

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2015

JENNIFER T. CUNNINGHAM
City Administrator

Prepared by:
FINANCE DEPARTMENT

CITY OF WEST COLUMBIA, SOUTH CAROLINA
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YEAR ENDED JUNE 30, 2015
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BOBBY E. HORTON
Mayor

JENNIFER T. CUNNINGHAM
City Administrator

BRIAN E. CARTER, AICP
Deputy City Administrator

KELLI RICARD
City Clerk

JUSTIN BLACK, CPA
City Treasurer



City of West Columbia
Bridging Past, Present and Future

L. DALE HARLEY
Mayor Pro-Tem

R. TREVOR BEDELL
JIMMY BROOKS

CASEY JORDAN HALLMAN
BOYD J. JONES

TEMUS C. "TEM" MILES

TOMMY G. PARLER
TEDDY WINGARD

Council Members

December 31, 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, 2015. 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, 2015, 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, 2015, 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, 2015, the City entered into a lease purchase agreement with First Citizens. This capital lease purchase was in the amount of \$300,000, and covered multiple departments within the City. Its purpose was to purchase new equipment. The bulk of the lease purchase was for the Police Department in the purchase of new mobile data terminals for road vehicles. The City also issued a bond anticipation note to cover \$8,747,000 in sewer capital improvement costs in anticipation of issuing revenue bonds in fiscal year 2016.

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 0.25 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).

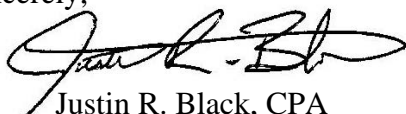
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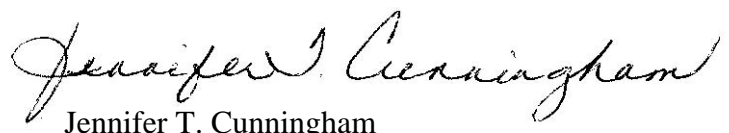
Awards – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Columbia, South Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the 24th 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.

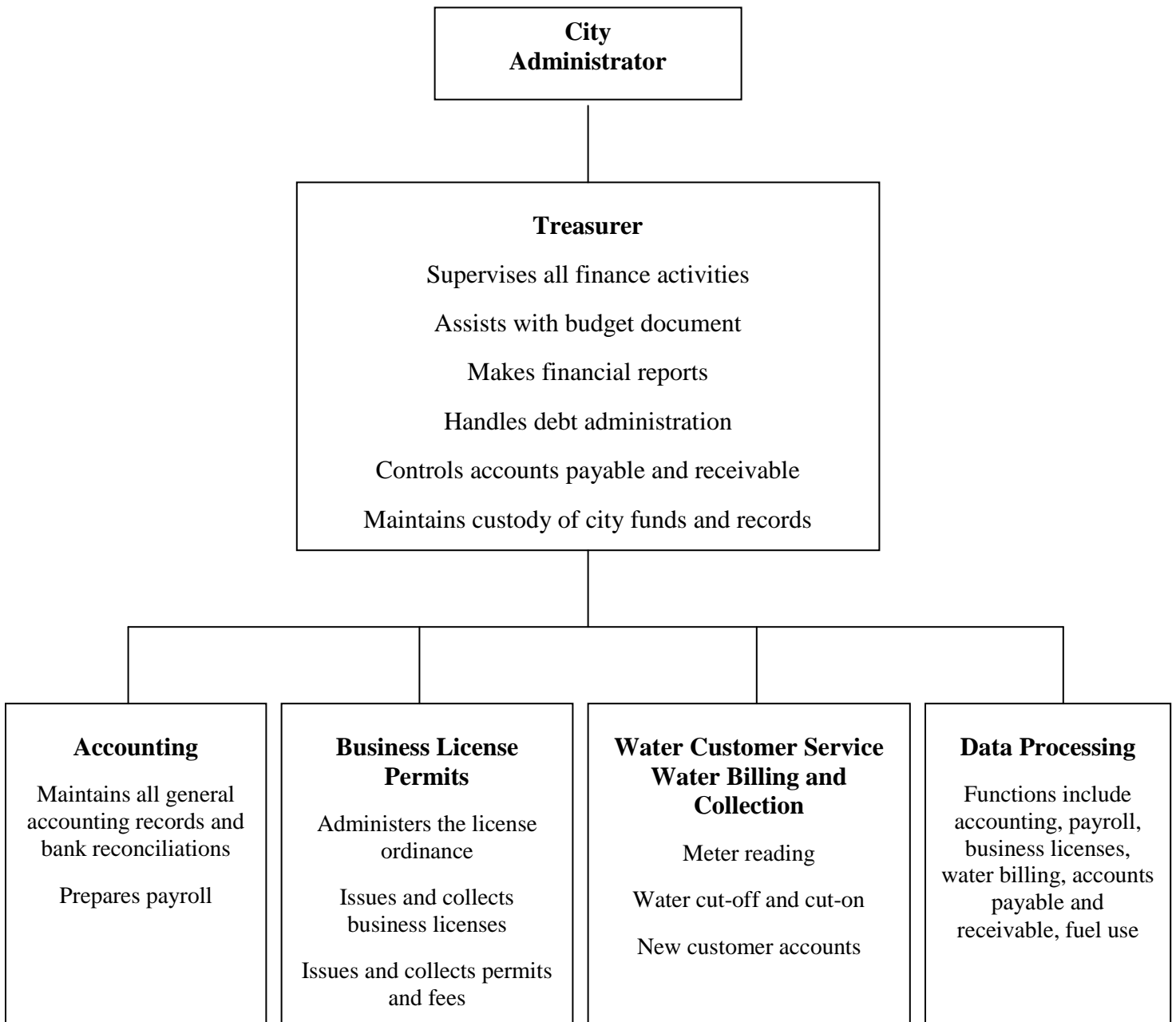
Sincerely,


Justin R. Black, CPA
City Treasurer

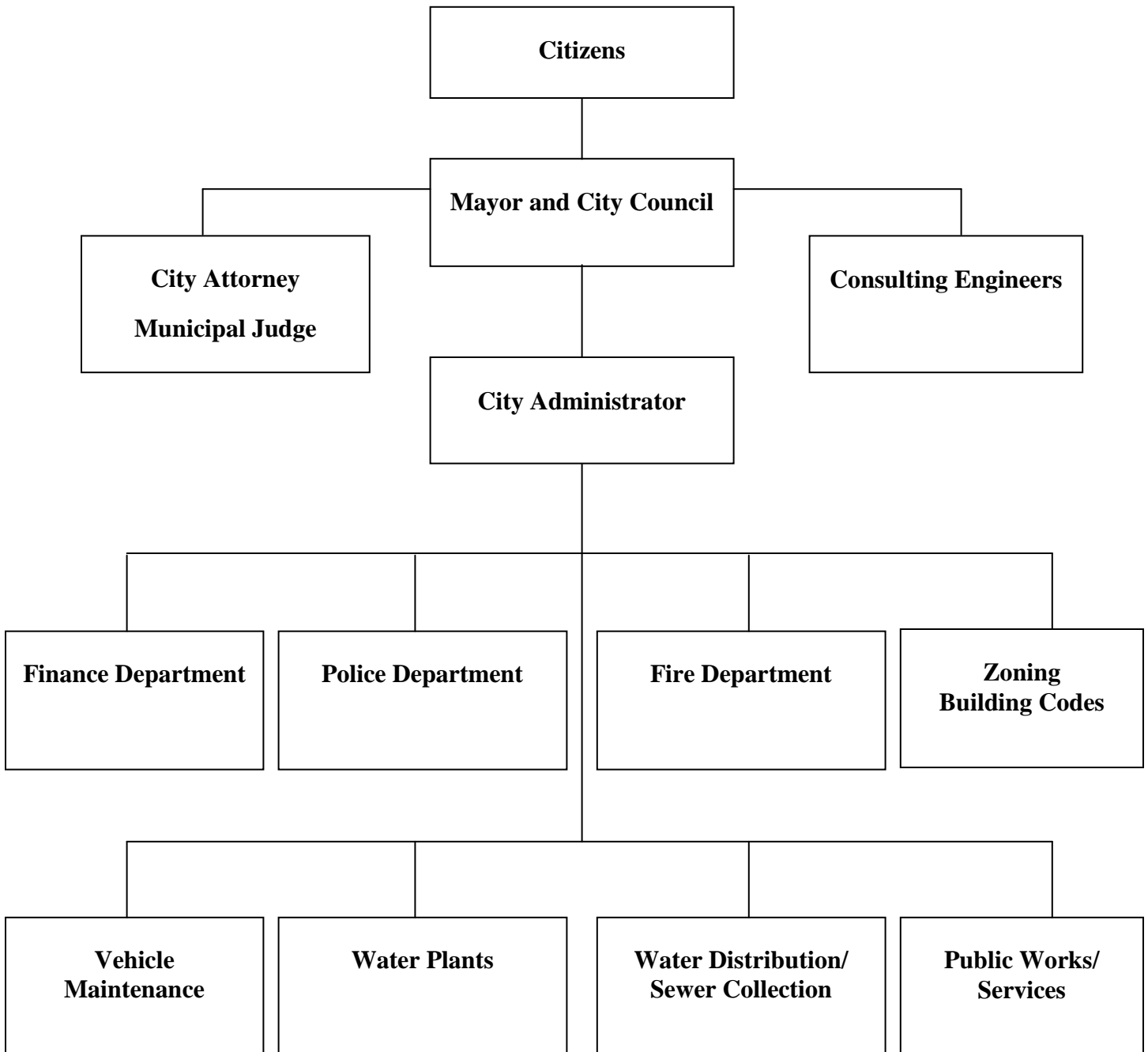

Jennifer T. Cunningham
City Administrator

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, 2014

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

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, 2015, 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, 2015, 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.

Emphasis of Matter

As described in Note 21 to the financial statements, in 2015, the City adopted new accounting guidance, GASB Statement No. 68 *Accounting and Financial Reporting for Pensions an Amendment of GASB No. 27*, our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 15-22, the Schedule of Funding Progress – Employees' Other Postemployment Benefits on page 68, the South Carolina Retirement Systems Schedule of Contributions on Page 69, and the Schedule of Proportionate Share of the South Carolina Systems Net Pension Liabilities on Page 70, 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 above listed 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in Schedules A-1 through E-1 are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 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
December 31, 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, 2015. 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 financial reporting requirements under Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," make the City's 2015 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 MD&A.

As required by GASB, the City implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27." This Statement requires the City to restate its beginning Net Position and record the City's Net Pension Liability that is related to future retiree benefit payments (see Note 10 and 21). This Statement also involves accounting for the changes in the current year's net pension liability, deferred outflows and deferred inflows.

Financial Highlights

- The City of West Columbia's assets exceeded its liabilities at June 30, 2015 by \$19,883,530 (net position).
- The City's total net position increased \$860,686 with a decrease of \$441,570 from governmental activities and an increase of \$1,302,256 resulting from business-type activities.
- For the fiscal year ending June 30, 2015, 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 \$4,836,666, an increase of \$163,325 over the previous fiscal year. Of this amount, \$4,640,117 is unassigned.
- The General Fund reported actual revenues of \$91,434 over budget and expenditures under budgeted appropriations by \$81,318.
- The City's total long-term debt increased by \$12,947,475 for the current fiscal year. The main reason for the increase of the City's overall outstanding long-term debt is the implementation of GASB Statement No. 68 (see Note 8 and 10).

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.

Overview of the Financial Statements (continued)

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 24-26 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.

Overview of the Financial Statements (continued)

The City of West Columbia maintained only one governmental fund during the fiscal year 2014-2015. 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 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 27-30 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 31-35 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 36 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 37-66 of this report.

Government-wide Financial Analysis

The government-wide financial statements are provided as part of the approach mandated by the GASB, which sets the uniform standards for presenting government financial reports. This report represents the thirteenth 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 \$19,883,530 at the close of the most recent fiscal year. The City's increase in net position for this fiscal year amounts to \$860,686.

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

Government-wide Financial Analysis (continued)

City of West Columbia's Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current assets and other	\$ 6,842,702	\$ 5,493,426	\$16,807,889	\$ 6,418,316	\$23,650,591	\$11,911,742
Capital assets, net	11,107,672	12,369,438	55,079,973	56,882,607	66,187,645	69,252,045
Total assets and other	17,950,374	17,862,864	71,887,862	63,300,923	89,838,236	81,163,787
Long-term liabilities outstanding	13,993,506	3,866,189	39,817,825	37,600,331	53,811,331	41,466,520
Other liabilities and other	2,904,813	1,730,835	13,238,562	3,818,499	16,143,375	5,549,334
Total liabilities and other	16,898,319	5,597,024	53,056,387	41,418,830	69,954,706	47,015,854
Net Position						
Net Investment in capital assets	7,226,074	7,754,760	25,731,877	25,210,043	32,957,951	32,964,803
Restricted	196,449	143,948	11,284,796	2,593,418	11,481,245	2,737,366
Unrestricted	(6,370,468)	4,367,132	(18,185,198)	(5,921,368)	(24,555,666)	(1,554,236)
Total net position	1,052,055	12,265,840	18,831,475	21,882,093	19,883,530	34,147,933

An additional portion of the City's net position represents resources that are restricted as to how they may be used. The remaining balance of unrestricted 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 business-type activities revenues being over expenditures. Actual business license fees exceeded budgeted revenues in governmental activities. All governmental activities were under budget, however, the general services and public safety departments were the main contributors to actual expenditures being under budgeted expenditures. The net position from governmental activities took a big hit from the loss on the sale of capital assets. In the proprietary fund charges for services increased and the transfer to the general fund decreased. Both the governmental and business-type activity net positions were substantially effected by the implementation of GASB Statement No. 68 (See Note 10).

Government-wide Financial Analysis (continued)

City of West Columbia's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues						
Charges for services	\$ 5,299,621	\$ 4,933,465	\$12,413,206	\$11,036,602	\$17,712,827	\$15,970,067
Operating grants & contributions	53,609	10,459	-	102,654	53,609	113,113
Capital grants & contributions	245,866	37,797	-	81,202	245,866	118,999
General revenues						
Property taxes	4,193,861	4,124,188	-	-	4,193,861	4,124,188
Intergovernmental	475,734	478,509	-	-	475,734	478,509
Investment earnings	41	164	105,668	112,845	105,709	113,009
Other	(767,222)	160,565	1,778	-	(765,444)	160,565
Total revenues	9,501,510	9,745,147	12,520,652	11,333,303	22,022,162	21,078,450
Expenses						
General Government	1,715,597	1,346,552	-	-	1,715,597	1,346,552
Community Development	344,200	346,572	-	-	344,200	346,572
Public Safety	7,158,809	7,275,636	-	-	7,158,809	7,275,636
Public Services	1,778,287	1,800,762	-	-	1,778,287	1,800,762
General Services	1,118,290	1,078,525	-	-	1,118,290	1,078,525
Interest on Long-term Debt	110,897	130,510	-	-	110,897	130,510
Water & Sewer Utility	-	-	8,935,396	8,540,261	8,935,396	8,540,261
Total expenses	12,226,080	11,978,557	8,935,396	8,540,261	21,161,476	20,518,818
Excess (deficiency) before transfers	(2,724,570)	(2,233,410)	3,585,256	2,793,042	860,686	559,632
Transfers	2,283,000	2,544,122	(2,283,000)	(2,544,122)	-	-
Increase (decrease) in net position	(441,570)	310,712	1,302,256	248,920	860,686	559,632
Net Position - July 1 - as restated	1,493,625	11,955,128	17,529,219	21,633,173	19,022,844	33,588,301
Net Position - June 30	1,052,055	12,265,840	18,831,475	21,882,093	19,883,530	34,147,933

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, 2015, the City of West Columbia governmental funds reported combined fund balances of \$4,836,666, an increase of \$ 163,325 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.

Financial Analysis of City of West Columbia Funds (Continued)

The remainder of the fund balance is split between a nonspendable amount of \$100, and \$196,449 being reserved that is not available for new spending because it has already been restricted for specific purposes. The General Fund is the primary operating fund of the City. At June 30, 2015, the total fund balance in the general fund was \$4,836,666. The General Fund balance increased by \$163,325 during the current fiscal year. This increase is mainly a result of business license fees exceeding budgeted projections. Also, actual expenditures were notably under budget in the general services and public safety departments.

Proprietary funds – The City’s Proprietary Fund provides the same type of information found in the government-wide financial statements, but with greater detail. At June 30, 2015, total net position of the Water and Sewer Utility System amounted to \$18,831,475 as compared to \$21,882,093 at June 30, 2014. The decrease in net position of \$3,050,618 for the fiscal year is due mainly to the implementation of GASB No. 68. However, the decrease was not quite as significant because of a surplus of \$1,302,256 from operations during this fiscal year.

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 2015 as well as the final budget are presented. Quarterly budget amendments and supplemental appropriations were approved during the 2014-2015 budget year. There was an overall increase of \$322,000 between the original budget and the final amended budget.

The General Fund budgeted revenues of \$10,308,000 before other financing sources and achieved actual revenues of \$10,399,434, or \$91,434 more than budgeted. Expenditures were budgeted for \$13,200,000 before other uses with actual expenditures of \$13,118,682. The City budgeted a deficiency of estimated revenues over its appropriated expenditures before other financing sources and uses totaling \$2,892,000, but achieved a deficiency of revenue over expenditures before other financing sources and uses of \$2,882,573. The General Fund’s budget also included budgeted net transfers in from the Proprietary Fund of \$2,283,000. 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 a reduction in personnel costs and other projected expenditures that were not carried out.

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, 2015, amounts to \$60,687,581 (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 mobile data terminals in the police department for \$110,000 and added new trucks and containers for the sanitation department at a cost of \$190,000. The City also sold property located at 136 Sunset Blvd, West Columbia, SC, for a contract price of \$300,000.
- 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, 2015, and therefore, remains as construction in progress with cost to date of \$8,389,990 (see Note 16).

Capital Assets and Debt Administration (Continued)

City of West Columbia's Capital Assets (Net)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 4,526,994	\$ 5,557,341	\$ 187,500	\$ 187,500	\$ 4,714,494	\$ 5,744,841
Buildings & equipment	5,185,861	5,408,273	30,450,090	31,567,800	35,635,951	36,976,073
Improvements other than buildings	-	-	9,305,327	9,355,641	9,305,327	9,355,641
Equipment	-	-	1,163,196	1,194,503	1,163,196	1,194,503
Vehicles & equipment	1,394,816	1,403,823	16,614	43,421	1,411,430	1,447,244
Construction in progress	-	-	8,457,183	8,333,503	8,457,183	8,333,503
Total assets, net	<u>11,107,671</u>	<u>12,369,437</u>	<u>49,579,910</u>	<u>50,682,368</u>	<u>60,687,581</u>	<u>63,051,805</u>

Long-term debt - At the end of the current fiscal year, the City of West Columbia had total bonded debt outstanding of \$3,198,500 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 \$ 23,841,865 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 \$4,845,846, as reflected in note 8 and table 13.

City of West Columbia's Outstanding Long-term Debt

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Capital leases	\$ 690,372	\$ 602,077	\$ 6,168	\$ 7,650	\$ 696,540	\$ 609,727
Net pension liability	10,865,104	-	4,416,668	-	15,281,772	-
Tax increment finance bonds	1,668,000	2,208,000	-	-	1,668,000	2,208,000
General obligation bonds	1,530,500	1,804,600	-	-	1,530,500	1,804,600
Revenue bonds	-	-	23,841,865	25,464,675	23,841,865	25,464,675
Accrued compensated absences	572,473	565,688	292,092	283,077	864,565	848,765
Total outstanding debt	<u>15,326,449</u>	<u>5,180,365</u>	<u>28,556,793</u>	<u>25,755,402</u>	<u>43,883,242</u>	<u>30,935,767</u>

Capital Assets and Debt Administration (Continued)

The net pension liability was introduced in this current fiscal year with the adoption of GASB Stmt. No. 68 and represents the long-term liabilities for payments to retirees, net of the City's current pension investments. For additional information concerning the City's outstanding debt as of June 30, 2015, please see Notes 7, 8 and 10 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 5.1 percent, compared to the rate of 4.7 percent a year ago. This compares favorably with the state's rate of 6.6 percent and the national rate of 5.3 percent.
- Inflationary trends in the region compare favorably to national indices.

These indices were taken into account when adopting the general budget for 2015-2016. Amounts available for appropriation in the general fund budget are \$12,710,000, a decrease of 3.7 percent under the final 2015 budget of \$13,200,000. It should be noted that the appropriated budget for 2016 includes \$365,000 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 2015-2016 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 2016 are expected to decrease over the actual 2015 expenditures due mainly to project revenues and expenditures not being budgeted. The City does not anticipate entering into any major land acquisitions for economic development purposes in fiscal year 2015-2016. However, the City is currently under contract to sell four acres of land to a local developer that would increase economic development and growth in the area.

As for the City's business-type activities, the City is currently undergoing a rate study to identify any need for increased rates and fees for the water and sewer utility system in 2016. An increase would be imposed mainly to ensure the City could continue to maintain the water and sewer utility system and match recurring revenues to recurring expenditures. Any increase would also need to account for new debt service that is projected to be issued during 2016. 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, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 2,599,126	\$ 3,764,566	\$ 6,363,692
Receivables, net	844,745	2,844,818	3,689,563
Prepaid Charges	100	7,879	7,979
Internal Balances, net	2,174,211	(2,174,211)	-
Notes Receivable - Municipal Government	-	680,424	680,424
Restricted Cash and Cash Equivalents	196,449	11,284,796	11,481,245
Total Current Assets	5,814,631	16,408,272	22,222,903
Non -Current assets:			
Notes Receivable - Municipal Government	-	5,500,063	5,500,063
Capital Assets, net:			
Land	4,526,995	187,500	4,714,495
Buildings and Improvements	5,185,861	30,450,090	35,635,951
Improvements Other Than Buildings	-	9,305,327	9,305,327
Vehicles and Equipment	1,394,816	1,179,810	2,574,626
Construction in Progress	-	8,457,183	8,457,183
Total Non -Current assets	11,107,672	55,079,973	66,187,645
TOTAL ASSETS	16,922,303	71,488,245	88,410,548
DEFERRED OUTFLOW OF RESOURCES			
Pension Plan	1,028,071	399,617	1,427,688
TOTAL DEFERRED OUTFLOW OF RESOURCES	1,028,071	399,617	1,427,688
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	17,950,374	71,887,862	89,838,236
LIABILITIES			
Current Liabilities:			
Accounts Payable	423,855	662,227	1,086,082
Accrued Expenses and Other Liabilities	92,626	32,728	125,354
Accrued Interest Payable	29,782	-	29,782
Capital Leases	215,268	1,506	216,774
Accrued Compensated Absences	285,437	129,875	415,312
Customer Deposits	-	507,023	507,023
Unearned Revenue	-	621,656	621,656
(Payable from Restricted Assets)			
TIF Bonds Payable	548,000	-	548,000
GO Bonds Payable	284,239	-	284,239
Contracts Payable	-	106,928	106,928
Revenue Bonds Payable	-	10,690,474	10,690,474
Accrued Interest Payable - Revenue Bonds	-	105,198	105,198
Total Current Liabilities	1,879,207	12,857,615	14,736,822
Long-Term (Non-Current) Liabilities:			
Capital Leases	475,105	4,662	479,767
Bonds Payable	2,366,261	21,898,389	24,264,650
Unearned Revenue	-	12,917,532	12,917,532
Accrued Compensated Absences	287,036	162,218	449,254
Net Pension Liability	10,865,104	4,416,668	15,281,772
Other Liabilities	-	418,356	418,356
Total Long-Term Liabilities	13,993,506	39,817,825	53,811,331
TOTAL LIABILITIES	15,872,713	52,675,440	68,548,153
DEFERRED INFLOW OF RESOURCES			
Pension Plan	1,025,606	380,947	1,406,553
TOTAL DEFERRED INFLOW OF RESOURCES	1,025,606	380,947	1,406,553
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	16,898,319	53,056,387	69,954,706

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
<u>NET POSITION</u>			
Net Investment in Capital Assets	7,226,074	25,731,877	32,957,951
Restricted to:			
Debt Service	86,407	11,203,538	11,289,945
Capital Improvement Grant	-	81,258	81,258
Law Enforcement Grants & Programs	59,998	-	59,998
Accommodations Tax	30,683	-	30,683
Parks Program	19,361	-	19,361
Unrestricted	(6,370,468)	(18,185,198)	(24,555,666)
<u>TOTAL NET POSITION</u>	<u>1,052,055</u>	<u>18,831,475</u>	<u>19,883,530</u>

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, 2015

	Program Revenue				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Fee for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
<u>FUNCTIONS AND PROGRAMS</u>						
Governmental activities:						
General government	\$ 1,715,597	\$ 5,114,678	\$ 17,248	\$ 245,866	\$ 3,662,195	\$ 3,662,195
Community & Economic Development	1,292,863				(1,292,863)	(1,292,863)
Public Safety	7,158,973	184,943	36,361	-	(6,937,669)	(6,937,669)
Public Services	1,778,287				(1,778,287)	(1,778,287)
General Services	1,118,290				(1,118,290)	(1,118,290)
Interest on Long-Term Debt	110,897				(110,897)	(110,897)
	13,174,907	5,299,621	53,609	245,866	(7,575,811)	(7,575,811)
Business-type activities:						
Water and sewer utility	8,935,396	12,413,206	-	-	-	3,477,810
Total Business-type activities	8,935,396	12,413,206	-	-	-	3,477,810
<u>TOTAL FUNCTIONS AND PROGRAMS</u>	22,110,303	17,712,827	53,609	245,866	(7,575,811)	(4,098,001)
General Revenue and Transfers						
Property Taxes					4,193,861	-
Intergovernmental - Unrestricted					475,734	-
Gain / (Loss) on sale of capital assets					24,702	1,778
Investment earnings - Unrestricted					41	105,668
Miscellaneous					156,903	-
Transfers					2,283,000	(2,283,000)
Total general revenue and transfers					7,134,241	(2,175,554)
Changes in net position					(441,570)	1,302,256
Net Position - July 1 - as restated, see Note 21					1,493,625	17,529,219
Net Position - June 30					1,052,055	18,831,475
						19,883,530

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, 2015

	General Fund	Total Governmental Funds
<u>ASSETS</u>		
Cash	\$ 2,599,126	\$ 2,599,126
Receivables (Net of Allowance for Uncollectables)		
Property Taxes	223,249	223,249
State	100,797	100,797
Municipal Governments	243,111	243,111
Grants	29,542	29,542
Rehabilitation Loans	32,646	32,646
Other	215,400	215,400
Prepaid Charges	100	100
Due From Other Funds	2,174,211	2,174,211
Restricted assets:		
Cash	196,449	196,449
<u>TOTAL ASSETS</u>	<u>5,814,631</u>	<u>5,814,631</u>
<u>LIABILITIES</u>		
Liabilities:		
Accounts Payable	423,855	423,855
Accrued Payroll, Taxes, & Vacation Pay	378,063	378,063
<u>TOTAL LIABILITIES</u>	<u>801,918</u>	<u>801,918</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenue - property taxes	176,047	176,047
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>176,047</u>	<u>176,047</u>
<u>FUND BALANCES</u>		
Nonspendable	100	100
Restricted	196,449	196,449
Unassigned	4,640,117	4,640,117
<u>TOTAL FUND BALANCES</u>	<u>4,836,666</u>	<u>4,836,666</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>	<u>5,814,631</u>	

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

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

11,107,671

Other liabilities not payable from currently available resources are not reported in these funds.
The net pension liability and related deferred outflows and deferred inflows do not represent
current financial resources and is not reported in these funds.

(29,782)

(10,862,639)

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

(3,999,861)

Net Position, end of year - Governmental Activities

1,052,055

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, 2015

	General	Total Governmental Funds
<u>REVENUES</u>		
Property Taxes	\$ 4,167,660	\$ 4,167,660
Licenses and Permits	4,262,892	4,262,892
Fines and Forfeitures	169,025	169,025
Interest	41	41
Intergovernmental	475,734	475,734
Charges For Services	851,786	851,786
Grant Proceeds	299,475	299,475
Narcotics Program Income	15,918	15,918
Other Revenues	156,903	156,903
<u>TOTAL REVENUES</u>	<u>10,399,434</u>	<u>10,399,434</u>
<u>EXPENDITURES</u>		
Current		
General Government	1,539,918	1,539,918
Community & Economic Development	530,722	530,722
Public Safety	7,037,456	7,037,456
Public Services	1,765,063	1,765,063
General Services	1,103,814	1,103,814
Debt Service		
Principal	1,025,846	1,025,846
Interest	115,863	115,863
<u>TOTAL EXPENDITURES</u>	<u>13,118,682</u>	<u>13,118,682</u>
<u>EXCESS OF EXPENDITURES</u>		
<u>(OVER)/UNDER REVENUES</u>	<u>(2,719,248)</u>	<u>(2,719,248)</u>
<u>OTHER FINANCING SOURCES/(USES)</u>		
Transfers In/(Out)		
Water and Sewer Fund	2,283,000	2,283,000
Capital Leases	300,000	300,000
Sale of Capital Assets	299,573	299,573
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>2,882,573</u>	<u>2,882,573</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>163,325</u>	<u>163,325</u>
<u>FUND BALANCE - July 1</u>	<u>4,673,341</u>	<u>4,673,341</u>
<u>FUND BALANCE - June 30</u>	<u>4,836,666</u>	<u>4,836,666</u>

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds	\$ 163,325
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.	(38,067)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	26,201
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.	(4,754)
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.	725,846
The net pension liability and the related deferred outflows and deferred inflows relate to funding for future retiree benefit payments, which are not considered current. The net pension liability, deferred outflows and deferred inflows increased in the current year.	(90,423)
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.	(1,223,698)
Change in Net Position - Governmental Activities (See Note 20)	(441,570)

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, 2015

	<u>BUDGETED AMOUNTS</u>			Variance with Final Budget Positive (Negative)
<u>REVENUES</u>	Original	Final	Actual	
Property Taxes	\$ 4,370,000	\$ 4,152,000	\$ 4,167,660	\$ 15,660
Licenses and Permits	3,604,500	4,204,500	4,262,892	58,392
Fines and Forfeits	163,000	168,000	169,025	1,025
Interest	200	200	41	(159)
Intergovernmental	467,600	475,600	475,734	134
Charges For Services	900,000	850,000	851,786	1,786
Grant Proceeds	28,700	297,700	299,475	1,775
Narcotics Program Income	23,900	23,900	15,918	(7,982)
Other Revenues	128,100	136,100	156,903	20,803
<u>TOTAL REVENUES</u>	9,686,000	10,308,000	10,399,434	91,434
<u>EXPENDITURES</u>				
Current				
General Government	1,094,645	1,545,645	1,539,918	5,727
Community & Economic Development	343,720	537,720	530,722	6,998
Public Safety	7,431,585	7,059,585	7,037,456	22,129
Public Services	1,836,115	1,782,115	1,765,063	17,052
General Services	1,173,095	1,133,095	1,103,814	29,281
Debt Service				
Principal	900,000	1,025,977	1,025,846	131
Interest	98,840	115,863	115,863	-
<u>TOTAL EXPENDITURES</u>	12,878,000	13,200,000	13,118,682	81,318
<u>EXCESS OF EXPENDITURES OVER REVENUES</u>	(3,192,000)	(2,892,000)	(2,719,248)	172,752
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers In/(Out)				
Water and Sewer Fund	2,583,000	2,283,000	2,283,000	-
Capital Leases	309,000	309,000	300,000	(9,000)
Sale of Capital Assets	300,000	300,000	299,573	(427)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	3,192,000	2,892,000	2,882,573	(9,427)
<u>NET CHANGE IN FUND BALANCE</u>	-	-	163,325	163,325
<u>FUND BALANCE - July 1</u>			4,673,341	
<u>FUND BALANCE - June 30</u>			4,836,666	

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, 2015

	<u>Business-Type Activities</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 3,764,566
Accounts Receivable	2,844,818
Prepaid Charges	7,879
Notes Receivable- Municipal Government	680,424
Restricted Cash and Cash Equivalents	<u>11,284,796</u>
<u>TOTAL CURRENT ASSETS</u>	<u>18,582,483</u>
<u>NONCURRENT ASSETS</u>	
Noncurrent Receivable - Municipal Government	<u>5,500,063</u>
CAPITAL ASSETS	
Water Plant, Lines, and Sewer System	71,747,535
Less: Accumulated Depreciation	(30,624,809)
Construction in Progress	<u>8,457,183</u>
<u>TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</u>	<u>49,579,909</u>
<u>TOTAL NONCURRENT ASSETS</u>	<u>55,079,972</u>
<u>TOTAL ASSETS</u>	<u>73,662,455</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>	
PENSION PLAN	<u>399,617</u>
<u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u>	<u>399,617</u>
<u>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</u>	<u>74,062,072</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2015

	<u>Business-Type Activities</u>
<u>LIABILITIES</u>	
CURRENT LIABILITIES	
(Payable from Current Assets)	
Accounts Payable	\$ 662,227
Customer Deposits	507,023
Accrued Payroll and Vacation Pay	162,602
Capital Lease Obligation	1,506
Unearned Revenue	621,656
Due to Other Funds	2,174,211
(Payable from Restricted Assets)	
Contracts Payable	106,928
Revenue Bonds Payable	10,690,474
Accrued Interest Payable - Revenue Bonds	105,198
<u>TOTAL CURRENT LIABILITIES</u>	<u>15,031,825</u>
LONG-TERM LIABILITIES	
Accrued Vacation Pay - Due After One Year	162,218
Capital Lease Obligation - Due After One Year	4,662
Revenue Bonds - Due After One Year	21,898,389
Unearned Revenue - Due After One Year	12,917,532
Net Pension Liability	4,416,668
Other Liabilities	418,356
<u>TOTAL LONG-TERM LIABILITIES</u>	<u>39,817,825</u>
<u>TOTAL LIABILITIES</u>	<u>54,849,650</u>
<u>DEFERRED INFLOW OF RESOURCES</u>	
PENSION PLAN	380,947
<u>TOTAL DEFERRED INFLOW OF RESOURCES</u>	<u>380,947</u>
<u>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</u>	<u>55,230,597</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	25,731,877
Restricted	
Engineering and Repair Grant	81,258
Debt Service	11,203,538
Unrestricted	(18,185,198)
<u>TOTAL NET POSITION</u>	<u>18,831,475</u>

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2015

	<u>Business-Type Activities</u>
<u>OPERATING REVENUES</u>	
Charges for Service	\$ 12,413,206
<u>TOTAL OPERATING REVENUES</u>	<u>12,413,206</u>
<u>OPERATING EXPENSES</u>	
Personnel Services	3,393,776
Material and Supplies	783,093
Contractual Services	1,033,976
Utilities	1,012,013
Repairs and Maintenance	366,720
Depreciation	1,653,191
Other Operating Expenses	115,352
<u>TOTAL OPERATING EXPENSES</u>	<u>8,358,121</u>
<u>OPERATING INCOME</u>	<u>4,055,085</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest Revenue	105,668
Interest and Amortization Expense	(577,275)
Sale of Fixed Assets	1,778
<u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u>	<u>(469,829)</u>
<u>NET INCOME (LOSS) BEFORE TRANSFERS</u>	<u>3,585,256</u>
<u>TRANSFERS IN/(OUT)</u>	
General Fund	(2,283,000)
<u>CHANGE IN NET POSITION</u>	<u>1,302,256</u>
<u>NET POSITION - July 1 - as restated, see Note 21</u>	<u>17,529,219</u>
<u>NET POSITION - June 30</u>	<u>18,831,475</u>

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2015

	<u>Business-Type Activities</u>
<u>Cash Flows From Operating Activities</u>	
Cash Received From Customers	\$ 11,240,651
Cash Paid to Suppliers	(3,892,479)
Cash Paid to Employees	(3,329,997)
	<hr/>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>4,018,175</u>
<u>Cash Flows From Non-Capital Financing Activities</u>	
Transfers Out	(2,283,000)
	<hr/>
<u>Net Cash Provided (Used) by Non-Capital Financing Activities</u>	<u>(2,283,000)</u>
<u>Cash Flows From Capital and Related Financing Activities</u>	
Proceeds From Capital Debt	9,014,424
Principal Paid on Capital Debt	(1,907,311)
Interest Paid on Capital Debt	(583,752)
Aquisition of Capital Assets	(535,139)
Payments Received from Municipal Governments	710,475
Proceeds from Sale of Fixed Assets	1,778
	<hr/>
<u>Net Cash Provided (Used) by Capital and Related Financing Activities</u>	<u>6,700,475</u>
<u>Cash Flows From Investing Activities</u>	
Interest on Investments	105,668
	<hr/>
<u>Net Cash Provided by Investing Activities</u>	<u>105,668</u>
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	<u>8,541,318</u>
<u>Cash and Cash Equivalents - July 1</u>	<u>6,508,044</u>
<u>Cash and Cash Equivalents - June 30</u>	<u>15,049,362</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2015

	<u>Business-Type Activities</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
<u>Operating Income</u>	<u>\$ 4,055,085</u>
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</u>	
Depreciation	1,653,191
(Increase) Decrease in	
Accounts Receivable	(638,773)
Prepaid Charges	3,264
Deferred Outflow of Resources	(399,617)
Increase (Decrease) in	
Accounts Payable	238,835
Unearned Revenue	(545,198)
Customer Deposits	11,416
Accrued Expenses	18,660
Due to Other Funds	(823,424)
Net Pension Liability	63,789
Deferred Inflow of Resources	<u>380,947</u>
<u>Total Adjustments</u>	<u>(36,910)</u>
<u>Net Cash Provided by Operating Activities</u>	<u>4,018,175</u>

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2015

	<u>ASSETS</u>	<u>Total Agency Funds</u>
Cash and Cash Equivalents		
<u>TOTAL ASSETS</u>		<u>\$ 21,400</u>
	<u>LIABILITIES</u>	
Due to Fireman's Organization		11,963
Agency Funds Held		<u>9,437</u>
<u>TOTAL LIABILITIES</u>		<u>21,400</u>

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

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, 2015, 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, 2015

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, 2015

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, 2015

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, 2015, the City Mayor and Council approved the General Fund budget as follows:

<u>Fund</u>	<u>Original Budget</u>	<u>Increase in Appropriation</u>	<u>Final Budget</u>
General	\$ 12,878,000	\$ 322,000	\$ 13,200,000

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 encumber that portion of the applicable appropriation. Encumbrances outstanding at year-end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. At June 30, 2015 all commitments lapsed and no encumbrances were recognized.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

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, 2015

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, 2015

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, vote by City Council. 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 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, 2015

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 one item that qualifies for reporting in this category. This item is the deferred pension plan contributions for the current fiscal year (See Note 10).

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 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. The City has another deferred inflow that is recognized under the full accrual basis of accounting that is associated with the City's pension plan (See Note 10).

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, 2015

Note 2. Deposits and Investments

Deposits

As of June 30, 2015, 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, 2015, the City had cash on-hand of \$1,975 and cash deposits in demand, savings, money market and certificate of deposit accounts equal to \$18,284,271. Of the deposit amounts, \$515,207 is covered by FDIC insurance, and the balance of \$17,769,064 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, 2015

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, 2015, 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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Note 5. Notes Receivable – Proprietary Fund (continued)

The Town's contract also provides for installation of water lines for newly acquired customer service areas. The Town is obligated to pay its share of the 2013 refunding bond issue requirements (61.80%) for installation of water lines and for the water treatment facility upgrade. The Commission is obligated to pay its share of the 2005 bond issue requirements (53.72%) associated with an additional 9 million GPD upgrade to the Lake Murray Water Treatment facility completed in May 2007. The City has begun to amortize the deferred revenues from these sales of capacity over the remaining life of the plant.

Note 6. Changes in Capital Assets

Governmental Activities:

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

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Non-Depreciable Capital Assets:				
Land	\$ 5,557,341	\$ 193,186	\$ 1,223,533	\$ 4,526,994
Total Non-Depreciable Capital Assets:	<u>5,557,341</u>	<u>193,186</u>	<u>1,223,533</u>	<u>4,526,994</u>
Depreciable Capital Assets:				
Buildings and Improvements	7,986,245			7,986,245
Vehicles and Equipment	8,651,587	617,791	694,865	8,574,513
Total Depreciable Capital Assets	<u>16,637,832</u>	<u>617,791</u>	<u>694,865</u>	<u>16,560,758</u>
Total Capital Assets:	<u>22,195,173</u>	<u>810,977</u>	<u>1,918,398</u>	<u>21,087,752</u>
Less accumulated Depreciation for:				
Buildings and Improvements	2,577,972	222,412		2,800,384
Vehicles and Equipment	7,247,764	609,344	677,411	7,179,697
Total Accumulated Depreciation	<u>9,825,736</u>	<u>831,756</u>	<u>(677,411)</u>	<u>9,980,081</u>
Governmental Activities Capital Assets, Net:	<u>12,369,437</u>	<u>(20,779)</u>	<u>1,240,987</u>	<u>11,107,671</u>

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

General government	\$ 173,489
Community and economic development	556
Public safety	435,213
Public services	130,650
General services	<u>91,848</u>
Total depreciation expense – governmental activities	<u>831,756</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Note 6. Changes in Capital Assets (continued)

Business-Type Activities:

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

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Non-Depreciable Capital Assets:				
Land	\$ 187,500			\$ 187,500
Construction in Progress	8,333,503	\$ 322,596	\$ 198,916	8,457,183
Total Non-Depreciable Capital Assets	<u>8,521,003</u>	<u>322,596</u>	<u>198,916</u>	<u>8,644,683</u>
Depreciable Capital Assets				
Buildings	44,126,217	150,528		44,276,745
Improvements Other Than Buildings	23,991,459	266,762		24,258,221
Equipment	2,197,675	9,763		2,207,438
Vehicles and Equipment	835,764		18,133	817,631
Total Depreciable Capital Assets:	<u>71,151,115</u>	<u>427,053</u>	<u>18,133</u>	<u>71,560,035</u>
Total Capital Assets:	<u>79,672,118</u>	<u>682,456</u>	<u>217,049</u>	<u>80,204,718</u>
Less accumulated Depreciation for:				
Buildings	12,558,417	1,268,238		13,826,655
Improvements Other Than Buildings	14,635,818	317,076		14,952,894
Equipment	1,003,172	41,070		1,044,242
Vehicles and Equipment	792,343	26,807	18,133	801,017
Total Depreciable Capital Assets:	<u>28,989,750</u>	<u>1,653,191</u>	<u>18,133</u>	<u>30,624,808</u>
Business-Type Activities Capital Assets, Net:	<u>50,682,368</u>	<u>(970,735)</u>	<u>198,916</u>	<u>49,579,910</u>

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

Water and sewer utility	<u>\$ 1,653,191</u>
Total depreciation expense – business-type activities	<u>1,653,191</u>

Note 7. Capital Leases

The City is obligated under certain non-cancelable leases accounted for as capital leases and are reported in the governmental activities column of the government-wide financial statements and related obligations recorded in the Enterprise Fund are accounted for within that fund. Assets under capital leases totaled approximately \$415,679 at June 30, 2015 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, 2015.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Note 7. Capital Leases (continued)

	<u>Year Ending June 30</u>	<u>Governmental-type Activities</u>	<u>Business-type Activities</u>
	2016	\$ 230,546	\$ 1,604
	2017	230,546	1,604
	2018	129,352	1,604
	2019-2020	131,704	1,604
Minimum lease payments for all capital leases		722,148	6,416
Less: Amount representing interest at the City's incremental borrowing rate of interest		31,775	248
Present value of minimum lease payments		690,373	6,168

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

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

Governmental Activities:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Long Term Debt:				
Capital Leases	\$ 602,077	\$ 300,000	\$ 211,705	\$ 690,372
Net Pension Liability	10,772,216	819,807	726,919	10,865,104
TIF Bond Series 2013	2,208,000		540,000	1,668,000
GO Bond Series 2010	1,804,600		274,100	1,530,500
Total Payable	15,386,893	1,119,807	1,752,724	14,753,975
Compensated Absences	565,688	35,526	28,741	572,473

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

		<u>June 30, 2015</u>	
	<u>Interest Rate</u>	<u>Current Portion</u>	<u>Long Term Portion</u>
Capital Leases	1.23 to 3.97%	\$ 215,268	\$ 475,104
Tax Increment Bonds, Series 2013	1.426%	548,000	1,120,000
General Obligation Bond, Series 2010	3.699%	284,239	1,246,261
Compensated Absences		285,437	287,036

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, 2015

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.

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 \$4,845,846 at June 30, 2015 (Table 13).

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal Amount</u>	<u>Interest Amount</u>
2016	832,239	80,399
2017	850,753	62,070
2018	869,656	43,239
2019	316,962	23,890
2020	328,890	11,965
Totals	<u>3,198,500</u>	<u>221,563</u>

Business-Type Activities:

The City issued a Bond Anticipation Note on June 27, 2015, in the amount of \$8,747,000. This short-term financing was issued in anticipation of issuing revenue bonds in the next fiscal year. As of the date of this report, the City has not issued the long-term financing for this BAN. This debt issuance is to pay the City of Columbia for our share of capital improvement costs to their sewer treatment system.

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Long Term Debt:				
Capital Leases	\$ 7,650		\$ 1,482	\$ 6,168
Net Pension Liability	4,352,879	316,699	252,910	4,416,668
Revenue Bonds – 2005	8,029,288		603,971	7,425,317
Revenue Bonds – 2009A	8,287,597		427,446	7,860,151
Revenue Bonds – 2009B	6,983,790	283,018	451,411	6,815,397
Revenue Bonds – 2013	2,164,000		423,000	1,741,000
Total Payable	<u>29,825,204</u>	<u>599,717</u>	<u>2,160,220</u>	<u>28,264,701</u>
Compensated Absences:	<u>283,077</u>	<u>13,316</u>	<u>4,301</u>	<u>292,092</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

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

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

	<u>Interest Rate</u>	<u>June 30, 2015</u> <u>Current Portion</u>	<u>Long Term Portion</u>
Capital Leases	1.59%	\$ 1,506	\$ 4,662
Revenue Bonds:			
Series 2005 Issue	2.25%	617,675	6,807,643
Series 2009A Issue	2.25%	437,145	7,423,005
Series 2009B Issue	2.25%	461,654	6,353,743
Series 2013 Issue	1.43%	<u>427,000</u>	<u>1,314,000</u>
Total Revenue Bonds		<u>1,944,980</u>	<u>21,903,053</u>
Compensated Absences		<u>129,875</u>	<u>162,217</u>

The City issued \$2,803,000 in Water and Sewer System Refunding Revenue bonds, series 2013 for a current refunding of an aggregate amount of \$2,854,534 for Water and Sewer System Revenue Bonds Series 1998A and Series 2009C of the Proprietary Fund.

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

	<u>Revenue Bonds</u>	
<u>Year Ended</u> <u>June 30</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Amount</u>
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	1,101,336	73,362
2029	585,196	25,132
2030	598,474	11,854
2031	<u>151,729</u>	<u>853</u>
Totals	<u>23,841,865</u>	<u>3,949,818</u>

Note 9. Net Position

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Note 9. Net Position (continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<u>Net Investment in Capital Assets:</u>		
Net capital assets	\$ 11,114,946	\$ 49,579,910
Less net bonds payable	3,198,500	23,841,865
Less capital leases	690,372	6,168
Total investment in capital assets	<u>7,226,074</u>	<u>25,731,877</u>
 <u>Restricted:</u>		
Debt service	\$ 86,407	\$11,203,538
Capital Improvement Grant		81,258
Law Enforcement Grants and Programs	59,998	
Parks Program	19,361	
Accommodations Tax	30,683	.
Total restricted net position	<u>196,449</u>	<u>11,284,796</u>

Note 10. Pension Plan

The majority of employees of the City are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division of the South Carolina Public Employee Benefit Authority (PEBA), a public employee retirement system. Generally, all full-time or part-time equivalent State employees in a permanent position are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws, as amended, or are eligible and elect to participate in the State Optional Retirement Program (ORP). The SCRS plan provides a life-time monthly retirement annuity benefit to members as well as disability, survivor options, annual benefit adjustments, death benefits and incidental benefits to eligible employees and retired members.

The Retirement Division maintains five independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to the South Carolina Public Employee Benefit Authority, P.O. Box 11960, Columbia, South Carolina 29211-1960. Furthermore, the Division and the five pension plans are included in the State of South Carolina's CAFR.

Under the SCRS, Class II members are eligible for a full service retirement annuity upon reaching age 65 or completion of 28 years of credited service regardless of age. Employees who first became members of the System after June 30, 2012 are considered Class III members and are eligible for a full service retirement annuity upon reaching age 65 or upon meeting the rule of 90 requirement (i.e., the members age plus the years of service add up to a total of at least 90). The benefit formula for full benefits effective since July 1, 1989 for the SCRS is 1.82 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class II members, AFC is the average annual earnable compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay at retirement for unused annual leave.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Note 10. Pension Plan (continued)

For Class III members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included. Early retirement options with reduced benefits are available as early as age 55 for Class II members and age 60 for Class III members. Class II members are vested for a deferred annuity after five years of earned service. Class III members are vested for a deferred annuity after eight years of earned service. Members qualify for a survivor's benefit upon completion of 15 years of credited service (five years effective January 1, 2002).

Disability annuity benefits are payable to Class II members if they have permanent incapacity to perform regular duties of the member's job and they have at least 5 years of earned service (this requirement does not apply if the disability is a result of a job related injury). Class III members qualify for disability annuity benefits provided they have a minimum of eight years of credited service. An incidental death benefit equal to an employee's annual rate of compensation is payable upon the death of an active employee with a minimum of one year of credited service or to a working retired contributing member. There is no service requirement for death resulting from actual performance of duties for an active member. For eligible retired members, a lump-sum payment is made to the retiree's beneficiary of up to \$6,000 based on years of service at retirement. TERI participants and retired contributing members are eligible for the increased death benefit equal to their annual salary in lieu of the standard retired member benefit.

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years.

Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. The TERI program will end effective June 30, 2018.

Effective July 1, 2014, employees participating in the SCRS were required to contribute 8.00% of all earnable compensation. The employer contribution rate for SCRS was 10.95%. Included in the total SCRS employer contribution rate is a base retirement contribution of 10.80%, and .15% for the incidental death program. The City's actual contributions to the SCRS for the years ended June 30, 2015, 2014 and 2013 were approximately \$677,745, \$642,161, and \$619,454, respectively, and equaled the base required retirement contribution rate.

The South Carolina Police Officers Retirement System (PORS) is a cost-sharing multiple employer defined benefit public employee retirement system. Generally, all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire are required to participate in and contribute to PORS as a condition of employment.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Note 10. Pension Plan (continued)

This plan provides lifetime monthly annuity benefits as well as disability, survivor benefits and incidental benefits to eligible employees and retirees. In addition, participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Under the PORS, Class II members are eligible for a full service retirement annuity upon reaching age 55 or completion of 25 years of credited service regardless of age. Class III members are eligible for a full service retirement annuity upon reaching age 55 or 27 years of credited service. The benefit formula for full benefits effective since July 1, 1989 for the SCRS is 2.14 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class II members, AFC is the average annual compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay for unused annual leave. For Class III members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included. PORS does not have an early retirement option. Class II members are vested for a deferred annuity after five years of earned service. Class III members are vested for a deferred annuity after eight years of earned service. Members qualify for a survivor's benefit upon completion of 15 years of credited service (five years effective January 1, 2002).

Effective July 1, 2014, employees participating in the PORS were required to contribute 8.41% of all earnable compensation. The employer contribution rate for PORS was 13.21%. Included in the total PORS employer contribution rate is a base retirement contribution of 13.01% and .20% for the incidental death program. The City's actual contributions to the PORS for the years ended June 30, 2015, 2014 and 2013 were approximately \$323,218, \$305,525, and \$305,858, respectively, and equaled the base retirement required contribution rate.

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefit, and employee/employer contributions for each retirement system. Employee and employer contribution rates to SCRS and PORS are actuarially determined.

At June 30, 2015 the City reported \$15,281,772 as its proportionate share of the net pension liabilities of SCRS and SCPORS. The net pension liability defined by the SCRS and SCPORS defined benefit pension plan were determined based on the July 1, 2013 actuarial valuations, using membership data as of July 1, 2013, projected forward to June 30, 2014, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. The City's portion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2014, the City's SCRS proportion was 0.066843% and SCPORS proportion was 0.19698%. For the year ended June 30, 2015, the City recognized pension expenses of \$806,590 for SCRS and \$329,916 for SCPORS.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Note 10. Pension Plan (continued)

At June 30, 2015 the state reported deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

Deferred Outflows of Resources

South Carolina Retirement System

Differences between expected and actual experience	\$ 326,093
Contributions made to SCRS for fiscal year ending June 30, 2015	677,745
	<u>1,003,838</u>

South Carolina Police Officers Retirement System

Differences between expected and actual experience	100,631
Contributions made to SCRS for fiscal year ending June 30, 2015	323,218
	<u>423,849</u>

Total deferred outflow of resources	<u>\$ 1,427,687</u>
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Deferred Inflows of Resources

Net differences between projected and actual earnings on Pension Plan Investments

South Carolina Retirement System	\$ 970,221
South Carolina Police Officers Retirement System	<u>436,332</u>

Total deferred inflows of resources	<u>\$ 1,406,553</u>
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ending June 30,	SCRS		SCPORS		Net
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	
2016	\$ (749,486)	\$ 213,449	\$ (345,357)	\$ 95,993	\$ (785,401)
2017	(71,740)	213,449	(22,139)	95,993	215,562
2018	(71,740)	213,449	(22,139)	95,993	215,562
2019	(110,872)	329,875	(34,215)	148,353	333,142
	<u>\$ (1,003,838)</u>	<u>\$ 970,221</u>	<u>\$ (423,849)</u>	<u>\$ 436,332</u>	<u>\$ (21,134)</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Note 10. Pension Plan (continued)

The total pension liabilities in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age
Actuarial Assumptions:	
Investment Rate or Return	7.50%
Proejcted Salary Increases	Levels Off at 3.5%
Inflation Rate	2.75%
Benefit Adjustments	Lesser of 1% or \$500

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Former Job Class	Males	Females
Educators and Judges	RP-2000 Males (with White Collar Adjustment) Multiplied by 110%	RP-2000 Females (with White Collar Adjustment) Multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety, Firefighters and Members of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgement.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provision and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Note 10. Pension Plan (continued)

The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Short Term	5.0%		
Cash	2.0%	0.3%	0.01%
Short Duration	3.0%	0.6%	0.02%
Domestic Fixed Income	13.0%		
Core Fixed Income	7.0%	1.1%	0.08%
High Yield	2.0%	3.5%	0.07%
Bank Loans	4.0%	3.8%	0.11%
Global Fixed Income	9.0%		
Global Fixed Income	3.0%	0.8%	0.02%
Emerging Markets Debt	6.0%	4.1%	0.25%
Global Public Equity	31.0%	7.8%	2.42%
Global Tactical Asset Allocation	10.0%	5.1%	0.51%
Alternatives	32.0%		
Hedge Funds (Low Beta)	8.0%	4.0%	0.32%
Private Debt	7.0%	10.2%	0.71%
Private Equity	9.0%	10.2%	0.92%
Real Estate (Broad Market)	5.0%	5.9%	0.29%
Commodities	3.0%	5.1%	0.15%
Total Expected Real Return	100.0%		5.88%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			8.63%

The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all SCRS and SCPORS participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Note 10. Pension Plan (continued)

The following table represents the City's proportionate share of the net SCRS and SCPORS pension liabilities calculated using the discount rate of 7.50 percent, as well as what the City's respective net pension liabilities would be if it were calculated using a discount rate of 1.00 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate.

<u>Plan</u>	<u>1% Decrease 6.50%</u>	<u>Current Rate 7.50%</u>	<u>1% Increase 8.50%</u>
SCRS	\$ 14,892,256	\$ 11,508,455	\$ 8,684,832
SCPORS	5,269,876	3,773,317	2,530,806
Total	<u>\$ 20,162,132</u>	<u>\$ 15,281,772</u>	<u>\$ 11,215,638</u>

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), basic dental, required life and long term disability.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Note 12. Risk Management (continued)

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, 2015 the City and Commission had contributed \$779,590 to the Revenue Bond Series 2005 debt service reserve fund.

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, 2015 are as follows:

	<u>Inter-fund Receivables</u>	<u>Inter-fund Payables</u>
General Fund	\$ 2,174,211	
Proprietary Fund: Water and Sewer		\$ 2,174,211
Totals	<u>2,174,211</u>	<u>2,174,211</u>

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

Inter-fund transfers for the year ended June 30, 2015 are as follows:

<u>Transfer Out</u>	<u>Transfer In</u>
Proprietary Fund: Water and Sewer	<u>General Fund</u>
	<u>\$ 2,283,000</u>

The transfer of \$2,283,000 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, 2015, 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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Note 16. Construction Commitments

The City has an active construction project as of June 30, 2015. 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 \$8,389,990 on the clean water project. The remaining commitment on the construction project is \$106,928.

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 \$1,807,828 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.

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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

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

B. Plan Description (continued)

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 2014-2015 was \$10,046. For current retirees the City makes a percentage of the healthcare contributions based on years of service. For 15 years of continuous service the City pays 75 percent of the retiree's healthcare and dental premium. For 16 to 19 years of service the percentage increases by 5 percent a year and for an employee who retires with 20 or more years of continuous service the City pays 100 percent.

The City pays the premiums until the employee reaches age 65 or becomes Medicare eligible. For the fiscal year 2014-2015, the City contributed \$ 101,176 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 2014-2015 the City's annual OPEB cost was \$ 221,730 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, 2015:

Normal Cost	\$ 115,713
30 Year amortization of unfunded accrued liability (UAL)	<u>106,017</u>
Total Annual Required Contribution (ARC)	<u><u>221,730</u></u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

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

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

The ARC included \$ 120,554 paid by the City to the Plan pre-fund benefits and \$ 101,176 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, 2015, 2014 and 2013 respectively were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB (Obligation) Asset</u>
6-30-2015	\$ 221,730	100%	\$ 0
6-30-2014	\$ 224,009	100%	\$ 0
6-30-2013	\$ 270,465	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 \$1,611,939 as of June 30, 2015.

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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

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

D. Actuarial Methods and Assumptions (continued)

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, 2015, was 23 years.

Note 20. Reconciliation of Government – Wide Fund Financial Statements

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

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

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

Capital assets	\$ 21,087,752
Less, accumulated depreciation	<u>(9,980,081)</u>

Net amount reported	<u><u>11,107,671</u></u>
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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.

\$ (29,782)

Net amount reported	<u><u>(29,782)</u></u>
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The net pension liability and the related deferred outflows and
deferred inflows do not represent current financial resources
and are not reported in the governmental funds.

Net pension liability	\$ (10,865,104)
Deferred outflows from pensions	1,028,071
Deferred inflows from pensions	<u>(1,025,606)</u>

Net amount reported	<u><u>(10,862,639)</u></u>
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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	\$ 176,047
Bonds and Capital leases payable	(3,888,872)
Compensated absences	<u>(287,036)</u>

Net amount reported	<u><u>(3,999,861)</u></u>
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CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Note 20. Reconciliation of Government – Wide Fund Financial Statements

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	\$ 793,689
Depreciation expense	<u>(831,756)</u>

Net amount reported	<u><u>(38,067)</u></u>
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Revenues in the Statement of Activities that do not provide current
financial resources are reported as revenues in these funds:

Property taxes	\$ 26,201
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Net amount reported	<u><u>26,201</u></u>
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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	(9,720)
Change in Accrued interest expense	<u>4,966</u>

Net amount reported	<u><u>(4,754)</u></u>
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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	(300,000)
Principal payments – Bonds	814,141
Principal payments – Capital Leases	<u>211,705</u>

Net amount reported	<u><u>725,846</u></u>
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CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Note 20. Reconciliation of Government – Wide Fund Financial Statements (continued)

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

The net pension liability and the related deferred outflows and deferred inflows relate to funding for future retiree benefit payments, which are not considered current. The net pension liability, deferred outflows and deferred inflows increased in the current fiscal year.

Net pension liability	\$ (92,888)
Deferred outflows from pensions	1,028,071
Deferred inflows from pensions	<u>(1,025,606)</u>

Net amount reported	<u>(90,423)</u>
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In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the costs of the capital assets sold.

\$ (1,223,698)

Note 21. Restatement

The City implemented the provisions of GASB 68 Accounting and Financial Reporting for Pensions an amendment of GASB Statement No. 27 during the current year. The implementation requires the City to restate its beginning net position. The balances that were affected are as follows:

	Governmental Activities	Business Type Activities
Audited net position as of June 30, 2014	\$ 12,265,840	\$ 21,882,093
Pension liability and deferred items	<u>(10,772,215)</u>	<u>(4,352,874)</u>
Restated net position as of June 30, 2014	<u>\$ 1,493,625</u>	<u>\$ 17,529,219</u>

Note 22. New Pronouncements

Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date; an amendment of GASB Statement No. 68." The provisions of the Statement are required to be applied simultaneously with the provisions of Statement No. 68. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2015

Note 23. Subsequent Events

The City has evaluated all events subsequent to the basic financial statements for the year ended June 30, 2015 through December 31, 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 entered into a contract and sold unused operational capacity in the Lake Murray Water Treatment Plant to Joint Municipal Water and Sewer Commission on July 7, 2015. The capacity was sold for \$2,300,000, and increased the Commission's overall capacity in the plant to 12.07 million gallons per day of the total 22.50 million gallons per day, or 53.65%.

The City has also entered into a contract to sell approximately 4.0 acres of land to a local development company. This contract is in the amount of \$2,750,000. This contract is pending a final zoning approval, a parking agreement and public participation from the City. The City's participation will include public parking and parks throughout the new development. The City's participation will be funded through tax increment financing. In connection with this financing, the City has approved a 15 year extension of its TIF district.

Required Supplementary Information

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

<u>Actuarial Valuation Date*</u>	<u>Actuarial Value of Assets</u>	<u>Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
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.

City of West Columbia, SC
Schedule of South Carolina Retirement Systems Contributions
Last Ten Fiscal Years

Schedule 2

South Carolina Retirement System

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Contractually required contributions	\$ 394,888	\$ 417,665	\$ 501,187	\$ 517,243	\$ 509,773	\$ 544,179	\$ 536,888	\$ 619,454	\$ 642,161	\$ 674,873
Contributions in relation to the contractually required contribution	(394,888)	(417,665)	(501,187)	(517,243)	(509,773)	(544,179)	(536,888)	(619,454)	(642,161)	(674,873)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State covered-employee payroll	\$ 4,815,709	\$ 5,093,476	\$ 5,441,768	\$ 5,508,442	\$ 5,428,888	\$ 5,795,303	\$ 5,630,713	\$ 5,843,906	\$ 6,058,125	\$ 6,191,495
Contributions as a percentage of covered-employee payroll	8.20%	8.20%	9.21%	9.39%	9.39%	9.39%	9.535%	10.60%	10.60%	10.90%

South Carolina Police Officers Retirement System

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Contractually required contributions	\$ 207,086	\$ 214,986	\$ 222,162	\$ 247,071	\$ 257,491	\$ 279,402	\$ 281,450	\$ 305,858	\$ 305,525	\$ 323,219
Contributions in relation to the contractually required contribution	(207,086)	(214,986)	(222,162)	(247,071)	(257,491)	(279,402)	(281,450)	(305,858)	(305,525)	(323,219)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State covered-employee payroll	\$ 1,935,381	\$ 2,009,212	\$ 2,076,278	\$ 2,235,936	\$ 2,330,231	\$ 2,423,265	\$ 2,392,669	\$ 2,486,649	\$ 2,379,480	\$ 2,410,287
Contributions as a percentage of covered-employee payroll	10.70%	10.70%	10.70%	11.05%	11.05%	11.530%	11.763%	12.30%	12.84%	13.41%

City of West Columbia, SC
Schedule of Proportionate Share of South Carolina Retirement Systems
Net Pension Liabilities
Last Two Fiscal Years*

Schedule 3

South Carolina Retirement System

	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability	0.066843%	0.66843%
City's proportionate share of the net pension liability	\$ 11,989,250	\$ 11,508,454
City's covered-employee payroll	\$ 6,058,125	\$ 6,191,495
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	197.90%	185.88%
Plan fiduciary net position as a percentage of the total pension liability	56.39%	59.92%

South Carolina Police Officers Retirement System

	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability	0.196980%	0.196980%
City's proportionate share of the net pension liability	\$ 4,083,300	\$ 3,773,317
City's covered-employee payroll	\$ 2,379,480	\$ 2,410,287
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	171.60%	156.55%
Plan fiduciary net position as a percentage of the total pension liability	62.98%	67.55%

* - The amounts presented for each fiscal year were determined as of July 1 of two years prior, using membership data as of the day, projected forward to June 30 of the previous year. Additionally, the City implemented GASB 68 during fiscal year 2015. As such, only the last two years of information is available.

GENERAL FUND

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

SCHEDULE A-1

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
AS OF JUNE 30, 2015 AND 2014

	June 30, 2015	June 30, 2014
<u>ASSETS</u>		
Cash	\$ 2,599,126	\$ 1,214,889
Receivables (Net of Allowance for Uncollectibles)		
Property Taxes - Delinquent	223,249	198,292
State	100,797	95,312
Municipal Governments	243,111	661,889
Grants	29,542	4,880
Rehabilitation Loans	32,646	32,646
Other	215,400	142,596
Inventory	-	19,439
Prepaid Charges	100	1,340
Due From Other Funds		
Water and Sewer Fund	2,174,211	2,997,635
Restricted Assets		
Cash	196,449	124,510
<u>TOTAL ASSETS</u>	<u>5,814,631</u>	<u>5,493,428</u>
<u>LIABILITIES</u>		
Accounts Payable	423,855	320,527
Contracts / Retainage Payable		
Payroll Withholding	9,259	8,048
Accrued Salaries	83,367	53,294
Accrued Vacation Pay	285,437	288,372
<u>TOTAL LIABILITIES</u>	<u>801,918</u>	<u>670,241</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenue - property taxes	176,047	149,846
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>176,047</u>	<u>149,846</u>
<u>FUND BALANCE</u>		
Nonspendable	100	20,779
Restricted	196,449	143,948
Unassigned	4,640,117	4,508,614
<u>TOTAL FUND BALANCE</u>	<u>4,836,666</u>	<u>4,673,341</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE</u>	<u>5,814,631</u>	<u>5,493,428</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEARS ENDED JUNE 30, 2015 AND 2014

	June 30, 2015	June 30, 2014
<u>REVENUES</u>		
Property Taxes	\$ 4,167,660	\$ 4,101,037
Licenses and Permits	4,262,892	4,028,076
Fines and Forfeitures	169,025	161,744
Interest	41	164
Intergovernmental	475,734	478,509
Charges For Services	851,786	732,385
Grant Proceeds	299,475	48,256
Narcotics Program Income	15,918	11,260
Other Revenues	156,903	201,949
<u>TOTAL REVENUES</u>	<u>10,399,434</u>	<u>9,763,380</u>
<u>EXPENDITURES</u>		
Current		
General Government	1,539,918	1,206,552
Community and Economic Development	530,722	341,838
Public Safety	7,037,456	7,100,438
Public Services	1,765,063	1,741,512
General Services	1,103,814	993,229
Debt Service		
Principal	1,025,846	1,035,340
Interest	115,863	137,670
<u>TOTAL EXPENDITURES</u>	<u>13,118,682</u>	<u>12,556,579</u>
<u>EXCESS OF EXPENDITURES</u>		
<u>OVER/(UNDER) REVENUES</u>	<u>(2,719,248)</u>	<u>(2,793,199)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In/(Out)		
Water and Sewer Fund	2,283,000	2,544,122
Capital Leases	300,000	247,350
Sale of Capital Assets	299,573	138,068
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>2,882,573</u>	<u>2,929,540</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER</u>		
<u>FINANCING SOURCES OVER EXPENDITURES</u>		
<u>AND OTHER FINANCING USES</u>	<u>163,325</u>	<u>136,341</u>
<u>FUND BALANCE - July 1</u>	<u>4,673,341</u>	<u>4,537,000</u>
<u>FUND BALANCE - June 30</u>	<u>4,836,666</u>	<u>4,673,341</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEARS ENDED JUNE 30, 2015 AND 2014

	June 30, 2015			June 30, 2014		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property Taxes	\$ 4,152,000	\$ 4,167,660	\$ 15,660	\$ 4,311,800	\$ 4,101,037	\$ (210,763)
Licenses and Permits	4,204,500	4,262,892	58,392	3,680,600	4,028,076	347,476
Fines and Forfeitures	168,000	169,025	1,025	159,000	161,744	2,744
Interest	200	41	(159)	200	164	(36)
Intergovernmental	475,600	475,734	134	467,500	478,509	11,009
Charges for Services	850,000	851,786	1,786	710,000	732,385	22,385
Grant Proceeds	297,700	299,475	1,775	74,600	48,256	(26,344)
Narcotics Program Income	23,900	15,918	(7,982)	22,100	11,260	(10,840)
Other Revenues	136,100	156,903	20,803	105,900	201,949	96,049
TOTAL REVENUES	10,308,000	10,399,434	91,434	9,531,700	9,763,380	231,680
EXPENDITURES						
General Government	1,545,645	1,539,918	5,727	1,268,406	1,206,552	61,854
Community and Economic Development	537,720	530,722	6,998	343,035	341,838	1,197
Public Safety	7,059,585	7,037,456	22,129	7,197,789	7,100,438	97,351
Public Services	1,782,115	1,765,063	17,052	1,754,565	1,741,512	13,053
General Services	1,133,095	1,103,814	29,281	998,135	993,229	4,906
Debt Service						
Principal	1,025,977	1,025,846	131	1,036,000	1,035,340	660
Interest	115,863	115,863	-	138,070	137,670	400
TOTAL EXPENDITURES	13,200,000	13,118,682	81,318	12,736,000	12,556,579	179,421
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,892,000)	(2,719,248)	172,752	(3,204,300)	(2,793,199)	411,101
OTHER FINANCING SOURCES/(USES)						
Transfers In/(Out)						
Water and Sewer Fund	2,283,000	2,283,000	-	2,949,300	2,544,122	(405,178)
Capital Leases	309,000	300,000	(9,000)	255,000	247,350	(7,650)
Sale of Capital Assets	300,000	299,573	(427)		138,068	138,068
TOTAL OTHER FINANCING SOURCES/(USES)	2,892,000	2,882,573	(9,427)	3,204,300	2,929,540	(274,760)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	163,325	163,325	-	136,341	136,341
FUND BALANCE - July 1		4,673,341			4,537,000	
FUND BALANCE - June 30		4,836,666			4,673,341	

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2014 Actual</u>
<u>GENERAL GOVERNMENT</u>				
<u>LEGISLATIVE (MAYOR & COUNCIL)</u>				
Personnel Services	\$ 169,355	\$ 167,525	\$ 1,830	\$ 156,130
Other Services and Charges	46,670	48,490	(1,820)	45,094
Capital Outlay	530	5	525	1,128
<u>TOTALS</u>	216,555	216,020	535	202,352
<u>ADMINISTRATIVE</u>				
Personnel Services	517,655	519,921	(2,266)	529,013
Supplies	19,100	19,028	72	15,641
Other Services and Charges	469,985	461,923	8,062	368,347
Capital Outlay	320,750	321,869	(1,119)	90,009
Debt Service - Principal	551,032	550,911	121	533,000
Debt Service - Interest	32,378	32,378	-	39,087
<u>TOTALS</u>	1,910,900	1,906,030	4,870	1,575,097
<u>TOTAL GENERAL GOVERNMENT</u>	2,127,455	2,122,050	5,405	1,777,449
<u>COMMUNITY DEVELOPMENT</u>				
<u>INSPECTIONS / CODES COMPLIANCE</u>				
Personnel Services	186,055	184,962	1,093	192,710
Supplies	3,120	4,219	(1,099)	1,765
Other Supplies and Charges	21,640	17,290	4,350	24,428
Capital Outlay	1,425	778	647	13
<u>TOTAL COMMUNITY DEVELOPMENT</u>	212,240	207,249	4,991	218,916
<u>ECONOMIC DEVELOPMENT</u>				
Personnel Services	109,395	110,239	(844)	105,809
Supplies	600		600	
Other Services and Charges	22,085	20,205	1,880	18,303
Capital Outlay	195,008	194,186	822	
Debt Service - Principal	274,100	274,100	-	264,323
Debt Service - Interest	66,752	66,752	-	76,529
<u>TOTAL ECONOMIC DEVELOPMENT</u>	667,940	665,482	2,458	464,964
<u>TOTAL COMMUNITY & ECONOMIC DEVELOPMENT</u>	880,180	872,731	7,449	683,880
<u>PUBLIC SAFETY</u>				
<u>POLICE DEPARTMENT</u>				
<u>ADMINISTRATION</u>				
Personnel Services	2,942,470	2,934,363	8,107	2,926,829
Supplies	37,285	38,430	(1,145)	28,398
Other Services and Charges	574,298	576,405	(2,107)	719,205
Capital Outlay	325,429	325,564	(135)	400,264
Debt Service - Principal	37,054	37,052	2	
Debt Service - Interest	3,041	3,041		
<u>TOTALS</u>	3,919,577	3,914,855	4,722	4,074,696

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2014 Actual</u>
<u>PUBLIC SAFETY (CONTINUED)</u>				
DETECTIVES				
Personnel Services	\$ 721,505	\$ 716,542	\$ 4,963	\$ 707,060
Supplies	9,000	8,261	739	7,608
Other Services and Charges	66,760	58,251	8,509	72,402
Capital Outlay	950	328	622	26,760
<u>TOTALS</u>	798,215	783,382	14,833	813,830
DISPATCH - 911 CALL CENTER				
Personnel Services	261,095	264,312	(3,217)	247,401
Supplies	1,300	365	935	575
Other Services and Charges	3,450	810	2,640	2,304
Capital Outlay	3,250	3,105	145	668
<u>TOTALS</u>	269,095	268,592	503	250,948
COURT ADMINISTRATION				
Personnel Services	208,985	212,675	(3,690)	199,624
Supplies	4,700	3,290	1,410	2,728
Other Services and Charges	57,550	53,182	4,368	51,499
Capital Outlay	1,750	1,091	659	1,608
<u>TOTALS</u>	272,985	270,238	2,747	255,459
<u>TOTAL POLICE DEPARTMENT</u>	5,259,872	5,237,067	22,805	5,394,933
FIRE DEPARTMENT				
Personnel Services	1,584,920	1,586,276	(1,356)	1,504,242
Supplies	37,550	36,833	717	30,706
Other Services and Charges	158,610	159,670	(1,060)	160,268
Capital Outlay	58,728	57,703	1,025	10,289
Debt Service - Principal	163,783	163,783	-	193,854
Debt Service - Interest	13,692	13,692	-	20,578
<u>TOTALS</u>	2,017,283	2,017,957	(674)	1,919,937
<u>TOTAL PUBLIC SAFETY</u>	7,277,155	7,255,024	22,131	7,314,870

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	Budget	Actual	Variance Favorable (Unfavorable)	2014 Actual
<u>PUBLIC SERVICES</u>				
STREET DEPARTMENT				
Personnel Services	\$ 90,545	\$ 88,648	\$ 1,897	\$ 94,215
Supplies	1,800	1,714	86	3,145
Other Services and Charges	244,050	240,114	3,936	301,119
Capital Outlay	3,100	1,097	2,003	2,250
Debt Service - Principal			-	12,563
Debt Service - Interest			-	370
<u>TOTALS</u>	339,495	331,573	7,922	413,662
SANITATION DEPARTMENT				
Personnel Services	1,012,485	1,003,234	9,251	1,005,141
Supplies	44,450	42,283	2,167	43,782
Other Services and Charges	242,935	249,341	(6,406)	195,686
Capital Outlay	142,750	138,632	4,118	96,174
Debt Service - Principal			-	31,601
Debt Service - Interest			-	1,105
<u>TOTALS</u>	1,442,620	1,433,490	9,130	1,373,489
<u>TOTAL PUBLIC SERVICES</u>	1,782,115	1,765,063	17,052	1,787,151
<u>DIVISION OF GENERAL SERVICES</u>				
MAINTENANCE SHOP				
Personnel Services	480,250	475,867	4,383	459,200
Supplies	8,500	6,980	1,520	11,947
Other Services and Charges	73,445	63,797	9,648	72,788
Capital Outlay	28,450	24,903	3,547	7,284
<u>TOTALS</u>	590,645	571,547	19,098	551,219
PARKS AND RECREATION				
Personnel Services	348,440	341,925	6,515	331,028
Supplies	21,750	24,759	(3,009)	22,074
Other Service and Charges	85,510	80,235	5,275	78,898
Capital Outlay	86,750	85,348	1,402	10,010
<u>TOTALS</u>	542,450	532,267	10,183	442,010
<u>TOTAL GENERAL SERVICES</u>	1,133,095	1,103,814	29,281	993,229
<u>GRAND TOTAL</u>	13,200,000	13,118,682	81,318	12,556,579

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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, 2015 AND 2014

	<u>June 30,</u> <u>2015</u>	<u>June 30,</u> <u>2014</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 3,764,566	\$ 3,914,626
Accounts Receivable	2,844,818	2,206,045
Prepaid Charges	7,879	11,143
Notes Receivable- Municipal Government	680,424	690,719
Restricted Cash and Cash Equivalents	11,284,796	2,593,418
<u>TOTAL CURRENT ASSETS</u>	<u>18,582,483</u>	<u>9,415,951</u>
<u>NONCURRENT ASSETS</u>		
Noncurrent Receivable - Municipal Government	5,500,063	6,200,239
CAPITAL ASSETS		
Water Plant, Lines, and Sewer System	71,747,535	71,338,616
Less: Accumulated Depreciation	(30,624,809)	(28,989,751)
Construction in Progress	8,457,183	8,333,503
<u>TOTAL CAPITAL ASSETS (NET OF</u>		
<u>ACCUMULATED DEPRECIATION)</u>	<u>49,579,909</u>	<u>50,682,368</u>
<u>TOTAL NONCURRENT ASSETS</u>	<u>55,079,972</u>	<u>56,882,607</u>
<u>TOTAL ASSETS</u>	<u>73,662,455</u>	<u>66,298,558</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension Plan	399,617	-
<u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u>	<u>399,617</u>	<u>-</u>
<u>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</u>	<u>74,062,072</u>	<u>66,298,558</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2015 AND 2014

	<u>June 30,</u> <u>2015</u>	<u>June 30,</u> <u>2014</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
(Payable from Current Assets)		
Accounts Payable	\$ 662,227	\$ 438,579
Customer Deposits	507,023	495,607
Accrued Payroll and Vacation Pay	162,602	152,338
Capital Lease Obligation	1,506	1,482
Unearned Revenue	621,656	621,656
Due to Other Funds	2,174,211	2,997,635
(Payable from Restricted Assets)		
Contracts Payable	106,928	91,334
Revenue Bonds Payable	10,690,474	1,905,828
Accrued Interest Payable - Revenue Bonds	105,198	111,675
<u>TOTAL CURRENT LIABILITIES</u>	<u>15,031,825</u>	<u>6,816,134</u>
LONG-TERM LIABILITIES		
Accrued Vacation Pay - Due After One Year	162,218	153,822
Capital Lease Obligation - Due After One Year	4,662	6,168
Revenue Bonds - Due After One Year	21,898,389	23,558,848
Unearned Revenue - Due After One Year	12,917,532	13,462,730
Net Pension Liability	4,416,668	-
Other Liabilities	418,356	418,763
<u>TOTAL LONG-TERM LIABILITIES</u>	<u>39,817,825</u>	<u>37,600,331</u>
<u>TOTAL LIABILITIES</u>	<u>54,849,650</u>	<u>44,416,465</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Plan	380,947	-
<u>TOTAL DEFERRED INFLOW OF RESOURCES</u>	<u>380,947</u>	<u>-</u>
<u>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</u>	<u>55,230,597</u>	<u>-</u>
<u>NET POSITION</u>		
Net Investment In Capital Assets	25,731,877	25,210,043
Restricted		
Capital Improvement Grant	81,258	132,960
Debt Service	11,203,538	2,460,458
Unrestricted	(18,185,198)	(5,921,368)
<u>TOTAL NET POSITION</u>	<u>18,831,475</u>	<u>21,882,093</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, 2015 AND 2014

	June 30, 2015	June 30, 2014
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 12,413,206	\$ 11,036,602
<u>TOTAL OPERATING REVENUES</u>	12,413,206	11,036,602
<u>OPERATING EXPENSES</u>		
Personnel Services	3,393,776	3,211,750
Material and Supplies	783,093	658,900
Contractual Services	1,033,976	895,245
Utilities	1,012,013	923,105
Repairs and Maintenance	366,720	478,470
Depreciation	1,653,191	1,653,732
Other Operating Expenses	115,352	106,610
<u>TOTAL OPERATING EXPENSES</u>	8,358,121	7,927,812
<u>OPERATING INCOME</u>	4,055,085	3,108,790
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	105,668	112,845
Interest and Amortization Expense	(577,275)	(612,449)
Sale of Fixed Assets	1,778	-
Grant Proceeds	-	102,654
<u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u>	(469,829)	(396,950)
<u>CAPITAL CONTRIBUTIONS - GRANTS AND OTHER</u>	-	81,202
<u>NET INCOME BEFORE TRANSFERS</u>	3,585,256	2,793,042
<u>TRANSFERS IN/(OUT)</u>		
General Fund	(2,283,000)	(2,544,122)
<u>CHANGE IN NET POSITION</u>	1,302,256	248,920
<u>NET POSITION - July 1 - as restated, see Note 21</u>	17,529,219	21,633,173
<u>NET POSITION - June 30</u>	18,831,475	21,882,093

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER
YEARS ENDED JUNE 30, 2015 AND 2014

	<u>June 30,</u> <u>2015</u>	<u>June 30,</u> <u>2014</u>
<u>Cash Flows From Operating Activities</u>		
Cash Received From Customers	\$ 11,240,651	\$ 10,208,157
Cash Paid to Suppliers	(3,892,479)	(3,149,863)
Cash Paid to Employees	(3,329,997)	(3,168,195)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	4,018,175	3,890,099
	<hr/>	<hr/>
<u>Cash Flows from Non-Capital Financing Activities</u>		
Proceeds from Operating Grants	-	102,653
Transfers Out	(2,283,000)	(2,544,122)
	<hr/>	<hr/>
Net Cash Used in Non-Capital Financing Activities	(2,283,000)	(2,441,469)
	<hr/>	<hr/>
<u>Cash Flows From Capital and Related Financing Activities</u>		
Proceeds From Capital Debt	9,014,424	345,933
Principal Paid on Capital Debt	(1,907,311)	(2,036,930)
Interest Paid on Capital Debt	(583,752)	(625,217)
Acquisition of Capital Assets	(535,139)	(672,268)
Payments Received from Municipal Governments	710,475	797,615
Proceeds from the Sale of Fixed Assets	1,778	-
Proceeds from Capital Grants	-	81,202
	<hr/>	<hr/>
Net Cash Provided (Used) in Capital and Related Financing Activities	6,700,475	(2,109,665)
	<hr/>	<hr/>
<u>Cash Flows From Investing Activities</u>		
Interest in Investments	105,668	112,845
	<hr/>	<hr/>
Net Cash Provided by Investing Activities	105,668	112,845
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and and Cash Equivalents	8,541,318	(548,190)
	<hr/>	<hr/>
<u>Cash and Cash Equivalents - July 1</u>	6,508,044	7,056,234
	<hr/>	<hr/>
<u>Cash and Cash Equivalents - June 30</u>	15,049,362	6,508,044
	<hr/>	<hr/>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER
YEARS ENDED JUNE 30, 2015 AND 2014

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

	<u>June 30,</u> <u>2015</u>	<u>June 30,</u> <u>2014</u>
<u>Operating Income</u>	\$ 4,055,085	\$ 3,108,790
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	1,653,191	1,653,732
(Increase) Decrease in		
Accounts Receivable	(638,773)	(249,621)
Prepaid Charges	3,264	(8,175)
Deferred Outflow of Resources	(399,617)	-
Increase (Decrease) in		
Accounts Payable	238,835	276,211
Unearned Revenue	(545,198)	(592,102)
Customer Deposits	11,416	13,278
Accrued Expenses	18,660	43,555
Due to Other Funds	(823,424)	(355,569)
Net Pension Liability	63,789	-
Deferred Inflow of Resources	380,947	-
Total Adjustments	(36,910)	781,309
<u>Net Cash Provided by Operating Activities</u>	<u>4,018,175</u>	<u>3,890,099</u>

FIDUCIARY FUNDS

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

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

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>FIREMAN'S FUND</u>				
ASSETS- CASH	\$ 11,918	\$ 69,083	\$ 69,038	\$ 11,963
LIABILITIES				
Due to Fireman's Organization	11,918	69,083	69,038	11,963
<u>NARCOTIC SEIZURE</u>				
ASSETS- CASH	13,753	11,594	15,910	9,437
LIABILITIES				
Agency Funds Held	13,753	11,594	15,910	9,437
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS- CASH	25,671	80,677	84,948	21,400
LIABILITIES				
Due to Fireman's Organization	11,918	69,083	69,038	11,963
Agency Funds Held	13,753	11,594	15,910	9,437
	25,671	80,677	84,948	21,400

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

SCHEDULE D-1

CITY OF WEST COLUMBIA, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
JUNE 30, 2015 AND 2014

	<u>June 30,</u> <u>2015</u>	<u>June 30,</u> <u>2014</u>
<u>CAPITAL ASSETS</u>		
Land	\$ 4,526,994	\$ 5,557,341
Buildings and Improvements	7,986,245	7,986,245
Vehicles and Equipment	8,574,513	8,651,587
<u>TOTAL CAPITAL ASSETS</u>	<u>21,087,752</u>	<u>22,195,173</u>
<u>INVESTMENT IN CAPITAL ASSETS</u>		
<u>BY SOURCE</u>		
General Fund	<u>21,087,752</u>	<u>22,195,173</u>
<u>TOTAL INVESTMENT IN CAPITAL ASSETS</u>	<u>21,087,752</u>	<u>22,195,173</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2015

	<u>Land, Buildings and Fixtures</u>	<u>Vehicles and Equipment</u>	<u>Total</u>
<u>FUNCTION AND ACTIVITIES</u>			
GENERAL GOVERNMENT	\$ 7,053,977	\$ 411,819	\$ 7,465,796
COMMUNITY DEVELOPMENT	2,502,498	69,316	2,571,814
PUBLIC SAFETY			
Police		3,791,360	3,791,360
Fire	590,941	2,081,910	2,672,851
TOTAL PUBLIC SAFETY	590,941	5,873,270	6,464,211
PUBLIC SERVICES			
Street		618,142	618,142
Sanitation	76,418	1,135,827	1,212,245
TOTAL PUBLIC SERVICES	76,418	1,753,969	1,830,387
GENERAL SERVICES			
General Services	87,329		87,329
Maintenance Shop	87,183	214,077	301,260
Parks and Recreation	2,114,893	252,062	2,366,955
TOTAL GENERAL SERVICES	2,289,405	466,139	2,755,544
<u>TOTAL CAPITAL ASSETS</u>	<u>12,513,239</u>	<u>8,574,513</u>	<u>21,087,752</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>FUNCTION AND ACTIVITY</u>	Capital Assets June 30, 2014	Additions	Deletions	Capital Assets June 30, 2015
GENERAL GOVERNMENT	\$ 7,483,945	\$ 25,339	\$ 43,488	\$ 7,465,796
COMMUNITY DEVELOPMENT	3,605,890	193,186	1,227,262	2,571,814
PUBLIC SAFETY				
Police	3,990,022	308,228	506,890	3,791,360
Fire	2,651,600	54,931	33,680	2,672,851
TOTAL PUBLIC SAFETY	6,641,622	363,159	540,570	6,464,211
PUBLIC SERVICES				
Street	713,370		95,228	618,142
Sanitation	1,084,741	136,497	8,993	1,212,245
TOTAL PUBLIC SERVICES	1,798,111	136,497	104,221	1,830,387
GENERAL SERVICES				
General Services	87,329			87,329
Maintenance Shop	283,056	21,061	2,857	301,260
Parks and Recreation	2,295,220	71,735		2,366,955
TOTAL GENERAL SERVICES	2,665,605	92,796	2,857	2,755,544
<u>TOTAL CAPITAL ASSETS</u>	22,195,173	810,977	1,918,398	21,087,752

VICTIM'S RIGHTS ASSISTANCE

CITY OF WEST COLUMBIA
SCHEDULE OF FINES, FEES, ASSESSMENTS AND SURCHARGES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

For the Month of:

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Court Fines													
Court Fines Collected	\$ 10,311	\$ 10,255	\$ 10,721	\$ 8,945	\$ 8,427	\$ 11,942	\$ 8,418	\$ 10,969	\$ 10,397	\$ 9,185	\$ 7,508	\$ 11,106	\$ 118,184
Court Fines Retained	10,311	10,255	10,721	8,945	8,427	11,942	8,418	10,969	10,397	9,185	7,508	11,106	118,184
Court Fines Remitted to State Treasurer	-	-	-	-	-	-	-	-	-	-	-	-	-
Court Assessments													
Court Assessments Collected	11,713	11,584	12,416	8,329	5,764	12,656	11,624	12,523	11,565	9,747	7,888	11,822	127,631
Court Assessments Retained by City	1,308	1,290	1,386	930	644	1,413	1,299	1,398	1,278	1,088	886	1,320	14,240
Court Assessments Remitted to State Treasurer	10,405	10,294	11,030	7,399	5,120	11,243	10,325	11,125	10,287	8,659	7,002	10,502	113,391
Court Surcharges													
Court Surcharges Collected	7,813	6,913	7,956	5,592	3,787	6,478	5,713	6,669	6,772	5,828	4,865	5,876	74,262
Court Surcharges Retained by City	1,000	1,275	1,050	1,050	600	975	925	1,075	1,000	775	779	975	11,479
Court Surcharges Remitted to State Treasurer	6,813	5,638	6,906	4,542	3,187	5,503	4,788	5,594	5,772	5,053	4,086	4,901	62,783
Victims Services													
Court Assessments Allocated to Victims Services	1,308	1,290	1,386	930	644	1,413	1,299	1,398	1,278	1,088	886	1,320	14,240
Court Surcharges Allocated to Victims Services	1,000	1,275	1,050	1,050	600	975	925	1,075	1,000	775	779	975	11,479
Funds Allocated to Victims Services	2,308	2,565	2,436	1,980	1,244	2,388	2,224	2,473	2,278	1,863	1,665	2,295	25,719
Victims Services Expenditures	2,308	2,565	2,436	1,980	1,244	2,388	2,224	2,473	2,278	1,863	1,665	2,295	25,719
Funds in Excess (Shortage) of Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Victims Services Fund Carryover from 2014													
Victims Services Fund Balance, June 30, 2015													-

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

Contents	Page
Financial Trends	96
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	102
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	
Debt Capacity	106
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	111
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	113
These schedules contain service and infrastructure data to help the reader Understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 7,226,074
Restricted	101,111	132,988	208,897	117,304	73,883	95,481	96,818	121,554	143,948	196,449
Unrestricted	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	(6,370,468)
Total Governmental Activities Net Position	7,492,219	8,198,193	8,031,015	9,264,940	9,367,543	10,208,882	11,382,478	11,955,128	12,265,840	1,052,055
Business-Type Activities										
Net investment in capital assets	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	25,731,877
Restricted	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	11,284,796
Unrestricted	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)	(18,185,198)
Total Business-Type Activities Net Position	24,013,000	24,407,039	24,278,920	23,308,368	23,027,941	22,700,171	22,146,161	21,633,173	21,882,093	18,831,475
Primary Government										
Net investment in capital assets	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	32,957,951
Restricted	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	11,481,245
Unrestricted	4,454,219	3,717,194	2,038,327	368,573	176,558	(243,578)	(816,046)	(1,398,780)	(1,554,236)	(24,555,666)
Total Primary Governmental Net Position	31,505,219	32,605,232	32,309,935	32,573,308	32,395,484	32,909,053	33,528,639	33,588,301	34,147,933	19,883,530

City of West Columbia, South Carolina

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 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	\$ 1,715,597
Community & economic development	400,334	269,194	296,736	304,065	277,395	260,905	246,140	377,098	346,572	344,200
Public safety	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	7,158,809
Public services	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	1,778,287
General services	176758	128,543	635,425	727,417	695,689	843,702	941,772	1,047,600	1,078,525	1,118,290
Interest on Long-Term Debt		449,462	441,713	314,780	333,755	285,970	247,238	196,505	130,510	110,897
Total governmental activities expenses	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	12,226,080
Business-type activities:										
Water & sewer utility	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	8,935,396
Total business-type activities expenses	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	8,935,396
Total primary government expenses	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	21,161,476
Program Revenues										
Governmental activities:										
Charges for services:										
General government	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	5,114,678
Public safety	190,779	236,976	339,670	375,602	417,452	351,337	470,971	314,430	173,004	184,943
Public services	233,017	265,344	282,751	326,871	148,511					
Operating grants and contributions	297,468	178,711	239,628	223,126	390,495	375,272	405,215	377,865	10,459	53,609
Capital grants and contributions	319,594	435,760	150,979	758,618	395,089	261,407	505,634	481,603	37,797	245,866
Total governmental activities program revenues	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	5,599,096
Business-type activities:										
Charges for services:										
Water & sewer utility	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	12,413,206
Capital contributions and grants		79,501	28,000		28,011	12,514	8,470	202,491	183,856	-
Total business-type activities program revenues	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	12,413,206
Total primary government program revenues	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	18,012,302
Net (expense)/revenue										
Governmental activities	(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)	(6,626,984)
Business-type activities	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	3,477,810
Total primary government net expense	(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)	(3,149,174)

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 4,193,861
Gain on sale of capital asset	17,989	166,818			27,129	80,030	25,539	52,569	(41,384)	(924,125)
Intergovernmental	499,963	525,915	569,936	552,911	443,768	422,332	411,954	468,226	478,509	475,734
Investment earnings	7,264	12,342	238	49	27	2,385	224	162	164	41
Recapture of Professional Fees						800,000				
Miscellaneous	161,609	164,373	168,200	198,360	203,550	160,670	479,996	476,311	201,949	156,903
Transfers	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	2,283,000
Total governmental activities	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	6,185,414
Business-type activities:										
Gain on sale of capital asset					3,385	23,950	7,800			1,778
Intergovernmental	117,834	471,638	438,448	338,026	292,751	297,704	229,801	173,361	112,845	105,668
Investment earnings	314,586									
Miscellaneous	(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)	(2,283,000)
Transfers	(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)	(2,175,554)
Total Business-type activities	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	4,009,860
Change in Net Position										
Governmental activities	482,543	705,974	(167,178)	1,233,925	102,603	841,339	1,173,596	742,558	310,712	(441,570)
Business-type activities	141,258	394,039	(128,119)	(970,552)	(280,427)	(327,770)	(554,010)	(49,118)	248,920	1,302,256
Total primary government	623,801	1,100,013	(295,297)	263,373	(177,824)	513,569	619,586	693,440	559,632	860,686

Table 3

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

Fiscal Year	Property Tax	Accommodations Tax	Vehicle Tax	Motor Carrier Tax	Alcoholic Beverage Tax	Total
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
2015	3,006,108	74,968	428,498	5,850	9,550	3,524,974

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 101,111	\$ 132,988	\$ 208,897	\$ 117,304	\$ 73,883	\$ 95,481	\$ 96,818	\$ 121,554	\$ 143,948	\$ 196,449
Nonspendable	936	4,360	149,530	43,597	27,355	119,862		19,439	20,779	100
Unassigned	(132,452)	(1,685)	(292,419)	677,186	3,500,517	3,583,591	4,006,469	4,396,007	4,508,614	4,640,117
Total general fund	(30,405)	135,663	66,008	838,087	3,601,755	3,798,934	4,103,287	4,537,000	4,673,341	4,836,666

Table 5

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 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	\$ 4,167,660
Licenses and permits	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	4,262,892
Intergovernmental	499,963	525,915	569,936	552,911	443,768	422,332	411,954	468,226	478,509	475,734
Charges for services	814,800	876,518	923,202	1,007,825	837,727	656,140	711,394	708,385	732,385	851,786
Fines and Forfeitures	179,043	209,828	295,065	354,904	389,324	343,474	452,259	276,023	161,744	169,025
Investment earnings	7,264	12,342	238	49	27	2,385	224	162	164	41
Grant proceeds	617,062	614,471	390,607	981,744	785,584	636,679	910,849	859,468	48,256	299,475
Narcotics program	11,736	41,710	44,606	20,698	28,128	7,863	18,712	38,407	11,260	15,918
Other revenues	161,609	164,373	168,200	198,360	203,550	160,670	479,996	476,311	201,949	156,903
Total revenues	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	10,399,434
Expenditures										
General government	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	1,539,918
Public safety	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	7,037,456
Public services	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	1,765,063
General services	481,640	512,347	594,899	759,897	707,366	769,804	891,228	940,515	993,229	1,103,814
Community and economic development	468,937	256,408	288,053	293,357	280,864	255,414	245,729	375,206	341,838	530,722
Debt Service										
Principal	286,879	928,271	532,122	708,225	772,427	985,012	1,062,958	961,063	1,035,340	1,025,846
Interest	395,754	458,832	455,274	290,176	345,080	306,494	264,484	226,124	137,670	115,863
Total expenditures	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	13,118,682
Excess of revenues over (under) expenditures	(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)	(2,719,248)
Other financing sources (uses)										
Transfers in	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	2,283,000
Transfers out	(4,149)									
Bonds issued					2,813,623				3,327,000	-
Payments to bond agent									(3,327,000)	-
Capital leases	30,849	1,150,035	290,000	207,000	345,000	105,000			247,350	300,000
Recapture of Professional Fees						800,000				
Sale of capital assets					125,677	80,030	27,358	55,400	138,068	299,573
Total other financing sources (uses)	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	2,882,573
Net change in fund balances	(191,876)	166,068	55,345	772,079	2,763,668	(9,475)	490,714	433,719	136,341	163,325
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%	9.05%

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

Fiscal Year Ended June 30	Tax Year	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
		Residential Property	Commercial Property	Motor Vehicles	Other					
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%
2015	2014	18,522,460	27,529,920	6,694,170	7,826,520	516,770	60,056,300	6.188	1,103,079,667	5.44%

Source: Lexington County Auditor

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

Fiscal Year	Tax Year	Overlapping Rates												Total Direct & Overlapping Rates
		City of West Columbia			Lexington County			School District			Special Districts			
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage				
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		
2015	2014	5.528	0.660	6.188	7.273	0.445	7.718	14.646	2.975	17.621	2.400	33.927		

Source: Lexington County Auditor

Table 8

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

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
S.C. Electric & Gas Co.	\$ 1,997,260	1	3.30%	\$ 1,226,770	1	2.78%
Abberly Village at West Columbia	1,435,200	2	2.37%			
Campus Investors HSRE-SC	1,261,800	3	2.08%			
Wal-Mart Stores	1,017,160	4	1.68%	707,420	2	1.60%
TimeWarner/Advanced Newhouse	893,390	5	1.47%	495,190	4	1.12%
Westside Meshekoff Family LP	654,770	6	1.08%	567,860	3	1.29%
House of Raeford Farms, Inc.	554,300	7	0.92%	394,270	7	0.89%
Capital Hospitality LLC	433,030	8	0.71%			
Sun, Inc	417,170	9	0.69%			
Granby Oaks Association	407,800	10	0.67%	355,910	6	0.81%
Bell South Telecommunications	334,730	11	0.55%	461,020	5	1.04%
Pharmacy Portfolio VII DST	334,390	12	0.55%			0.00%
DRV Carolina Center LLC	291,520	13	0.48%			0.00%
Kline Iron & Steel				251,260	9	0.57%
Total Principal Taxpayers	<u>10,032,520</u>		<u>16.56%</u>	<u>4,459,700</u>		<u>10.11%</u>
City-wide Assessed Valuation	<u>60,573,070</u>		<u>100.00%</u>	<u>44,121,510</u>		<u>100.00%</u>

Table 9

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

Fiscal Year Ended June 30	Tax Year	Total Tax Levy	Collected within the		Collections in Subsequent Fiscal Years	Total Collections to Date	
			Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
			Amount				
2006	2005	2,578,602	2,434,054	94.4%	143,098	2,577,152	99.9%
2007	2006	2,697,664	2,552,311	94.6%	142,046	2,694,357	99.9%
2008	2007	2,900,517	2,772,373	95.6%	125,154	2,897,528	99.9%
2009	2008	3,124,535	2,960,913	94.8%	159,337	3,120,250	99.9%
2010	2009	3,194,027	3,035,874	95.0%	153,118	3,188,991	99.8%
2011	2010	3,392,878	3,214,363	94.7%	172,530	3,386,893	99.8%
2012	2011	3,614,046	3,431,176	94.9%	166,255	3,597,431	99.5%
2013	2012	3,717,818	3,551,665	95.5%	137,179	3,688,844	99.2%
2014	2013	3,813,744	3,638,774	95.4%	135,177	3,773,951	99.0%
2015	2014	3,905,714	3,706,451	94.9%	-	3,706,451	94.9%

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 Year	Governmental Activities				Business-Type Activities			Total Primary Government ¹	Percentage of Personal Income ²	Per Capita ²
	General Obligation Bonds	General Obligation Bond Anticipation Note	Tax Increment Finance Bonds	Capital Leases	Water/Sewer Bonds	Capital Leases				
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	
2015	1,530,500		1,668,000	690,372	23,841,865	6,168	27,736,905	7.36%	1,849	

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

1 See note 8 to the financial statements.

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

Table 11

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
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
2015	1,530,500		1,530,500	0.14%	102

City of West Columbia, South Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Lexington County	\$ 45,590,380	5.66%	\$ 2,580,416
School District No. 2	31,565,000	18.58%	5,864,777
Lexington County Recreation District	36,480,000	8.21%	2,995,008
Riverbanks Park District	15,339,588	2.30%	352,811
Subtotal, overlapping debt			<u>11,793,011</u>
City of West Columbia, South Carolina direct debt			<u>3,888,872</u>
Total direct and overlapping debt			<u><u>15,681,883</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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$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	\$4,845,846
Total net debt applicable to limit	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	1,530,500
Legal debt margin	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	3,315,346

Total net debt applicable to the limit as a percentage of the debt limit	75.36%	71.57%	68.82%	67.16%	69.40%	61.29%	51.67%	44.45%	38.02%	31.58%
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Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value	\$ 60,573,070
Add back: exempt real property	-
Total assessed value	60,573,070
Debt limit (8%)	4,845,846
Debt applicable to limit:	
General obligation bonds	1,530,500
Less: Amount set aside for repayment general obligation debt	
Total net debt applicable to limit	
Legal debt margin	

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 \$4,845,846 at June 30, 2015, which would be the legal debt limit.

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

Fiscal Year	Water and Sewer Revenue Bonds						
	Water/Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2015	12,413,206	6,704,930	5,708,276	1,907,311	583,752	2,491,063	2.29

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

Table 15

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Level in Years of			School Enrollment	Unemployment Rate
					Formal Schooling				
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%
2015	14,998	376,809,752	25,124	38.2	14.0			3,042	5.10%

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 Ten Years Ago

<u>Employers</u>	2015			2006		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Principal Employers</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Principal Employers</u>
House of Raeford Farms	855	1	31.28%	425	2	18.71%
Wal-Mart Stores	564	2	20.64%	515	1	22.67%
South Carolina Episcopal Home	415	3	15.18%	200	4	8.80%
Lexington School District 2	221	4	8.09%	264	3	11.62%
City of West Columbia	190	5	6.95%	176	6	7.75%
Heartland of Lexington	148	6	5.42%	153	7	6.73%
U S Postal Service	97	7	3.55%	100	10	4.40%
Bi-Lo LLC	85	8	3.11%	105	9	4.62%
H T Hackney Company	81	9	2.96%	147	8	6.47%
Chick-Fil-A	77	10	2.82%			
Belcher Staffing Services				187	5	8.23%
Total	<u>2,733</u>		<u>100.0%</u>	<u>2,272</u>		<u>100.0%</u>

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

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	12	12	12	12	14	14	14	16	16	17
Building Inspectors	3	3	3	3	3	3	3	3	2	2
Code Compliance						2	2	2	2	2
Community Development	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Officers	52	52	54	56	58	58	58	53	55	56
Civilians	12	12	12	14	14	14	14	12	11	11
Fire										
Firefighters and officers	24	24	24	24	24	24	24	24	24	24
Maintenance - Garage	6	6	6	6	6	7	7	7	7	7
Sanitation (Garbage & Trash)	30	30	30	32	32	32	32	27	24	24
Parks and Recreation	1	3	3	3	3	6	5	7	7	7
Water (Production & Distribution)	32	32	32	32	32	32	32	36	36	37
Sewer Collection	3	3	4	4	4	4	4	4	4	4
Total	176	178	181	187	191	197	196	192	189	192

Source: City of West Columbia Finance Office

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

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Physical arrests	1,785	1,830	1,913	2,265	2,058	3,398	2,097	741	1,179	1,248
Fire										
Number of calls answered	857	1,108	853	627	757	651	992	999	1,038	1,222
Inspections	2,990	1,140	941	849	1,000	1,328	1,406	1,472	1,597	1,205
Sanitation										
Refuse collected (tons/day) Lexington Landfill ¹	37	38	33	35	30	24	22	22	22	22
Refuse collected (tons/day) Richland Landfill ²	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)	36	110	94	137	108	164	118	116	152	118
Water										
New connections	270	285	1,369	24	101	74	82	116	139	132
Water mains breaks	7	4	9	12	14	20	24	16	27	11
Water customers	18,483	18,768	19,250	19,274	19,025	19,032	19,205	19,321	19,460	19,592
Water Plant I	3,519	3,670	3,643	3,353	2,633	3,225	3,227	3,074	3,123	3,122
Water Plant II	7,204	8,080	8,187	7,443	9,310	9,042	8,992	8,589	8,683	9,029
Total Average daily consumption (thousands of gallons)	10,723	11,750	11,830	10,796	11,943	12,267	12,219	11,663	11,806	12,151
Wastewater										
Average daily sewage treatment ³ (thousands of gallons)	1,598	4,800	5,900	6,054	6,095	6,095	6,095	6,095	2,980	3,075
Sewer customers	9,454	10,050	10,733	10,745	10,758	11,157	11,197	11,268	11,334	11,397
Overlapping customers - City of Cayce ⁴	1,205	1,372	1,508	1,510	1,515					
Total sewer customers	10,659	11,422	12,241	12,255	12,273	11,157	11,197	11,268	11,334	11,397

Sources:

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

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

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	35	46	50	57	63	67	65	65	59	52
Fire stations	1	1	1	1	1	1	1	1	1	1
Responding units	12	12	14	14	14	11	11	11	9	10
Sanitation										
Garbage collection trucks	12	14	14	14	14	12	12	12	12	12
Yard trash collection trucks	5	6	6	6	6	7	7	7	7	7
Highways and streets										
Streetlights ¹	938	947	942	961	989	989	989	1,017	1,262	1,284
Traffic signals	21	23	24	28	30	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)	210	212	213	243	288	288	288	288	290	294
Fire hydrants	550	555	566	569	573	580	583	583	583	586
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	22.5	23.0	23.0	23.0	23.0	23.0	23.0	23.0
Maximum daily capacity (millions of gallons)	20.5	20.5	29.5	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Sewer										
Sanitary sewers (miles)	110	112	113	113	115	115	115	115	115	118
Maximum daily treatment capacity ² (millions of gallons)	3.27	3.27	3.27	3.27	3.27	3.27	3.27	3.27	3.27	3.27

Sources:

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

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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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 31, 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.

The Brittingham Group LLP

West Columbia, South Carolina
December 31, 2015