964</b>   | <b>1,066</b>                           | <b>120,195</b>   |
| <b><u>TOTAL COMMUNITY &amp; ECONOMIC DEVELOPMENT</u></b> | <b>685,695</b>   | <b>683,880</b>   | <b>1,815</b>                           | <b>375,206</b>   |
| <b><u>PUBLIC SAFETY</u></b>                              |                  |                  |  |                  |
| <b><u>POLICE DEPARTMENT</u></b>                          |                  |                  |  |                  |
| <b><u>ADMINISTRATION</u></b>                             |                  |                  |  |                  |
| Personnel Services                                       | 2,922,589        | 2,926,829        | (4,240)                                | 2,960,807        |
| Supplies   | 30,950           | 28,398           | 2,552                                  | 32,328           |
| Other Services and Charges                               | 790,750          | 719,205          | 71,545                                 | 648,462          |
| Capital Outlay   | 408,815          | 400,264          | 8,551                                  | 95,375           |
| <b><u>TOTALS</u></b>                                     | <b>4,153,104</b> | <b>4,074,696</b> | <b>78,408</b>                          | <b>3,736,972</b> |

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET**  
**YEAR ENDED JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

|  | Budget           | Actual           | Variance<br>Favorable<br>(Unfavorable) | 2013 Actual      |
|--|------------------|------------------|--|------------------|
| <b><u>PUBLIC SAFETY (CONTINUED)</u></b>  |                  |                  |  |                  |
| <b><u>DETECTIVES</u></b>                 |                  |                  |  |                  |
| Personnel Services                       | \$ 708,720       | \$ 707,060       | \$ 1,660                               | \$ 804,532       |
| Supplies                                 | 10,000           | 7,608            | 2,392                                  | 13,364           |
| Other Services and Charges               | 76,315           | 72,402           | 3,913                                  | 106,073          |
| Capital Outlay                           | 26,900           | 26,760           | 140                                    | 1,268            |
| <b><u>TOTALS</u></b>                     | <b>821,935</b>   | <b>813,830</b>   | <b>8,105</b>                           | <b>925,237</b>   |
| <b><u>DISPATCH - 911 CALL CENTER</u></b> |                  |                  |  |                  |
| Personnel Services                       | 253,505          | 247,401          | 6,104                                  | 273,827          |
| Supplies                                 | 1,300            | 575              | 725                                    | 2,699            |
| Other Services and Charges               | 4,075            | 2,304            | 1,771                                  | 3,828            |
| Capital Outlay                           | 1,600            | 668              | 932                                    | 2,579            |
| <b><u>TOTALS</u></b>                     | <b>260,480</b>   | <b>250,948</b>   | <b>9,532</b>                           | <b>282,933</b>   |
| <b><u>COURT ADMINISTRATION</u></b>       |                  |                  |  |                  |
| Personnel Services                       | 199,295          | 199,624          | (329)                                  | 188,106          |
| Supplies                                 | 3,500            | 2,728            | 772                                    | 3,652            |
| Other Services and Charges               | 50,530           | 51,499           | (969)                                  | 55,394           |
| Capital Outlay                           | 2,035            | 1,608            | 427                                    | 625              |
| <b><u>TOTALS</u></b>                     | <b>255,360</b>   | <b>255,459</b>   | <b>(99)</b>                            | <b>247,777</b>   |
| <b><u>TOTAL POLICE DEPARTMENT</u></b>    | <b>5,490,879</b> | <b>5,394,933</b> | <b>95,946</b>                          | <b>5,192,919</b> |
| <b><u>CROSSING GUARDS</u></b>            |                  |                  |  |                  |
| Personnel Services                       |                  |                  | -                                      | 534              |
| Other Services and Charges               |                  |                  | -                                      |                  |
| <b><u>TOTALS</u></b>                     | <b>-</b>         | <b>-</b>         | <b>-</b>                               | <b>534</b>       |
| <b><u>FIRE DEPARTMENT</u></b>            |                  |                  |  |                  |
| Personnel Services                       | 1,516,680        | 1,504,242        | 12,438                                 | 1,460,087        |
| Supplies                                 | 29,650           | 30,706           | (1,056)                                | 20,521           |
| Other Services and Charges               | 148,180          | 160,268          | (12,088)                               | 139,092          |
| Capital Outlay                           | 12,400           | 10,289           | 2,111                                  | 46,969           |
| Debt Service - Principal                 | 193,860          | 193,854          | 6                                      | 187,206          |
| Debt Service - Interest                  | 20,580           | 20,578           | 2                                      | 27,226           |
| <b><u>TOTALS</u></b>                     | <b>1,921,350</b> | <b>1,919,937</b> | <b>1,413</b>                           | <b>1,881,101</b> |
| <b><u>TOTAL PUBLIC SAFETY</u></b>        | <b>7,412,229</b> | <b>7,314,870</b> | <b>97,359</b>                          | <b>7,074,554</b> |



**CITY OF WEST COLUMBIA, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET**  
**YEAR ENDED JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

|  | Budget            | Actual            | Variance<br>Favorable<br>(Unfavorable) | 2013 Actual       |
|--|-------------------|-------------------|--|-------------------|
| <b><u>PUBLIC SERVICES</u></b>              |                   |                   |  |                   |
| STREET DEPARTMENT                          |                   |                   |  |                   |
| Personnel Services                         | \$ 123,025        | \$ 94,215         | \$ 28,810                              | \$ 142,508        |
| Supplies                                   | 3,300             | 3,145             | 155                                    | 4,050             |
| Other Services and Charges                 | 274,925           | 301,119           | (26,194)                               | 302,042           |
| Capital Outlay                             |                   | 2,250             | (2,250)                                | 10,899            |
| Debt Service - Principal                   | 12,630            | 12,563            | 67                                     | 12,111            |
| Debt Service - Interest                    | 370               | 370               | -                                      | 822               |
| <b><u>TOTALS</u></b>                       | <b>414,250</b>    | <b>413,662</b>    | <b>588</b>                             | <b>472,432</b>    |
| SANITATION DEPARTMENT                      |                   |                   |  |                   |
| Personnel Services                         | 992,565           | 1,005,141         | (12,576)                               | 865,139           |
| Supplies                                   | 45,200            | 43,782            | 1,418                                  | 13,037            |
| Other Services and Charges                 | 219,200           | 195,686           | 23,514                                 | 195,220           |
| Capital Outlay                             | 96,350            | 96,174            | 176                                    | 26,628            |
| Debt Service - Principal                   | 31,600            | 31,601            | (1)                                    | 30,626            |
| Debt Service - Interest                    | 1,100             | 1,105             | (5)                                    | 2,080             |
| <b><u>TOTALS</u></b>                       | <b>1,386,015</b>  | <b>1,373,489</b>  | <b>12,526</b>                          | <b>1,132,730</b>  |
| <b><u>TOTAL PUBLIC SERVICES</u></b>        | <b>1,800,265</b>  | <b>1,787,151</b>  | <b>13,114</b>                          | <b>1,605,162</b>  |
| <b><u>DIVISION OF GENERAL SERVICES</u></b> |                   |                   |  |                   |
| MAINTENANCE SHOP                           |                   |                   |  |                   |
| Personnel Services                         | 463,795           | 459,200           | 4,595                                  | 493,927           |
| Supplies                                   | 11,500            | 11,947            | (447)                                  | 3,881             |
| Other Services and Charges                 | 72,550            | 72,788            | (238)                                  | 67,998            |
| Capital Outlay                             | 8,000             | 7,284             | 716                                    | 8,398             |
| <b><u>TOTALS</u></b>                       | <b>555,845</b>    | <b>551,219</b>    | <b>4,626</b>                           | <b>574,204</b>    |
| PARKS AND RECREATION                       |                   |                   |  |                   |
| Personnel Services                         | 336,850           | 331,028           | 5,822                                  | 290,714           |
| Supplies                                   | 26,500            | 22,074            | 4,426                                  | 20,032            |
| Other Service and Charges                  | 77,940            | 78,898            | (958)                                  | 55,565            |
| Capital Outlay                             | 1,000             | 10,010            | (9,010)                                |                   |
| <b><u>TOTALS</u></b>                       | <b>442,290</b>    | <b>442,010</b>    | <b>280</b>                             | <b>366,311</b>    |
| <b><u>TOTAL GENERAL SERVICES</u></b>       | <b>998,135</b>    | <b>993,229</b>    | <b>4,906</b>                           | <b>940,515</b>    |
| <b><u>GRAND TOTAL</u></b>                  | <b>12,736,000</b> | <b>12,556,579</b> | <b>179,421</b>                         | <b>12,432,802</b> |

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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, 2014 AND 2013**

|  | <u>June 30,</u><br><u>2014</u> | <u>June 30,</u><br><u>2013</u> |
|--|--------------------------------|--------------------------------|
| <b><u>ASSETS</u></b>                         |                                |                                |
| <b>CURRENT ASSETS</b>                        |                                |                                |
| Cash   | \$ 3,914,626                   | \$ 4,419,002                   |
| Accounts Receivable                          | 2,206,045                      | 1,956,424                      |
| Prepaid Charges                              | 11,143                         | 2,968                          |
| Notes Receivable- Municipal Government       | 690,719                        | 797,613                        |
| Restricted Cash and Cash Equivalents         | 2,593,418                      | 2,637,232                      |
| <b><u>TOTAL CURRENT ASSETS</u></b>           | <u>9,415,951</u>               | <u>9,813,239</u>               |
| <b><u>NONCURRENT ASSETS</u></b>              |                                |                                |
| Noncurrent Receivable - Municipal Government | <u>6,200,239</u>               | <u>6,890,959</u>               |
| <b>CAPITAL ASSETS</b>                        |                                |                                |
| Water Plant, Lines, and Sewer System         | 71,338,616                     | 71,203,537                     |
| Less: Accumulated Depreciation               | (28,989,751)                   | (27,336,019)                   |
| Construction in Progress                     | 8,333,503                      | 7,763,697                      |
| <b><u>TOTAL CAPITAL ASSETS (NET OF</u></b>   |                                |                                |
| <b><u>ACCUMULATED DEPRECIATION)</u></b>      | <u>50,682,368</u>              | <u>51,631,215</u>              |
| <b><u>TOTAL NONCURRENT ASSETS</u></b>        | <u>56,882,607</u>              | <u>58,522,174</u>              |
| <b><u>TOTAL ASSETS</u></b>                   | <u>66,298,558</u>              | <u>68,335,413</u>              |

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**PROPRIETARY FUND - WATER AND SEWER**  
**AS OF JUNE 30, 2014 AND 2013**

|   | <u>June 30,</u><br><u>2014</u> | <u>June 30,</u><br><u>2013</u> |
|---|--------------------------------|--------------------------------|
| <b><u>LIABILITIES</u></b>                     |                                |                                |
| <b>CURRENT LIABILITIES</b>                    |                                |                                |
| (Payable from Current Assets)                 |                                |                                |
| Accounts Payable                              | \$ 438,579                     | \$ 204,931                     |
| Customer Deposits                             | 495,607                        | 482,329                        |
| Accrued Payroll and Vacation Pay              | 152,338                        | 130,393                        |
| Capital Lease Obligation                      | 1,482                          |                                |
| Unearned Revenue                              | 621,656                        | 673,358                        |
| Due to Other Funds                            | 2,997,635                      | 3,353,204                      |
| (Payable from Restricted Assets)              |                                |                                |
| Contracts Payable                             | 91,334                         | 48,771                         |
| Revenue Bonds Payable                         | 1,905,828                      | 2,036,930                      |
| Accrued Interest Payable - Revenue Bonds      | 111,675                        | 124,443                        |
| <b><u>TOTAL CURRENT LIABILITIES</u></b>       | <u>6,816,134</u>               | <u>7,054,359</u>               |
| <b>LONG-TERM LIABILITIES</b>                  |                                |                                |
| Accrued Vacation Pay - Due After One Year     | 153,822                        | 132,212                        |
| Capital Lease Obligation - Due After One Year | 6,168                          |                                |
| Revenue Bonds - Due After One Year            | 23,558,848                     | 25,093,776                     |
| Unearned Revenue - Due After One Year         | 13,462,730                     | 14,003,130                     |
| Other Liabilities                             | 418,763                        | 418,763                        |
| <b><u>TOTAL LONG-TERM LIABILITIES</u></b>     | <u>37,600,331</u>              | <u>39,647,881</u>              |
| <b><u>TOTAL LIABILITIES</u></b>               | <u>44,416,465</u>              | <u>46,702,240</u>              |
| <b><u>NET POSITION</u></b>                    |                                |                                |
| Net Investment In Capital Assets              | 25,210,043                     | 24,500,510                     |
| Restricted                                    |                                |                                |
| Capital Improvement Grant                     | 132,960                        | 132,960                        |
| Debt Service                                  | 2,460,458                      | 2,637,232                      |
| Unrestricted                                  | (5,921,368)                    | (5,637,529)                    |
| <b><u>TOTAL NET POSITION</u></b>              | <u>21,882,093</u>              | <u>21,633,173</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, 2014 AND 2013**

|  | <u>June 30,</u><br><u>2014</u> | <u>June 30,</u><br><u>2013</u> |
|--|--------------------------------|--------------------------------|
| <b><u>OPERATING REVENUES</u></b>                       |                                |                                |
| Charges for Services                                   | \$ 11,036,602                  | \$ 10,814,210                  |
| <b><u>TOTAL OPERATING REVENUES</u></b>                 | <u>11,036,602</u>              | <u>10,814,210</u>              |
| <b><u>OPERATING EXPENSES</u></b>                       |                                |                                |
| Personnel Services                                     | 3,211,750                      | 3,033,235                      |
| Material and Supplies                                  | 658,900                        | 564,960                        |
| Contractual Services                                   | 895,245                        | 946,508                        |
| Utilities  | 923,105                        | 903,029                        |
| Repairs and Maintenance                                | 478,470                        | 658,460                        |
| Depreciation   | 1,653,732                      | 1,653,503                      |
| Other Operating Expenses                               | 106,610                        | 101,680                        |
| <b><u>TOTAL OPERATING EXPENSES</u></b>                 | <u>7,927,812</u>               | <u>7,861,375</u>               |
| <b><u>OPERATING INCOME</u></b>                         | <u>3,108,790</u>               | <u>2,952,835</u>               |
| <b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>        |                                |                                |
| Interest Revenue                                       | 112,845                        | 173,361                        |
| Interest and Amortization Expense                      | (612,449)                      | (772,367)                      |
| Grant Proceeds   | 102,654                        |                                |
| <b><u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u></b>  | <u>(396,950)</u>               | <u>(599,006)</u>               |
| <b><u>CAPITAL CONTRIBUTIONS - GRANTS AND OTHER</u></b> | <u>81,202</u>                  | <u>202,491</u>                 |
| <b><u>NET INCOME BEFORE TRANSFERS</u></b>              | <u>2,793,042</u>               | <u>2,556,320</u>               |
| <b><u>TRANSFERS IN/(OUT)</u></b>                       |                                |                                |
| General Fund   | (2,544,122)                    | (2,562,766)                    |
| <b><u>CHANGE IN NET POSITION</u></b>                   | <u>248,920</u>                 | <u>(6,446)</u>                 |
| <b><u>NET POSITION - July 1</u></b>                    | <u>21,633,173</u>              | <u>21,639,619</u>              |
| <b><u>NET POSITION - June 30</u></b>                   | <u>21,882,093</u>              | <u>21,633,173</u>              |

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUND - WATER AND SEWER**  
**YEARS ENDED JUNE 30, 2014 AND 2013**

|  | <u>June 30,</u><br><u>2014</u> | <u>June 30,</u><br><u>2013</u> |
|--|--------------------------------|--------------------------------|
| <b><u>Cash Flows From Operating Activities</u></b>             |                                |                                |
| Cash Received From Customers                                   | \$ 10,208,157                  | \$ 10,119,347                  |
| Cash Paid to Suppliers   | (3,149,863)                    | (2,600,039)                    |
| Cash Paid to Employees   | (3,168,195)                    | (3,003,185)                    |
|  | <hr/>                          | <hr/>                          |
| Net Cash Provided by Operating Activities                      | 3,890,099                      | 4,516,123                      |
|  | <hr/>                          | <hr/>                          |
| <b><u>Cash Flows from Non-Capital Financing Activities</u></b> |                                |                                |
| Proceeds from Operating Grants                                 | 102,653                        |                                |
| Transfers Out  | (2,544,122)                    | (2,562,766)                    |
|  | <hr/>                          | <hr/>                          |
| Net Cash Used in Non-Capital Financing Activities              | (2,441,469)                    | (2,562,766)                    |
|  | <hr/>                          | <hr/>                          |
| <b><u>Cash Flows From Capital and Related</u></b>              |                                |                                |
| <b><u>Financing Activities</u></b>                             |                                |                                |
| Proceeds From Capital Debt                                     | 345,933                        | 2,803,000                      |
| Principal Paid on Capital Debt                                 | (2,036,930)                    | (4,886,927)                    |
| Interest Paid on Capital Debt                                  | (625,217)                      | (797,864)                      |
| Acquisition of Capital Assets                                  | (672,268)                      | (269,497)                      |
| Payments Received from Municipal Governments                   | 797,615                        | 811,959                        |
| Proceeds from Capital Grants                                   | 81,202                         | 202,491                        |
|  | <hr/>                          | <hr/>                          |
| Net Cash Provided (Used) in Capital and Related                |                                |                                |
| Financing Activities   | (2,109,665)                    | (2,136,838)                    |
|  | <hr/>                          | <hr/>                          |
| <b><u>Cash Flows From Investing Activities</u></b>             |                                |                                |
| Interest in Investments  | 112,845                        | 173,361                        |
|  | <hr/>                          | <hr/>                          |
| Net Cash Provided by Investing Activities                      | 112,845                        | 173,361                        |
|  | <hr/>                          | <hr/>                          |
| Net Increase (Decrease) in Cash and                            |                                |                                |
| and Cash Equivalents   | (548,190)                      | (10,120)                       |
|  | <hr/>                          | <hr/>                          |
| <b><u>Cash and Cash Equivalents - July 1</u></b>               | 7,056,234                      | 7,066,354                      |
|  | <hr/>                          | <hr/>                          |
| <b><u>Cash and Cash Equivalents - June 30</u></b>              | 6,508,044                      | 7,056,234                      |
|  | <hr/>                          | <hr/>                          |

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUND - WATER AND SEWER**  
**YEARS ENDED JUNE 30, 2014 AND 2013**

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

|   | <b><u>June 30,</u></b><br><b><u>2014</u></b> | <b><u>June 30,</u></b><br><b><u>2013</u></b> |
|---|--|--|
| <b><u>Operating Income</u></b>  | <b><u>\$ 3,108,790</u></b>                   | <b><u>\$ 2,952,832</u></b>                   |
| <b>Adjustments to Reconcile Operating Income to<br/>Net Cash Provided by Operating Activities</b> |  |  |
| Depreciation  | 1,653,732                                    | 1,653,503                                    |
| (Increase) Decrease in  |  |  |
| Accounts Receivable   | (249,621)                                    | (154,990)                                    |
| Prepaid Charges   | (8,175)                                      | 2,667  |
| Increase (Decrease) in  |  |  |
| Accounts Payable  | 276,211                                      | (153,092)                                    |
| Unearned Revenue  | (592,102)                                    | (549,997)                                    |
| Customer Deposits   | 13,278                                       | 10,124                                       |
| Accrued Expenses  | 43,555                                       | 30,051                                       |
| Due to Other Funds  | (355,569)                                    | 725,025                                      |
| <b>Total Adjustments</b>  | <b><u>781,309</u></b>                        | <b><u>1,563,291</u></b>                      |
| <b><u>Net Cash Provided by Operating Activities</u></b>   | <b><u>3,890,099</u></b>                      | <b><u>4,516,123</u></b>                      |



## **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, 2014**

|  | <u>Balance</u><br><u>June 30, 2013</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u><br><u>June 30, 2014</u> |
|--|--|------------------|------------------|--|
| <b><u>FIREMAN'S FUND</u></b>           |  |                  |                  |  |
| ASSETS- CASH                           | \$ 14,989                              | \$ 54,891        | \$ 57,962        | \$ 11,918                              |
| <b>LIABILITIES</b>                     |  |                  |                  |  |
| Due to Fireman's Organization          | 14,989                                 | 54,891           | 57,962           | 11,918                                 |
| <b><u>NARCOTIC SEIZURE</u></b>         |  |                  |                  |  |
| ASSETS- CASH                           | 15,912                                 | 7,743            | 9,902            | 13,753                                 |
| <b>LIABILITIES</b>                     |  |                  |                  |  |
| Agency Funds Held                      | 15,912                                 | 7,743            | 9,902            | 13,753                                 |
| <b><u>TOTAL - ALL AGENCY FUNDS</u></b> |  |                  |                  |  |
| ASSETS- CASH                           | 30,901                                 | 62,634           | 67,864           | 25,671                                 |
| <b>LIABILITIES</b>                     |  |                  |                  |  |
| Due to Fireman's Organization          | 14,989                                 | 54,891           | 57,962           | 11,918                                 |
| Agency Funds Held                      | 15,912                                 | 7,743            | 9,902            | 13,753                                 |
|  | 30,901                                 | 62,634           | 67,864           | 25,671                                 |

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

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**COMPARATIVE SCHEDULES BY SOURCE**  
**JUNE 30, 2014 AND 2013**

|  | <u>June 30,</u><br><u>2014</u> | <u>June 30,</u><br><u>2013</u> |
|--|--------------------------------|--------------------------------|
| <b><u>CAPITAL ASSETS</u></b>                     |                                |                                |
| Land   | \$ 5,557,341                   | \$ 5,557,341                   |
| Buildings and Improvements                       | 7,986,245                      | 8,137,961                      |
| Vehicles and Equipment                           | 8,651,587                      | 8,251,446                      |
| <b><u>TOTAL CAPITAL ASSETS</u></b>               | <u>22,195,173</u>              | <u>21,946,748</u>              |
| <b><u>INVESTMENT IN CAPITAL ASSETS</u></b>       |                                |                                |
| <b><u>BY SOURCE</u></b>                          |                                |                                |
| General Fund                                     | 22,195,173                     | 21,946,748                     |
| <b><u>TOTAL INVESTMENT IN CAPITAL ASSETS</u></b> | <u>22,195,173</u>              | <u>21,946,748</u>              |

**CITY OF WEST COLUMBIA, SOUTH CAROLINA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**  
**JUNE 30, 2014**

|                                       | <b><u>Land,<br/>Buildings<br/>and<br/>Fixtures</u></b> | <b><u>Vehicles and<br/>Equipment</u></b> | <b><u>Total</u></b> |
|---------------------------------------|--|--|---------------------|
| <b><u>FUNCTION AND ACTIVITIES</u></b> |  |  |                     |
| <b>GENERAL GOVERNMENT</b>             | <b>\$ 7,002,167</b>                                    | <b>\$ 481,778</b>                        | <b>\$ 7,483,945</b> |
| <b>COMMUNITY DEVELOPMENT</b>          | <b>3,605,890</b>                                       |  | <b>3,605,890</b>    |
| <b>PUBLIC SAFETY</b>                  |  |  |                     |
| Police                                |  | 3,990,022                                | 3,990,022           |
| Fire                                  | 590,941  | 2,060,659                                | 2,651,600           |
| <b>TOTAL PUBLIC SAFETY</b>            | <b>590,941</b>   | <b>6,050,681</b>                         | <b>6,641,622</b>    |
| <b>PUBLIC SERVICES</b>                |  |  |                     |
| Street                                |  | 713,370                                  | 713,370             |
| Sanitation                            | 76,418   | 1,008,323                                | 1,084,741           |
| <b>TOTAL PUBLIC SERVICES</b>          | <b>76,418</b>  | <b>1,721,693</b>                         | <b>1,798,111</b>    |
| <b>GENERAL SERVICES</b>               |  |  |                     |
| General Services                      | 87,329   |  | 87,329              |
| Maintenance Shop                      | 87,183   | 195,873                                  | 283,056             |
| Parks and Recreation                  | 2,096,198  | 199,022                                  | 2,295,220           |
| <b>TOTAL GENERAL SERVICES</b>         | <b>2,270,710</b>                                       | <b>394,895</b>                           | <b>2,665,605</b>    |
| <b><u>TOTAL CAPITAL ASSETS</u></b>    | <b>13,546,126</b>                                      | <b>8,649,047</b>                         | <b>22,195,173</b>   |

**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, 2014**

| <b><u>FUNCTION AND ACTIVITY</u></b> | <b><u>Capital<br/>Assets<br/>June 30,<br/>2013</u></b> | <b><u>Additions</u></b> | <b><u>Deletions</u></b> | <b><u>Capital<br/>Assets<br/>June 30,<br/>2014</u></b> |
|-------------------------------------|--|-------------------------|-------------------------|--|
| <b>GENERAL GOVERNMENT</b>           | <b>\$ 7,440,340</b>                                    | <b>\$ 43,605</b>        |                         | <b>\$ 7,483,945</b>                                    |
| <b>COMMUNITY DEVELOPMENT</b>        | <b>3,767,231</b>                                       |                         | <b>\$ 161,341</b>       | <b>3,605,890</b>                                       |
| <b>PUBLIC SAFETY</b>                |  |                         |                         |  |
| Police                              | 3,702,073  | 351,697                 | 63,748                  | 3,990,022  |
| Fire                                | 2,649,666  | 1,934                   |                         | 2,651,600  |
| <b>TOTAL PUBLIC SAFETY</b>          | <b>6,351,739</b>                                       | <b>353,631</b>          | <b>63,748</b>           | <b>6,641,622</b>                                       |
| <b>PUBLIC SERVICES</b>              |  |                         |                         |  |
| Street                              | 746,476  |                         | 33,106                  | 713,370  |
| Sanitation                          | 988,881  | 95,860                  |                         | 1,084,741  |
| <b>TOTAL PUBLIC SERVICES</b>        | <b>1,735,357</b>                                       | <b>95,860</b>           | <b>33,106</b>           | <b>1,798,111</b>                                       |
| <b>GENERAL SERVICES</b>             |  |                         |                         |  |
| General Services                    | 87,329   |                         |                         | 87,329   |
| Maintenance Shop                    | 279,157  | 3,899                   |                         | 283,056  |
| Parks and Recreation                | 2,285,595  | 9,625                   |                         | 2,295,220  |
| <b>TOTAL GENERAL SERVICES</b>       | <b>2,652,081</b>                                       | <b>13,524</b>           | <b>-</b>                | <b>2,665,605</b>                                       |
| <b><u>TOTAL CAPITAL ASSETS</u></b>  | <b><u>21,946,748</u></b>                               | <b><u>506,620</u></b>   | <b><u>258,195</u></b>   | <b><u>22,195,173</u></b>                               |

## **VICTIM'S RIGHTS ASSISTANCE**

**CITY OF WEST COLUMBIA**  
**SCHEDULE OF FINES, FEES, ASSESSMENTS AND SURCHARGES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

For the Month of:

|   | July      | August   | September | October  | November | December | January  | February  | March    | April    | May      | June     | Total      |
|---|-----------|----------|-----------|----------|----------|----------|----------|-----------|----------|----------|----------|----------|------------|
| <b>Court Fines</b>                                  |           |          |           |          |          |          |          |           |          |          |          |          |            |
| Court Fines Collected                               | \$ 10,445 | \$ 8,509 | \$ 10,067 | \$ 7,839 | \$ 9,263 | \$ 4,349 | \$ 5,254 | \$ 11,160 | \$ 9,164 | \$ 8,745 | \$ 7,896 | \$ 8,272 | \$ 100,963 |
| Court Fines Retained                                | 10,445    | 8,509    | 10,067    | 7,839    | 9,263    | 4,349    | 5,254    | 11,160    | 9,164    | 8,745    | 7,896    | 8,272    | 100,963    |
| Court Fines Remitted to State Treasurer             | -         | -        | -         | -        | -        | -        | -        | -         | -        | -        | -        | -        | -          |
| <b>Court Assessments</b>                            |           |          |           |          |          |          |          |           |          |          |          |          |            |
| Court Assessments Collected                         | 11,769    | 9,602    | 11,666    | 8,560    | 10,178   | 6,905    | 5,780    | 12,939    | 9,973    | 9,463    | 8,946    | 9,135    | 114,916    |
| Court Assessments Retained by City                  | 1,305     | 1,073    | 1,302     | 945      | 1,140    | 771      | 645      | 1,445     | 1,142    | 1,061    | 999      | 1,020    | 12,848     |
| Court Assessments Remitted to State Treasurer       | 10,464    | 8,529    | 10,364    | 7,615    | 9,038    | 6,134    | 5,135    | 11,494    | 8,831    | 8,402    | 7,947    | 8,115    | 102,068    |
| <b>Court Surcharges</b>                             |           |          |           |          |          |          |          |           |          |          |          |          |            |
| Court Surcharges Collected                          | 6,874     | 6,794    | 7,248     | 4,974    | 5,567    | 3,730    | 3,372    | 7,094     | 5,884    | 6,369    | 6,124    | 5,770    | 69,800     |
| Court Surcharges Retained by City                   | 1,124     | 1,100    | 1,025     | 825      | 1,100    | 750      | 650      | 898       | 1,000    | 975      | 625      | 800      | 10,872     |
| Court Surcharges Remitted to State Treasurer        | 5,750     | 5,694    | 6,223     | 4,149    | 4,467    | 2,980    | 2,722    | 6,196     | 4,884    | 5,394    | 5,499    | 4,970    | 58,928     |
| <b>Victims Services</b>                             |           |          |           |          |          |          |          |           |          |          |          |          |            |
| Court Assessments Allocated to Victims Services     | 1,305     | 1,073    | 1,302     | 945      | 1,140    | 771      | 645      | 1,445     | 1,142    | 1,061    | 999      | 1,020    | 12,848     |
| Court Surcharges Allocated to Victims Services      | 1,124     | 1,100    | 1,025     | 825      | 1,100    | 750      | 650      | 898       | 1,000    | 975      | 625      | 800      | 10,872     |
| Funds Allocated to Victims Services                 | 2,429     | 2,173    | 2,327     | 1,770    | 2,240    | 1,521    | 1,295    | 2,343     | 2,142    | 2,036    | 1,624    | 1,820    | 23,720     |
| Victims Services Expenditures                       | 2,429     | 2,173    | 2,327     | 1,770    | 2,240    | 1,521    | 1,295    | 2,343     | 2,142    | 2,036    | 1,624    | 1,820    | 23,720     |
| Funds in Excess (Shortage) of Expenditures          | -         | -        | -         | -        | -        | -        | -        | -         | -        | -        | -        | -        | -          |
| Victims Services Fund Carryover from 2013           |           |          |           |          |          |          |          |           |          |          |          |          |            |
| <b>Victims Services Fund Balance, June 30, 2014</b> |           |          |           |          |          |          |          |           |          |          |          |          | -          |



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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.

| <b>Contents</b>  | <b>Page</b> |
|--|-------------|
| 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. |             |

Table 1

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

|  | 2005              | 2006              | 2007              | 2008              | 2009              | 2010              | 2011              | 2012              | 2013              | 2014              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Governmental Activities</b>                     |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets                   | \$ 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      | \$ 7,754,760      |
| Restricted   | 137,071           | 101,111           | 132,988           | 208,897           | 117,304           | 73,883            | 95,481            | 96,818            | 121,554           | 143,948           |
| Unrestricted                                       | 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         | 4,367,132         |
| <b>Total Governmental Activities Net Position</b>  | <b>7,009,676</b>  | <b>7,492,219</b>  | <b>8,198,193</b>  | <b>8,031,015</b>  | <b>9,264,940</b>  | <b>9,367,543</b>  | <b>10,208,882</b> | <b>11,382,478</b> | <b>11,955,128</b> | <b>12,265,840</b> |
| <b>Business-Type Activities</b>                    |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets                   | 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        | 25,210,043        |
| Restricted   | 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         | 2,593,418         |
| Unrestricted                                       | 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)       | (5,921,368)       |
| <b>Total Business-Type Activities Net Position</b> | <b>23,871,742</b> | <b>24,013,000</b> | <b>24,407,039</b> | <b>24,278,920</b> | <b>23,308,368</b> | <b>23,027,941</b> | <b>22,700,171</b> | <b>22,146,161</b> | <b>21,633,173</b> | <b>21,882,093</b> |
| <b>Primary Government</b>                          |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets                   | 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        | 32,964,803        |
| Restricted   | 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         | 2,737,366         |
| Unrestricted                                       | 5,963,780         | 4,454,219         | 3,717,194         | 2,038,327         | 368,573           | 176,558           | (243,578)         | (816,046)         | (1,398,780)       | (1,554,236)       |
| <b>Total Primary Governmental Net Position</b>     | <b>30,881,418</b> | <b>31,505,219</b> | <b>32,605,232</b> | <b>32,309,935</b> | <b>32,573,308</b> | <b>32,395,484</b> | <b>32,909,053</b> | <b>33,528,639</b> | <b>33,588,301</b> | <b>34,147,933</b> |

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

|   | Fiscal Year  |              |              |              |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         |
| <b>Expenses</b>                                 |              |              |              |              |              |              |              |              |              |              |
| Governmental activities:                        |              |              |              |              |              |              |              |              |              |              |
| General government                              | \$ 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 | \$ 1,346,552 |
| Community & economic development                | 161,769      | 400,334      | 269,194      | 296,736      | 304,065      | 277,395      | 260,905      | 246,140      | 377,098      | 346,572      |
| Public safety                                   | 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    | 7,275,636    |
| Public services                                 | 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    | 1,800,762    |
| General services                                | 417,813      | 176,758      | 128,543      | 635,425      | 727,417      | 695,689      | 843,702      | 941,772      | 1,047,600    | 1,078,525    |
| Interest on Long-Term Debt                      |              |              | 449,462      | 441,713      | 314,780      | 333,755      | 285,970      | 247,238      | 196,505      | 130,510      |
| Total governmental activities expenses          | 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   | 11,978,557   |
| Business-type activities:                       |              |              |              |              |              |              |              |              |              |              |
| Water & sewer utility                           | 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    | 8,540,261    |
| Total business-type activities expenses         | 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    | 8,540,261    |
| Total primary government expenses               | 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   | 20,518,818   |
| <b>Program Revenues</b>                         |              |              |              |              |              |              |              |              |              |              |
| Governmental activities:                        |              |              |              |              |              |              |              |              |              |              |
| Charges for services:                           |              |              |              |              |              |              |              |              |              |              |
| General government                              | 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    | 4,760,461    |
| Public safety                                   | 291,335      | 190,779      | 236,976      | 339,670      | 375,602      | 417,452      | 351,337      | 470,971      | 314,430      | 173,004      |
| Public services                                 | 250,625      | 233,017      | 265,344      | 282,751      | 326,871      | 148,511      |              |              |              |              |
| Operating grants and contributions              | 159,159      | 297,468      | 178,711      | 239,628      | 223,126      | 390,495      | 375,272      | 405,215      | 377,865      | 10,459       |
| Capital grants and contributions                | 147,214      | 319,594      | 435,760      | 150,979      | 758,618      | 395,089      | 261,407      | 505,634      | 481,603      | 37,797       |
| Total governmental activities program revenues  | 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    | 4,981,721    |
| Business-type activities:                       |              |              |              |              |              |              |              |              |              |              |
| Charges for services:                           |              |              |              |              |              |              |              |              |              |              |
| Water & sewer utility                           | 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   | 11,036,602   |
| Capital contributions and grants                |              |              | 79,501       | 28,000       |              | 28,011       | 12,514       | 8,470        | 202,491      | 183,856      |
| Total business-type activities program revenues | 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   | 11,220,458   |
| Total primary government program revenues       | 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   | 16,202,179   |
| Net (expense)/revenue                           |              |              |              |              |              |              |              |              |              |              |
| Governmental activities                         | (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)  | (6,996,836)  |
| Business-type activities                        | 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    | 2,680,197    |
| Total primary government net expense            | (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)  | (4,316,639)  |

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

|  | Fiscal Year  |              |              |              |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         |
| <b>General Revenue and Other Changes in Net Position</b> |              |              |              |              |              |              |              |              |              |              |
| Governmental activities:                                 |              |              |              |              |              |              |              |              |              |              |
| Taxes  |              |              |              |              |              |              |              |              |              |              |
| Property taxes   | \$ 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 | \$ 4,124,188 |
| Gain on sale of capital asset                            | 4,859        | 17,989       | 166,818      |              |              | 27,129       | 80,030       | 25,539       | 52,569       | (41,384)     |
| Intergovernmental  | 507,517      | 499,963      | 525,915      | 569,936      | 552,911      | 443,768      | 422,332      | 411,954      | 468,226      | 478,509      |
| Investment earnings                                      | 21,138       | 7,264        | 12,342       | 238          | 49           | 27           | 2,385        | 224          | 162          | 164          |
| Recapture of Professional Fees                           |              |              |              |              |              |              | 800,000      |              |              |              |
| Miscellaneous  | 141,615      | 161,609      | 164,373      | 168,200      | 198,360      | 203,550      | 160,670      | 479,996      | 476,311      | 201,949      |
| Transfers  | 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    | 2,544,122    |
| Total governmental activities                            | 5,048,221    | 6,382,258    | 6,844,637    | 7,468,748    | 7,673,744    | 7,238,958    | 8,334,031    | 7,997,106    | 7,566,068    | 7,307,548    |
| Business-type activities:                                |              |              |              |              |              |              |              |              |              |              |
| Gain on sale of capital asset                            |              |              |              |              |              | 3,385        | 23,950       | 7,800        |              |              |
| Intergovernmental  |              |              |              |              |              | 25,000       |              |              |              |              |
| Investment earnings                                      | 244,920      | 117,834      | 471,638      | 438,448      | 338,026      | 292,751      | 297,704      | 229,801      | 173,361      | 112,845      |
| Miscellaneous  | 13,890       | 314,586      |              |              |              |              |              |              |              |              |
| Transfers  | (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)  | (2,544,122)  |
| Total Business-type activities                           | (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)  | (2,431,277)  |
| Total primary government                                 | 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    | 4,876,271    |
| <b>Change in Net Position</b>                            |              |              |              |              |              |              |              |              |              |              |
| Governmental activities                                  | 22,390       | 482,543      | 705,974      | (167,178)    | 1,233,925    | 102,603      | 841,339      | 1,173,596    | 742,558      | 310,712      |
| Business-type activities                                 | 593,820      | 141,258      | 394,039      | (128,119)    | (970,552)    | (280,427)    | (327,770)    | (554,010)    | (49,118)     | 248,920      |
| Total primary government                                 | 616,210      | 623,801      | 1,100,013    | (295,297)    | 263,373      | (177,824)    | 513,569      | 619,586      | 693,440      | 559,632      |

**Table 3**

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

| <b><u>Fiscal<br/>Year</u></b> | <b><u>Property<br/>Tax</u></b> | <b><u>Accommodations<br/>Tax</u></b> | <b><u>Vehicle<br/>Tax</u></b> | <b><u>Motor<br/>Carrier<br/>Tax</u></b> | <b><u>Alcoholic<br/>Beverage<br/>Tax</u></b> | <b><u>Total</u></b> |
|-------------------------------|--------------------------------|--------------------------------------|-------------------------------|---|--|---------------------|
| 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           |
| 2014                          | 2,941,051                      | 79,336                               | 408,077                       | 5,181                                   | 9,300  | 3,442,945           |

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

|                                    | 2005      | 2006       | 2007       | 2008       | 2009       | 2010      | 2011      | 2012      | 2013       | 2014       |
|------------------------------------|-----------|------------|------------|------------|------------|-----------|-----------|-----------|------------|------------|
| General Fund                       |           |            |            |            |            |           |           |           |            |            |
| Reserved                           | \$ 48,428 | \$ 101,111 | \$ 132,988 | \$ 208,897 | \$ 117,304 | \$ 73,883 | \$ 95,481 | \$ 96,818 | \$ 121,554 | \$ 143,948 |
| Nonspendable                       |           | 936        | 4,360      | 149,530    | 43,597     | 27,355    | 119,862   |           | 19,439     | 20,779     |
| Unassigned                         | 117,191   | (132,452)  | (1,685)    | (292,419)  | 677,186    | 3,500,517 | 3,583,591 | 4,006,469 | 4,396,007  | 4,508,614  |
| Total general fund                 | 165,619   | (30,405)   | 135,663    | 66,008     | 838,087    | 3,601,755 | 3,798,934 | 4,103,287 | 4,537,000  | 4,673,341  |
| All other governmental funds       |           |            |            |            |            |           |           |           |            |            |
| Reserved For:                      | (4,149)   |            |            |            |            |           |           |           |            |            |
| Capital Construction Projects      |           |            |            |            |            |           |           |           |            |            |
| Unassigned                         | (4,149)   | -          | -          | -          | -          | -         | -         | -         | -          | -          |
| Total all other governmental funds |           |            |            |            |            |           |           |           |            |            |



Table 5

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

|   | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Revenues</b>   |              |              |              |              |              |              |              |              |              |              |
| Taxes   | \$ 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 | \$ 4,101,037 |
| Licenses and permits                                    | 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    | 4,028,076    |
| Intergovernmental                                       | 507,517      | 499,963      | 525,915      | 569,936      | 552,911      | 443,768      | 422,332      | 411,954      | 468,226      | 478,509      |
| Charges for services                                    | 774,090      | 814,800      | 876,518      | 923,202      | 1,007,825    | 837,727      | 656,140      | 711,394      | 708,385      | 732,385      |
| Fines and Forfeitures                                   | 256,214      | 179,043      | 209,828      | 295,065      | 354,904      | 389,324      | 343,474      | 452,259      | 276,023      | 161,744      |
| Investment earnings                                     | 21,138       | 7,264        | 12,342       | 238          | 49           | 27           | 2,385        | 224          | 162          | 164          |
| Grant proceeds  | 306,373      | 617,062      | 614,471      | 390,607      | 981,744      | 785,584      | 636,679      | 910,849      | 859,468      | 48,256       |
| Narcotics program                                       | 35,121       | 11,736       | 41,710       | 44,606       | 20,698       | 28,128       | 7,863        | 18,712       | 38,407       | 11,260       |
| Other revenues  | 142,115      | 161,609      | 164,373      | 168,200      | 198,360      | 203,550      | 160,670      | 479,996      | 476,311      | 201,949      |
| Total revenues  | 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   | 9,763,380    |
| <b>Expenditures</b>                                     |              |              |              |              |              |              |              |              |              |              |
| General government                                      | 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    | 1,206,552    |
| Public safety   | 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    | 7,100,438    |
| Public services   | 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    | 1,741,512    |
| General services  | 404,400      | 481,640      | 512,347      | 594,899      | 759,897      | 707,366      | 769,804      | 891,228      | 940,515      | 993,229      |
| Community and economic development                      | 2,221,017    | 468,937      | 256,408      | 288,053      | 293,357      | 280,864      | 255,414      | 245,729      | 375,206      | 341,838      |
| Debt Service  |              |              |              |              |              |              |              |              |              |              |
| Principal   |              | 286,879      | 928,271      | 532,122      | 708,225      | 772,427      | 985,012      | 1,062,958    | 961,063      | 1,035,340    |
| Interest  |              | 395,754      | 458,832      | 455,274      | 290,176      | 345,080      | 306,494      | 264,484      | 226,124      | 137,670      |
| Total expenditures                                      | 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   | 12,556,579   |
| Excess of revenues over (under) expenditures            | (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)  | (2,793,199)  |
| <b>Other financing sources (uses)</b>                   |              |              |              |              |              |              |              |              |              |              |
| Transfers in  | 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    | 2,544,122    |
| Transfers out   | (229,551)    | (4,149)      |              |              |              | 2,813,623    |              |              |              |              |
| Bonds issued  |              |              |              |              |              |              |              |              |              |              |
| Payments to bond agent                                  |              |              |              |              |              |              |              |              |              |              |
| Capital leases  | 1,085,241    | 30,849       | 1,150,035    | 290,000      | 207,000      | 345,000      | 105,000      |              |              | 3,327,000    |
| Recapture of Professional Fees                          |              |              |              |              |              |              | 800,000      |              |              | (3,327,000)  |
| Sale of capital assets                                  |              |              |              |              |              |              | 80,030       |              |              | 247,350      |
| Total other financing sources (uses)                    | 4,359        | 17,989       | 589,151      |              |              | 125,677      |              | 27,358       | 55,400       | 138,068      |
| Net change in fund balances                             | 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    | 2,929,540    |
|   | (2,681,196)  | (191,876)    | 166,068      | 55,345       | 772,079      | 2,763,668    | (9,475)      | 490,714      | 433,719      | 136,341      |
| Debt service as a percentage of noncapital expenditures |              | 6.72%        | 12.19%       | 8.03%        | 8.44%        | 9.32%        | 10.60%       | 10.97%       | 9.75%        | 9.73%        |

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

| Fiscal<br>Year<br>Ended<br>June 30 | Tax<br>Year | Real Property           |                        | Personal Property |              | Less:<br>Tax Exempt<br>Real Property | Total Taxable<br>Assessed<br>Value | Total<br>Direct<br>Tax<br>Rate | Estimated<br>Actual<br>Taxable<br>Value | Assessed<br>Value as a<br>Percentage of<br>Actual Value |
|------------------------------------|-------------|-------------------------|------------------------|-------------------|--------------|--------------------------------------|------------------------------------|--------------------------------|---|---|
|                                    |             | Residential<br>Property | Commercial<br>Property | Motor<br>Vehicles | Other        |                                      |                                    |                                |   |   |
| 2005                               | 2004        | \$ 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                               | 2005        | 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                               | 2006        | 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                               | 2007        | 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                               | 2008        | 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                               | 2009        | 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                               | 2010        | 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                               | 2011        | 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                               | 2012        | 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%   |
| 2014                               | 2013        | 18,259,320              | 27,955,530             | 6,295,020         | 6,814,480    | 895,080                              | 58,429,270                         | 6.188                          | 1,072,504,212                           | 5.45%   |

Source: Lexington County Auditor

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

| Fiscal<br>Year | Tax<br>Year | Overlapping Rates     |                            |                          |                      |                            |                            |                      |                            |                            |                      | Total<br>Direct &<br>Overlapping<br>Rates |
|----------------|-------------|-----------------------|----------------------------|--------------------------|----------------------|----------------------------|----------------------------|----------------------|----------------------------|----------------------------|----------------------|---|
|                |             | City of West Columbia |                            |                          | Lexington County     |                            |                            | School District      |                            |                            |                      |   |
|                |             | Operating<br>Millage  | Debt<br>Service<br>Millage | Total<br>City<br>Millage | Operating<br>Millage | Debt<br>Service<br>Millage | Total<br>County<br>Millage | Operating<br>Millage | Debt<br>Service<br>Millage | Total<br>School<br>Millage | Special<br>Districts |   |
|                |             |                       |                            |                          |                      |                            |                            |                      |                            |                            |                      |   |
| 2005           | 2004        | 5.100                 |                            | 5.100                    | 7.136                | 0.584                      | 7.720                      | 15.710               | 2.600                      | 18.310                     | 1.700                | 32.830                                    |
| 2006           | 2005        | 5.100                 |                            | 5.100                    | 6.441                | 0.519                      | 6.960                      | 14.340               | 2.500                      | 16.840                     | 1.537                | 30.437                                    |
| 2007           | 2006        | 5.100                 |                            | 5.100                    | 6.690                | 0.536                      | 7.226                      | 14.340               | 2.975                      | 17.315                     | 1.590                | 31.231                                    |
| 2008           | 2007        | 5.300                 |                            | 5.300                    | 7.028                | 0.555                      | 7.583                      | 14.885               | 2.975                      | 17.860                     | 1.998                | 32.741                                    |
| 2009           | 2008        | 5.550                 |                            | 5.550                    | 6.838                | 0.555                      | 7.393                      | 14.885               | 2.975                      | 17.860                     | 2.362                | 33.165                                    |
| 2010           | 2009        | 5.550                 |                            | 5.550                    | 7.044                | 0.380                      | 7.424                      | 14.885               | 2.975                      | 17.860                     | 2.247                | 33.081                                    |
| 2011           | 2010        | 5.528                 | 0.660                      | 6.188                    | 6.683                | 0.360                      | 7.043                      | 14.646               | 2.975                      | 17.621                     | 2.201                | 33.053                                    |
| 2012           | 2011        | 5.528                 | 0.660                      | 6.188                    | 6.811                | 0.360                      | 7.171                      | 14.646               | 2.975                      | 17.621                     | 2.269                | 33.249                                    |
| 2013           | 2012        | 5.528                 | 0.660                      | 6.188                    | 7.027                | 0.350                      | 7.377                      | 14.646               | 2.975                      | 17.621                     | 2.240                | 33.426                                    |
| 2014           | 2013        | 5.528                 | 0.660                      | 6.188                    | 7.273                | 0.400                      | 7.673                      | 14.646               | 2.975                      | 17.621                     | 2.250                | 33.732                                    |

Source: Lexington County Auditor

Table 8

**City of West Columbia, South Carolina**  
**Principal Property Taxpayers**  
**Current Fiscal Year and Ten Years Ago**

| <b>Taxpayer</b>                  | <b>2014</b>                           |             |   | <b>2005</b>                           |             |   |
|----------------------------------|---------------------------------------|-------------|---|---------------------------------------|-------------|---|
|                                  | <b>Taxable<br/>Assessed<br/>Value</b> | <b>Rank</b> | <b>Percentage of<br/>Total Taxable<br/>Assessed<br/>Value</b> | <b>Taxable<br/>Assessed<br/>Value</b> | <b>Rank</b> | <b>Percentage of<br/>Total Taxable<br/>Assessed<br/>Value</b> |
| S.C. Electric & Gas Co.          | \$ 1,796,750                          | 1           | 3.03%   | \$ 1,262,790                          | 1           | 3.31%   |
| Abberly Village at West Columbia | 1,248,000                             | 2           | 2.10%   |                                       |             |   |
| Campus Investors HSRE-SC         | 1,167,060                             | 3           | 1.97%   |                                       |             |   |
| Wal-Mart Stores                  | 1,040,170                             | 4           | 1.75%   | 798,920                               | 2           | 2.09%   |
| TimeWarner/Advanced Newhouse     | 857,950                               | 5           | 1.45%   | 546,490                               | 3           | 1.43%   |
| House of Raeford Farms, Inc.     | 689,370                               | 6           | 1.16%   | 480,350                               | 5           | 1.26%   |
| Westside Meshekoff Family LP     | 569,360                               | 7           | 0.96%   | 378,170                               | 7           | 0.99%   |
| Sun, Inc                         | 457,890                               | 8           | 0.77%   |                                       |             |   |
| Captial Hospitalty LLC           | 385,260                               | 9           | 0.65%   |                                       |             |   |
| Granby Oaks Association          | 365,020                               | 10          | 0.62%   | 318,610                               | 8           | 0.83%   |
| Bell South Telecommunications    | 362,250                               | 11          | 0.61%   | 476,740                               | 6           | 1.25%   |
| Chevy Chase Limited Partnership  | 240,350                               | 15          | 0.41%   | 229,110                               | 10          | 0.60%   |
| West Columbia Apartments         | 180,000                               | 18          | 0.30%   | 239,240                               | 9           | 0.63%   |
| Kline Iron & Steel               |                                       |             |   | 508,700                               | 4           | 1.33%   |
| Total Principal Taxpayers        | <u>9,359,430</u>                      |             | <u>15.78%</u>   | <u>5,239,120</u>                      |             | <u>13.73%</u>   |
| City-wide Assessed Valuation     | <u>59,324,350</u>                     |             | <u>100.00%</u>  | <u>38,169,960</u>                     |             | <u>100.00%</u>  |

Table 9

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

| <b>Fiscal<br/>Year<br/>Ended<br/>June 30</b> | <b>Tax<br/>Year</b> | <b>Total<br/>Tax Levy</b> | <b>Collected within the</b>    |                               | <b>Collections<br/>in Subsequent<br/>Fiscal Years</b> | <b>Total Collections to Date</b> |                               |
|--|---------------------|---------------------------|--------------------------------|-------------------------------|---|----------------------------------|-------------------------------|
|  |                     |                           | <b>Fiscal Year of the Levy</b> | <b>Percentage<br/>of Levy</b> |   | <b>Amount</b>                    | <b>Percentage<br/>of Levy</b> |
|  |                     |                           | <b>Amount</b>                  |                               |   |                                  |                               |
| 2005   | 2004                | \$ 2,050,838              | \$ 1,964,062                   | 95.8%                         | \$ 85,274   | \$ 2,049,336                     | 99.9%                         |
| 2006   | 2005                | 2,579,567                 | 2,434,054                      | 94.4%                         | 143,070   | 2,577,124                        | 99.9%                         |
| 2007   | 2006                | 2,697,675                 | 2,552,311                      | 94.6%                         | 142,039   | 2,694,350                        | 99.9%                         |
| 2008   | 2007                | 2,900,541                 | 2,772,373                      | 95.6%                         | 125,131   | 2,897,504                        | 99.9%                         |
| 2009   | 2008                | 3,124,708                 | 2,960,913                      | 94.8%                         | 159,331   | 3,120,243                        | 99.9%                         |
| 2010   | 2009                | 3,194,264                 | 3,035,874                      | 95.0%                         | 152,986   | 3,188,859                        | 99.8%                         |
| 2011   | 2010                | 3,393,160                 | 3,214,363                      | 94.7%                         | 172,016   | 3,386,379                        | 99.8%                         |
| 2012   | 2011                | 3,614,837                 | 3,431,176                      | 94.9%                         | 165,264   | 3,596,440                        | 99.5%                         |
| 2013   | 2012                | 3,719,043                 | 3,551,665                      | 95.5%                         | 136,354   | 3,688,019                        | 99.2%                         |
| 2014   | 2013                | 3,821,989                 | 3,638,774                      | 95.2%                         | -   | 3,638,774                        | 95.2%                         |

Source: Lexington County Treasurer's Office tax records

Table 10

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

| Fiscal<br>Year | Governmental Activities |                                      |               |              | Business-Type Activities |            |         |               | Total<br>Primary<br>Government <sup>1</sup> | Percentage<br>of Personal<br>Income <sup>2</sup> | Per<br>Capita <sup>2</sup> |
|----------------|-------------------------|--------------------------------------|---------------|--------------|--------------------------|------------|---------|---------------|---|--|----------------------------|
|                | General                 |                                      | Tax Increment |              | Water/Sewer              |            | Capital |               |   |  |                            |
|                | Obligation<br>Bonds     | Obligation Bond<br>Anticipation Note | Finance Bonds | Leases       | Bonds                    | Leases     |         |               |   |  |                            |
| 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  |                            |
| 2014           | 1,804,600               |                                      | 2,208,000     | 602,077      | 25,464,675               | 7,650      |         | 30,087,002    | 8.70%                                       | 2,006  |                            |

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**

| <b><u>Fiscal<br/>Year</u></b> | <b><u>General<br/>Obligation<br/>Bonds</u></b> | <b><u>Less: Amounts<br/>Available in Debt<br/>Service Fund</u></b> | <b><u>Total</u></b> | <b><u>Percentage of<br/>Estimated<br/>Actual Taxable<br/>Value of<br/>Property</u></b> | <b><u>Per<br/>Capita</u></b> |
|-------------------------------|--|--|---------------------|--|------------------------------|
| 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                          |
| 2014                          | 1,804,600                                      |  | 1,804,600           | 0.17%  | 120                          |

**City of West Columbia, South Carolina**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2014**

| <b><u>Governmental Unit</u></b>                   | <b><u>Debt<br/>Outstanding</u></b> | <b><u>Estimated<br/>Percentage<br/>Applicable</u></b> | <b><u>Estimated<br/>Share of<br/>Overlapping<br/>Debt</u></b> |
|---|------------------------------------|---|---|
| Lexington County                                  | \$ 49,595,965                      | 5.66%   | \$ 2,807,132  |
| School District No. 2                             | 28,910,000                         | 18.58%  | 5,371,478   |
| Lexington County Recreation District              | 38,695,000                         | 8.21%   | 3,176,860   |
| Riverbanks Park District                          | 15,364,160                         | 2.30%   | 353,376   |
| Subtotal, overlapping debt                        |                                    |   | <u>11,708,845</u>   |
| City of West Columbia, South Carolina direct debt |                                    |   | <u>4,614,677</u>  |
| Total direct and overlapping debt                 |                                    |   | <u><u>16,323,522</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 |             |             |             |             |             |             |              |              |              |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
|   | 2005        | 2006        | 2007        | 2008        | 2009        | 2010        | 2011        | 2012         | 2013         | 2014         |
| Debt limit  | \$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 | \$ 4,745,948 |
| Total net debt applicable to limit  | 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    | 1,804,600    |
| Legal debt margin   | 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    | 2,941,348    |
| Total net debt applicable to the limit<br>as a percentage of the debt limit | 88.19%      | 75.36%      | 71.57%      | 68.82%      | 67.16%      | 69.40%      | 61.29%      | 51.67%       | 44.45%       | 38.02%       |

**Legal Debt Margin Calculation for Fiscal Year 2014**

|   |               |
|---|---------------|
| Assessed Value  | \$ 58,429,270 |
| Add back: exempt real property                                  | 895,080       |
| Total assessed value  | 59,324,350    |
| Debt limit (8%)   | 4,745,948     |
| Debt applicable to limit:                                       |               |
| General obligation bonds  | 1,804,600     |
| Less: Amount set aside for repayment<br>general obligation debt |               |
| Total net debt applicable to limit                              | 1,804,600     |
| Legal debt margin   | 2,941,348     |

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 \$4,745,948 at June 30, 2014, which would be the legal debt limit.

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

| Fiscal<br>Year | Water and Sewer Revenue Bonds       |                                |                             |                           |            |              |          |
|----------------|-------------------------------------|--------------------------------|-----------------------------|---------------------------|------------|--------------|----------|
|                | Water/Sewer<br>Charges<br>and Other | Less:<br>Operating<br>Expenses | Net<br>Available<br>Revenue | Debt Service Requirements |            |              | Coverage |
|                |                                     |                                |                             | Principal                 | Interest   | Total        |          |
| 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     |
| 2014           | 11,036,602                          | 6,274,080                      | 4,762,522                   | 2,036,930                 | 625,217    | 2,662,147    | 1.79     |

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<br>Year | Population | Personal<br>Income | Per<br>Capita<br>Personal<br>Income | Median<br>Age | Education<br>Level in<br>Years of<br>Formal<br>Schooling | School<br>Enrollment | Unemployment<br>Rate |
|----------------|------------|--------------------|-------------------------------------|---------------|--|----------------------|----------------------|
|                |            |                    |                                     |               |  |                      |                      |
| 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%                |
| 2014           | 14,998     | 345,808,886        | 23,057                              | 37.9          | 14.0   | 3,080                | 4.70%                |

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 Nine Years Ago**

| <b><u>Employers</u></b>       | <b><u>2014</u></b>      |                    |   | <b><u>2006</u></b>      |                    |   |
|-------------------------------|-------------------------|--------------------|---|-------------------------|--------------------|---|
|                               | <b><u>Employees</u></b> | <b><u>Rank</u></b> | <b><u>Percentage<br/>of Principal<br/>Employers</u></b> | <b><u>Employees</u></b> | <b><u>Rank</u></b> | <b><u>Percentage<br/>of Principal<br/>Employers</u></b> |
| House of Raeford Farms        | 875                     | 1                  | 32.31%  | 425                     | 2                  | 18.71%  |
| Wal-Mart Stores               | 552                     | 2                  | 20.38%  | 515                     | 1                  | 22.67%  |
| South Carolina Episcopal Home | 410                     | 3                  | 15.14%  | 200                     | 4                  | 8.80%   |
| Lexington School District 2   | 218                     | 4                  | 8.05%   | 264                     | 3                  | 11.62%  |
| City of West Columbia         | 193                     | 5                  | 7.13%   | 176                     | 6                  | 7.75%   |
| Heartland of Lexington        | 125                     | 6                  | 4.62%   | 153                     | 7                  | 6.73%   |
| U S Postal Service            | 96                      | 7                  | 3.55%   | 100                     | 10                 | 4.40%   |
| Bi-Lo LLC                     | 87                      | 8                  | 3.21%   | 105                     | 9                  | 4.62%   |
| Chick-Fil-A                   | 78                      | 9                  | 2.88%   |                         |                    |   |
| H T Hackney Company           | 74                      | 10                 | 2.73%   | 147                     | 8                  | 6.47%   |
| Belcher Staffing Services     |                         |                    |   | 187                     | 5                  | 8.23%   |
| Total                         | <u>2,708</u>            |                    | <u>100.0%</u>   | <u>2,272</u>            |                    | <u>100.0%</u>   |

Information available for current year and nine years ago only.

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

| Function                          | Fiscal Year |      |      |      |      |      |      |      |      |      |
|-----------------------------------|-------------|------|------|------|------|------|------|------|------|------|
|                                   | 2005        | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| General Government                | 12          | 12   | 12   | 12   | 12   | 14   | 14   | 14   | 16   | 16   |
| Building Inspectors               | 2           | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 2    |
| Code Compliance                   |             |      |      |      |      |      | 2    | 2    | 2    | 2    |
| Community Development             |             | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Public Safety                     |             |      |      |      |      |      |      |      |      |      |
| Police                            |             |      |      |      |      |      |      |      |      |      |
| Officers                          | 48          | 52   | 52   | 54   | 56   | 58   | 58   | 58   | 53   | 55   |
| Civilians                         | 12          | 12   | 12   | 12   | 14   | 14   | 14   | 14   | 12   | 11   |
| Fire                              |             |      |      |      |      |      |      |      |      |      |
| Firefighters and officers         | 24          | 24   | 24   | 24   | 24   | 24   | 24   | 24   | 24   | 24   |
| Maintenance - Garage              | 5           | 6    | 6    | 6    | 6    | 6    | 7    | 7    | 7    | 7    |
| Sanitation (Garbage & Trash)      | 30          | 30   | 30   | 30   | 32   | 32   | 32   | 32   | 27   | 24   |
| Parks and Recreation              | 1           | 1    | 3    | 3    | 3    | 3    | 6    | 5    | 7    | 7    |
| Water (Production & Distribution) | 32          | 32   | 32   | 32   | 32   | 32   | 32   | 32   | 36   | 36   |
| Sewer Collection                  | 3           | 3    | 3    | 4    | 4    | 4    | 4    | 4    | 4    | 4    |
| Total                             | 169         | 176  | 178  | 181  | 187  | 191  | 197  | 196  | 192  | 189  |

Source: City of West Columbia Finance Office

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

| Function   | Fiscal Year |        |        |        |        |        |        |        |        |        |
|--|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | 2005        | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   |
| Police   |             |        |        |        |        |        |        |        |        |        |
| Physical arrests   | 1,804       | 1,785  | 1,830  | 1,913  | 2,265  | 2,058  | 3,398  | 2,097  | 741    | 1,179  |
| Fire   |             |        |        |        |        |        |        |        |        |        |
| Number of calls answered   | 876         | 857    | 1,108  | 853    | 627    | 757    | 651    | 992    | 999    | 1,038  |
| Inspections  | 3,156       | 2,990  | 1,140  | 941    | 849    | 1,000  | 1,328  | 1,406  | 1,472  | 1,597  |
| Sanitation   |             |        |        |        |        |        |        |        |        |        |
| Refuse collected (tons/day) Lexington Landfill <sup>1</sup>        | 36          | 37     | 38     | 33     | 35     | 30     | 24     | 22     | 22     | 22     |
| Refuse collected (tons/day) Richland Landfill <sup>2</sup>         | 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)                                      | 38          | 36     | 110    | 94     | 137    | 108    | 164    | 118    | 116    | 152    |
| Water  |             |        |        |        |        |        |        |        |        |        |
| New connections  | 360         | 270    | 285    | 1,369  | 24     | 101    | 74     | 82     | 116    | 139    |
| Water mains breaks   | 6           | 7      | 4      | 9      | 12     | 14     | 20     | 24     | 16     | 27     |
| Water customers  | 17,853      | 18,483 | 18,768 | 19,250 | 19,274 | 19,025 | 19,032 | 19,205 | 19,321 | 19,460 |
| Water Plant I  | 3,310       | 3,519  | 3,670  | 3,643  | 3,353  | 2,633  | 3,225  | 3,227  | 3,074  | 3,123  |
| Water Plant II   | 6,598       | 7,204  | 8,080  | 8,187  | 7,443  | 9,310  | 9,042  | 8,992  | 8,589  | 8,683  |
| Total Average daily consumption (thousands of gallons)             | 9,908       | 10,723 | 11,750 | 11,830 | 10,796 | 11,943 | 12,267 | 12,219 | 11,663 | 11,806 |
| Wastewater   |             |        |        |        |        |        |        |        |        |        |
| Average daily sewage treatment <sup>3</sup> (thousands of gallons) | 2,432       | 1,598  | 4,800  | 5,900  | 6,054  | 6,095  | 6,095  | 6,095  | 6,095  | 2,980  |
| Sewer customers  | 8,546       | 9,454  | 10,050 | 10,733 | 10,745 | 10,758 | 11,157 | 11,197 | 11,268 | 11,334 |
| Overlapping customers - City of Cayce <sup>4</sup>                 | 1,093       | 1,205  | 1,372  | 1,508  | 1,510  | 1,515  |        |        |        |        |
| Total sewer customers  | 9,639       | 10,659 | 11,422 | 12,241 | 12,255 | 12,273 | 11,157 | 11,197 | 11,268 | 11,334 |

Sources:

<sup>1</sup> Lexington Landfill<sup>2</sup> Richland Landfill - As of January, 2010, the City no longer uses the Richland Landfill<sup>3</sup> City of Columbia waste water treatment plant<sup>4</sup> As of July, 2010, the City no longer bills for City of Cayce sewer customers

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

| Function   | Fiscal Year |      |      |      |      |      |      |      |       |       |
|--|-------------|------|------|------|------|------|------|------|-------|-------|
|  | 2005        | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013  | 2014  |
| Public Safety  |             |      |      |      |      |      |      |      |       |       |
| Police:  |             |      |      |      |      |      |      |      |       |       |
| Stations   | 1           | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1     | 1     |
| Patrol units   | 31          | 35   | 46   | 50   | 57   | 63   | 67   | 65   | 65    | 59    |
| Fire stations  | 1           | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1     | 1     |
| Responding units   | 12          | 12   | 12   | 14   | 14   | 14   | 11   | 11   | 11    | 9     |
| Sanitation   |             |      |      |      |      |      |      |      |       |       |
| Garbage collection trucks  | 13          | 12   | 14   | 14   | 14   | 14   | 12   | 12   | 12    | 12    |
| Yard trash collection trucks   | 5           | 5    | 6    | 6    | 6    | 6    | 7    | 7    | 7     | 7     |
| Highways and streets   |             |      |      |      |      |      |      |      |       |       |
| Streetlights <sup>1</sup>  | 929         | 938  | 947  | 942  | 961  | 989  | 989  | 989  | 1,017 | 1,262 |
| Traffic signals  | 19          | 21   | 23   | 24   | 28   | 30   | 30   | 30   | 30    | 30    |
| Culture and recreation   |             |      |      |      |      |      |      |      |       |       |
| Parks  | 5           | 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)  | 198         | 210  | 212  | 213  | 243  | 288  | 288  | 288  | 288   | 290   |
| Fire hydrants  | 540         | 550  | 555  | 566  | 569  | 573  | 580  | 583  | 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 | 22.5 | 23.0 | 23.0 | 23.0 | 23.0 | 23.0  | 23.0  |
| Maximum daily capacity<br>(millions of gallons)                        | 20.5        | 20.5 | 20.5 | 29.5 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0  | 30.0  |
| Sewer  |             |      |      |      |      |      |      |      |       |       |
| Sanitary sewers (miles)  | 105         | 110  | 112  | 113  | 113  | 115  | 115  | 115  | 115   | 115   |
| Maximum daily treatment capacity <sup>2</sup><br>(millions of gallons) | 3.27        | 3.27 | 3.27 | 3.27 | 3.27 | 3.27 | 3.27 | 3.27 | 3.27  | 3.27  |

Sources:

<sup>1</sup> South Carolina Electric & Gas Company<sup>2</sup> Contract with City of Columbia for capacity without additional surcharge.

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# THE BRITTINGHAM GROUP, L.L.P.

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## 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 Mayor and Members of City Council  
City of West Columbia, South Carolina  
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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 26, 2015.

### 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.

A handwritten signature in black ink that reads "The Brittingham Group LLP". The signature is written in a cursive, flowing style.

West Columbia, South Carolina  
February 26, 2015