



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2019**

**City of West Columbia
South Carolina**

**CITY OF WEST COLUMBIA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2019**

**BRIAN E. CARTER, CM-ICMA, AICP
City Administrator**

**Prepared by:
FINANCE DEPARTMENT**

CITY OF WEST COLUMBIA, SOUTH CAROLINA
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INTRODUCTORY SECTION

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January 24, 2020

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, 2019. 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.

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. 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.

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, 2019, 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 unmodified opinion that the City of West Columbia's financial statements for the fiscal year ended June 30, 2019 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 is required to assess whether an annual single audit in conformity with the provisions by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards needs to be performed. In accordance with these requirements, no Single Audit was needed because the City's federal expenditures were below \$750,000.

Mayor

Temus C. "Tem" Miles, Jr.

Mayor Pro-Tem

Jimmy Brooks

Council Members

R. Trevor Bedell

Joseph D. Dickey, Jr.

Mike Green

Casey Jordan Hallman

David B. Moyer

Erin Parnell Porter

Mickey Pringle

City Administrator

Brian E. Carter,

ICMA-CM, AICP

Deputy

City Administrator

Michelle M. Dickerson,

Esquire

City Treasurer/

Assistant

City Administrator

Justin R. Black, CPA

City Clerk

Crystal Bouknight Parker

(803) 791-1880

FAX (803) 739-6231

200 N. 12th Street

West Columbia, SC 29169

PO Box 4044

West Columbia, SC 29171

www.westcolumbiasc.gov

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 also has a hospitality tax fund that accounts for tourism related activities. The City owns and operates a municipal water and sewer system serving residents and businesses within its corporate limits and in the territory adjacent thereto. Therefore, this activity also is included in the reporting entity.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of 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 8.9 square miles and serves a population of 18,118 as of June 30, 2019. 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, have been 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 the next few 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 the fiscal year ending, June 30, 2019, the City issued a new general obligation bond for \$4,000,000 for various infrastructure and equipment needs. These needs included an expansion of City Hall and upgrade to the police department's evidence room. The City issued new water and sewer revenue bonds in the amount of \$15,485,000 for various water and sewer infrastructure upgrades and projects throughout the two systems.

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 and sewer utility system. Several of the government’s major initiatives directly relate to the water and sewer activities. The demand for housing in the City’s water service area is at an all time high, resulting in the construction of many new housing developments and an increased demand on water services. Based on the continuation of this trend, the water and sewer utility 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 roughly 1.50 percent. The government’s investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the government, its agent or a financial institution’s trust department in the government’s name. It is the policy of the City of West Columbia to hold investments to maturity.

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

Other Information

Awards – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Columbia, South Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. This was the 28th 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,



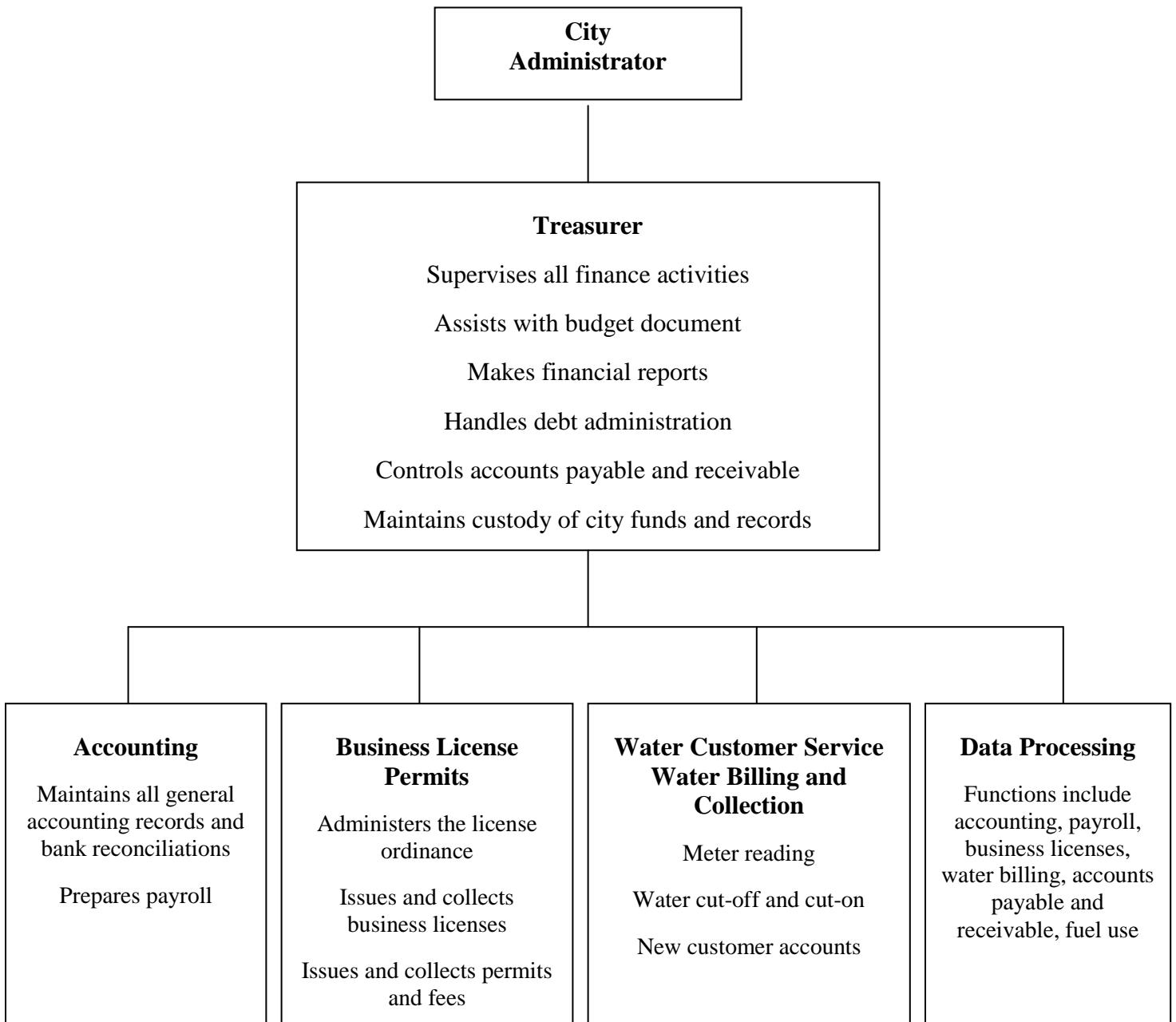
Justin R. Black, CPA
Assistant City Administrator
& City Treasurer



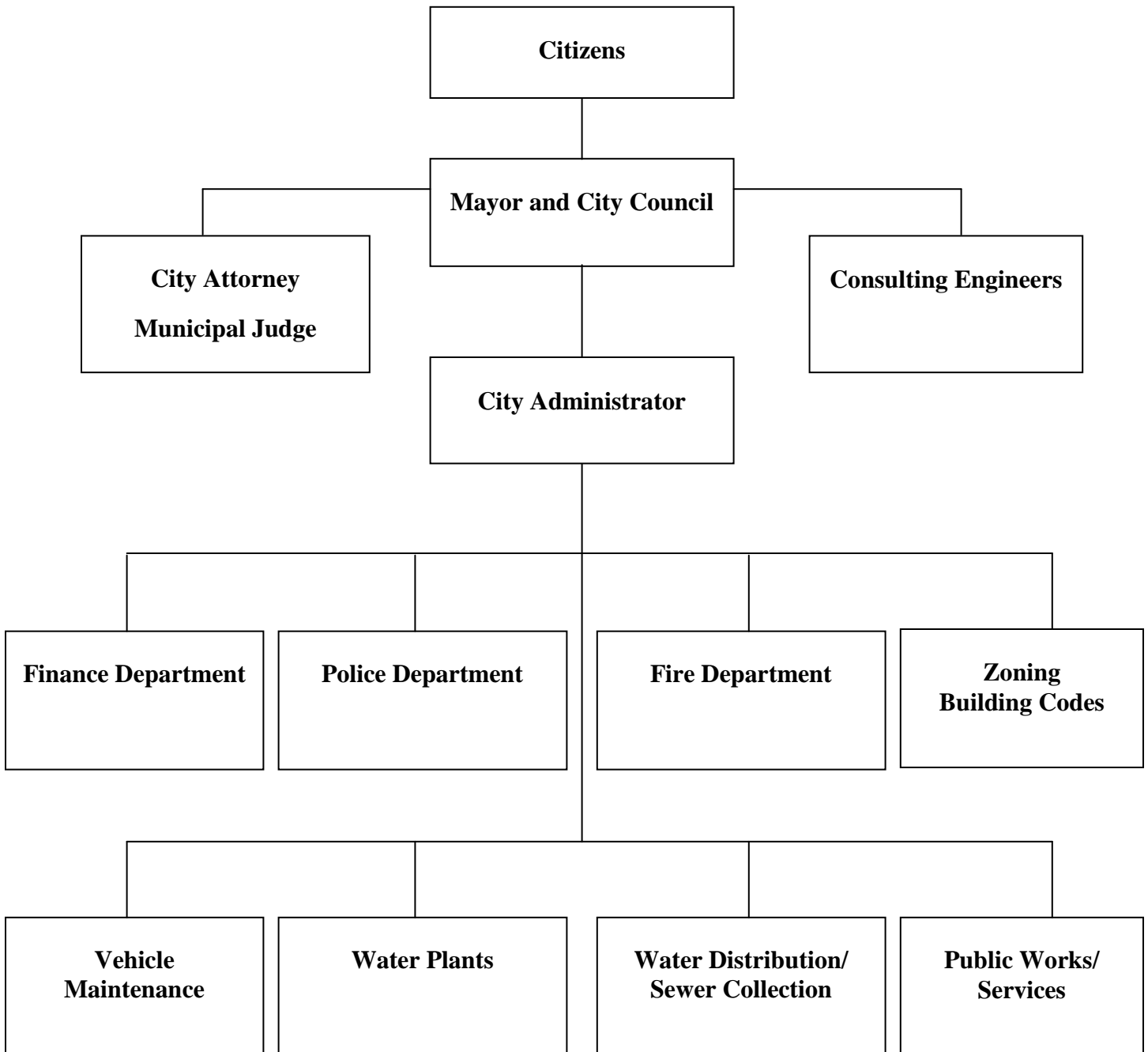
Brian E. Carter, CM-ICMA, AICP
City Administrator

City of West Columbia, South Carolina

**Finance Department
Organization Chart**



City of West Columbia, South Carolina



WEST COLUMBIA CITY COUNCIL

Temus C. “Tem” Miles, Jr., Mayor

COUNCIL MEMBERS

Jimmy Brooks, Mayor Pro-Tempore

**R. Trevor Bedell
Joseph Dickey
Mike Green
Casey Jordan Hallman
David Moya
Erin Parnell Porter
Mickey Pringle**

CITY ADMINISTRATION

**Brian E. Carter, CM-ICMA, AICP, City Administrator
Michelle M. Dickerson, Esq., Deputy City Administrator
Justin R. Black, CPA, Assistant City Administrator & City Treasurer**



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, 2018

Christopher P. Morill

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 AUDITORS' REPORT

The Honorable Mayor and Members of City Council
City of West Columbia, South Carolina
200 North 12th Street
West Columbia, South Carolina 29169

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the City of West Columbia, South Carolina (the "City"), as of and for the year ended June 30, 2019, 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 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, of the City as of June 30, 2019, and the respective changes in financial position and, where applicable,

cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 15 - 22, the Schedule of South Carolina Retirement Systems Contributions on page 73, the Schedule of Proportionate Share of South Carolina Retirement Systems Net Pension Liabilities on page 72, the Schedule of Changes in the City's Net OPEB Liability and Related Ratios on page 74, and the Schedule of OPEB Employer Contributions on page 75, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section 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 F-1 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic 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 F-1 is fairly stated in all material respects in relation to the 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 January 24, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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
January 24, 2020

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, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, in the financial statements and the notes to the financial statements.

Financial Highlights

- The City of West Columbia's assets exceeded its liabilities at June 30, 2019 by \$35,957,742 (net position). The City's total net position increased \$5,425,868 with an increase of \$2,498,226 from governmental activities and an increase of \$2,927,642 resulting from business-type activities.
- The City's total assets increased \$22,489,464 over the prior year. This is mainly due to an increase in restricted cash from the issuance of two new bonds and net capital assets. The City has many ongoing capital projects and infrastructure upgrades.
- The City's total liabilities increased \$17,140,209 over the prior year. A new general obligation bond and water and sewer revenue bond accounted for the majority of this increase. However, accounts payable is higher than the prior year and is mainly due to large equipment purchases and capital project expenses at fiscal year-end.
- For the fiscal year ending June 30, 2019, the City maintained two governmental funds which are its General Fund and Hospitality Tax Fund. The City's governmental fund balance sheet reported a combined ending fund balance of \$14,176,243, a decrease of \$449,012 from the previous fiscal year. Of this amount, \$6,961,348 is unassigned.
- The General Fund reported actual revenues of \$161,279 over budget and expenditures over budgeted appropriations by \$2,178,768. General Fund expenditures include \$2,441,090 in capital outlay for projects funded by bond proceeds.
- The City's total long-term debt increased by \$16,395,900 for the current fiscal year. The main reason for the increase of the City's overall outstanding long-term debt is the issuance of new general obligation bonds and water and sewer revenue bonds.

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, public works, and hospitality tax. The City’s business-type activities include a water and sewer utility system.

The government-wide financial statements can be found on pages 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.

The City of West Columbia maintained two governmental funds during the fiscal year 2018-2019. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund and Hospitality Tax Fund which are both major funds.

Overview of the Financial Statements (continued)

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 37-70 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 fifteenth 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 \$35,957,742 at the close of the most recent fiscal year. The City's increase in net position for this fiscal year amounts to \$5,425,868.

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)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current assets and other	\$17,342,238	\$16,915,729	\$37,992,909	\$21,083,079	\$55,335,147	\$37,998,808
Capital assets, net	21,340,664	15,635,013	58,918,645	59,471,171	80,259,309	75,106,184
Total assets	38,682,902	32,550,742	96,911,554	80,554,250	135,594,456	113,104,992
Deferred outflows	3,166,467	3,021,155	1,356,656	1,424,499	4,523,123	4,445,654
Total assets and deferred outflows	41,849,369	35,571,897	98,268,210	81,978,749	140,117,579	117,550,646
Long-term liabilities	28,467,607	25,553,541	65,989,201	53,207,387	94,456,808	78,760,928
Other liabilities	4,429,012	3,537,999	5,029,893	4,476,577	9,458,905	8,014,576
Total liabilities	32,896,619	29,091,540	71,019,094	57,683,964	103,915,713	86,775,504
Deferred inflows	184,758	210,591	59,366	32,677	244,124	243,268
Total liabilities and deferred inflows	33,081,377	29,302,131	71,078,460	57,716,641	104,159,837	87,018,772
Net Position						
Net Investment in capital assets	12,303,667	9,890,265	30,838,875	29,645,047	43,142,542	39,535,312
Restricted	2,725,992	2,093,588	496,284	529,962	3,222,276	2,623,550
Unrestricted	(6,261,667)	(5,714,087)	(4,145,409)	(5,912,901)	(10,407,076)	(11,626,988)
Total net position	\$ 8,767,992	\$ 6,269,766	\$27,189,750	\$24,262,108	\$35,957,742	\$30,531,874

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. See Exhibit I for a breakdown of the City's unrestricted net position. 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 both the governmental and business-type activities revenues being over expenses. Charges for services and property taxes exceeded budgeted revenues in governmental activities due to an increase in tax millage and increased assessments. Public safety was the main contributor to actual expenses being under budgeted expenses. The major difference in total expenses from the prior year is directly related to the changes in the net pension obligation in the prior year. Business-type activities experienced roughly an 11% increase in operating revenues from the prior year. This increase is attributed to the roughly 8% increase in water and sewer rates from the prior fiscal year. Total business-type expenses increased by nearly \$2 million over the prior year. This is mainly due to fluctuations with GASB Statement Nos. 68 and 75 from year to year, however depreciation, contractual services, utilities, repairs, and maintenance increased as well.

Government-wide Financial Analysis (continued)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 6,671,321	\$ 6,254,497	\$18,857,064	\$16,514,282	\$25,528,385	\$22,768,779
Operating grants & contributions	83,623	123,001	-	25,755	83,623	148,756
Capital grants & contributions	522,070	789,309	152,614	513,397	674,684	1,302,706
General revenues						
Property taxes	5,526,625	4,969,306	-	-	5,526,625	4,969,306
Hospitality taxes	1,729,406	1,472,558	-	-	1,729,406	1,472,558
Intergovernmental	560,036	545,466	-	-	560,036	545,466
Investment earnings	54,645	5,204	232,066	120,882	286,711	126,086
Other	317,138	224,427	(109,591)	78,857	207,547	303,284
Total revenues	15,464,864	14,383,768	19,132,153	17,253,173	34,597,017	31,636,941
Expenses						
General Government	2,719,820	2,171,290	-	-	2,719,820	2,171,290
Community Development	522,091	358,149	-	-	522,091	358,149
Public Safety	8,459,804	7,144,296	-	-	8,459,804	7,144,296
Public Services	2,223,485	1,805,330	-	-	2,223,485	1,805,330
General Services	1,384,034	741,498	-	-	1,384,034	741,498
Tourism Related	198,026	253,695	-	-	198,026	253,695
Interest on Long-term Debt	339,378	241,334	-	-	339,378	241,334
Water & Sewer Utility	-	-	13,324,511	11,361,508	13,324,511	11,361,508
Total expenses	15,846,638	12,715,592	13,324,511	11,361,508	29,171,149	24,077,100
Excess (deficiency) before transfers	(381,774)	1,668,176	5,807,642	5,891,665	5,425,868	7,559,841
Transfers	2,880,000	2,677,000	(2,880,000)	(2,677,000)	-	-
Increase (decrease) in net position	2,498,226	4,345,176	2,927,642	3,214,665	5,425,868	7,559,841
Net Position - July 1	6,269,766	1,924,590	24,262,108	21,047,443	30,531,874	22,972,033
Net Position - June 30	\$ 8,767,992	\$ 6,269,766	\$27,189,750	\$24,262,108	\$35,957,742	\$30,531,874

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, 2019, the City of West Columbia governmental funds reported combined fund balances of \$14,176,243, a decrease of \$449,012 from the prior year balances. Forty-nine percent (49%) 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 \$246,441 and \$6,968,454 being restricted that is not available for new spending. It has already been restricted for specific purposes.

The General Fund is the primary operating fund of the City. At June 30, 2019, the total fund balance in the general fund was \$11,630,833. The General Fund balance increased by \$2,200,798 during the current fiscal year. This increase is mainly a result of bond proceeds received after the issuance of a new general obligation bond in March 2019. Property taxes and business license fees exceeded budgeted projections. Also, actual expenditures were notably under budget in public safety and public services.

In addition to the General Fund the City's other major governmental fund is the Hospitality Tax Fund. This fund was created in fiscal year 2016-2017. The ending hospitality tax fund balance was \$2,545,410, which is a large decrease from the previous year due to the capital expenditures related to tourism.

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, 2019, total net position of the Water and Sewer Utility System amounted to \$27,189,750 as compared to a balance of \$24,262,108 at June 30, 2018. The increase in net position of \$2,927,642 for the fiscal year is due mainly to large amounts being paid annually on debt service, capital costs, and budgeted contributions to reserves.

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 2019 as well as the final budget are presented. Quarterly budget amendments and supplemental appropriations were approved during the 2018-2019 budget year. There was an overall increase of \$609,000 between the original budget and the final amended budget.

The General Fund budgeted revenues of \$13,042,000 before other financing sources and achieved actual revenues of \$13,203,279, or \$161,279 more than budgeted. This is mainly due to increased property tax millage and assessments, franchise, and business license fees. Expenditures were budgeted for \$16,735,000 before other uses with actual expenditures of \$18,913,768. Expenditures were over budget because of major projects that are funded by the bond issuances. The City budgeted a deficiency of estimated revenues under its appropriated expenditures before other financing sources and uses totaling \$3,693,000, but achieved a deficiency of revenue under expenditures before other financing sources and uses of \$5,710,489. The General Fund's budget also included budgeted net transfers in from other funds of \$3,680,000.

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, 2019, amounts to \$80,259,309 (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 bought new vehicles and equipment in excess of \$1.75M.
- The City is in the middle of multiple water, sewer, and public capital projects, which accounts for increase in CIP city-wide. Upgrades at the Lake Murray WTP and other water line relocation projects were completed during the year.
- The City has also purchased property for future parks, parking, and improvements in the River District Area to maximize the growth potential in the area.

Capital Assets and Debt Administration (Continued)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 3,852,943	\$ 3,554,632	\$ 187,500	\$ 187,500	\$ 4,040,443	\$ 3,742,132
Buildings & equipment	5,318,563	5,561,706	42,244,471	43,495,954	47,563,034	49,057,660
Improvements other than buildings	-	-	12,630,258	11,138,763	12,630,258	11,138,763
Equipment	-	-	2,878,602	2,626,361	2,878,602	2,626,361
Vehicles & equipment	2,500,861	1,459,314	859,502	688,027	3,360,363	2,147,341
Construction in progress	9,668,297	5,059,361	118,312	1,334,566	9,786,609	6,393,927
Total assets, net	<u>\$21,340,664</u>	<u>\$15,635,013</u>	<u>\$58,918,645</u>	<u>\$59,471,171</u>	<u>\$80,259,309</u>	<u>\$75,106,184</u>

Long-term debt - At the end of the current fiscal year, the City of West Columbia had total bonded debt outstanding of \$12,491,000 consisting of tax increment financing (TIF) bonds, series 2016, a hospitality tax bond (Htax), series 2018, and a general obligation (GO) bond, Series 2019. 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. The new Htax bond is secured by hospitality tax revenues (see Note 8).

The City also had total revenue bonds outstanding in the amount of \$47,111,960 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 \$6,086,807, as reflected in Note 8 and Table 13.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Capital leases	\$ 1,143,441	\$ 1,440,024	\$ 531,167	\$ 677,724	\$ 1,674,608	\$ 2,117,748
Net pension liability	14,644,759	14,077,819	7,311,592	6,963,273	21,956,351	21,041,092
Net OPEB liability	1,220,696	1,214,865	638,259	635,043	1,858,955	1,849,908
Tax increment finance bonds	4,831,000	5,236,000	-	-	4,831,000	5,236,000
General obligation bonds	4,000,000	645,852	-	-	4,000,000	645,852
Hospitality tax bonds	3,660,000	4,000,000	-	-	3,660,000	4,000,000
Revenue bonds	-	-	47,111,960	33,806,364	47,111,960	33,806,364
Accrued compensated absences	667,220	577,440	339,673	336,182	1,006,893	913,622
Total outstanding debt	<u>\$ 30,167,116</u>	<u>\$ 27,192,000</u>	<u>\$ 55,932,651</u>	<u>\$ 42,418,586</u>	<u>\$ 86,099,767</u>	<u>\$ 69,610,586</u>

Capital Assets and Debt Administration (Continued)

The net pension liability was introduced in fiscal year 2014-2015 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, 2019, please see Notes 7, 8 and 10 in the Notes to the Financial Statements. In the prior fiscal year GASB No. 75 was implemented and represents the long-term liabilities associated with the City's other post-employment benefits (OPEB) plan. For additional information concerning this plan, please see Notes 8 and 18.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for City of West Columbia is currently 3.7 percent, which is in line with previous years and the lowest rate in more than ten years. This compares favorably with the state's rate of 4.4 percent and the national rate of 3.6 percent.
- Inflationary trends in the region compare favorably to national indices.

These indices were taken into account when adopting the general budget for 2019-2020. Amounts available for appropriation in the general fund budget are \$16,410,000, a decrease of less than two percent from the final 2019 budget of \$16,735,000. It should be noted that the appropriated budget for 2020 includes \$455,000 in budgeted revenues to service a long-term general obligation bond the City issued in March of 2019. A debt service millage of 6.6 mills was levied for the 2019-2020 fiscal year in order to service the debt requirements.

Property tax revenues for the coming year are projected to increase due to growth through annexations, improving economic conditions, and overall assessments. The City will monitor economic conditions closely and make necessary budget adjustments as deemed appropriate.

Budgeted expenditures for 2020 have decreased under the actual 2019 expenditures due mainly to decreases in vehicle and equipment needs. The City does not anticipate entering into any major land acquisitions for economic development purposes in fiscal year 2019-2020.

As for the City's business-type activities, the City just recently adopted a new water and sewer rate ordinance in March 2018. This ordinance includes rate increases each year over the next nine (9) years. This was in anticipation of increased costs within the system and future capital costs to upgrade and replace aging infrastructure. The rate increases also account for new debt service that the City issues in the future. The City plans to issue new revenue bonds to enhance the water distribution and sewer collection systems and pay for capital costs associated with the City of Columbia sewer system upgrades. The City also anticipates upgrades to its Lake Murray Water Treatment plant in the coming years to not only enhance its great water quality, but also prepare the plant for future expansion.

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, Assistant City Administrator and Treasurer.

BASIC FINANCIAL STATEMENTS

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 8,431,830	\$ 11,205,781	\$ 19,637,611
Receivables, net	1,272,116	3,318,403	4,590,519
Prepaid Charges	246,441	71,566	318,007
Internal Balances, net	68,415	(68,415)	-
Notes Receivable - Municipal Government	-	706,663	706,663
Restricted Cash and Cash Equivalents	7,323,436	20,143,250	27,466,686
Total Current Assets	17,342,238	35,377,248	52,719,486
Non -Current assets:			
Notes Receivable - Municipal Government	-	2,615,661	2,615,661
Capital Assets, net:			
Land	3,852,943	187,500	4,040,443
Buildings and Improvements	5,318,563	42,244,471	47,563,034
Improvements Other Than Buildings	-	12,630,258	12,630,258
Vehicles and Equipment	2,500,861	3,738,104	6,238,965
Construction in Progress	9,668,297	118,312	9,786,609
Total Non -Current assets	21,340,664	61,534,306	82,874,970
TOTAL ASSETS	38,682,902	96,911,554	135,594,456
DEFERRED OUTFLOW OF RESOURCES			
Pension Plan	2,995,167	1,265,708	4,260,875
OPEB Plan	171,300	90,948	262,248
TOTAL DEFERRED OUTFLOW OF RESOURCES	3,166,467	1,356,656	4,523,123
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	41,849,369	98,268,210	140,117,579
LIABILITIES			
Current Liabilities:			
Accounts Payable	2,316,475	861,518	3,177,993
Accrued Expenses and Other Liabilities	225,772	148,137	373,909
Accrued Interest Payable	187,256	162,893	350,149
Accrued Compensated Absences	320,893	127,515	448,408
Customer Deposits	-	665,148	665,148
Unearned Revenue	-	710,402	710,402
(Payable from Restricted Assets)			
Capital Leases	249,616	127,515	377,131
Bonds Payable	1,129,000	2,226,765	3,355,765
Total Current Liabilities	4,429,012	5,029,893	9,458,905
Long-Term (Non-Current) Liabilities:			
Capital Leases	893,825	403,652	1,297,477
Bonds Payable	11,362,000	44,885,195	56,247,195
Unearned Revenue	-	12,538,345	12,538,345
Accrued Compensated Absences	346,327	212,158	558,485
Net Pension Liability	14,644,759	7,311,592	21,956,351
Net OPEB Liability	1,220,696	638,259	1,858,955
Total Long-Term Liabilities	28,467,607	65,989,201	94,456,808
TOTAL LIABILITIES	32,896,619	71,019,094	103,915,713
DEFERRED INFLOW OF RESOURCES			
Pension Plan	179,617	56,530	236,147
OPEB Plan	5,141	2,836	7,977
TOTAL DEFERRED INFLOW OF RESOURCES	184,758	59,366	244,124
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	33,081,377	71,078,460	104,159,837

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
<u>NET POSITION</u>			
Net Investment in Capital Assets	12,303,667	30,838,875	43,142,542
Restricted to:			
Debt Service	637,306	496,284	1,133,590
Capital Project Fund	300,004	-	300,004
Law Enforcement Grants & Programs	221,949	-	221,949
Accommodations Tax	130,583	-	130,583
Parks Program	42,110	-	42,110
Hospitality Tax	1,394,040	-	1,394,040
Unrestricted - unfunded pension obligation	(11,829,209)	(6,102,414)	(17,931,623)
Unrestricted - unfunded OBEB obligation	(1,054,537)	(550,147)	(1,604,684)
Unrestricted - other	6,622,079	2,507,152	9,129,231
<u>TOTAL NET POSITION</u>	<u>\$ 8,767,992</u>	<u>\$ 27,189,750</u>	<u>\$ 35,957,742</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, 2019

	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
FUNCTIONS AND PROGRAMS							
Governmental activities:							
General Government	\$ 2,719,820	\$ 5,572,811	\$ 3,415	\$ 56,543	\$ 2,912,949	\$	\$ 2,912,949
Community & Economic Development	522,091				(522,091)		(522,091)
Public Safety	8,459,804	1,098,510	80,208	33,302	(7,247,784)		(7,247,784)
Public Services	2,223,485				(2,223,485)		(2,223,485)
General Services	1,384,034				(1,384,034)		(1,384,034)
Tourism Related	198,026			432,225	234,199		234,199
Interest on Long-Term Debt	339,378				(339,378)		(339,378)
	15,846,638	6,671,321	83,623	522,070	(8,569,624)	-	(8,569,624)
Business-type activities:							
Water and sewer utility	13,324,511	18,857,064	-	152,614	-	\$ 5,685,167	\$ 5,685,167
Total Business-type activities	13,324,511	18,857,064	-	152,614	-	5,685,167	5,685,167
TOTAL FUNCTIONS AND PROGRAMS	\$ 29,171,149	\$ 25,528,385	\$ 83,623	\$ 674,684	(8,569,624)	5,685,167	(2,884,457)
General Revenue and Transfers							
Property Taxes					5,526,625		5,526,625
Hospitality Taxes					1,729,406		1,729,406
Intergovernmental - Unrestricted					560,036		560,036
Gain / (Loss) on sale of capital assets					48,052	(109,591)	(61,539)
Investment earnings - Unrestricted					54,645	232,066	286,711
Miscellaneous					269,086		269,086
Transfers					2,880,000	(2,880,000)	-
Total general revenue and transfers					11,067,850	(2,757,525)	8,310,325
Changes in net position					2,498,226	2,927,642	5,425,868
Net Position - July 1					6,269,766	24,262,108	30,531,874
Net Position- June 30					\$ 8,767,992	\$ 27,189,750	\$ 35,957,742

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, 2019

	General Fund	Hospitality Tax Fund	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 8,431,830		\$ 8,431,830
Receivables (Net of Allowance for Uncollectables)			
Property Taxes	352,845		352,845
State	139,076		139,076
Municipal Governments	262,349		262,349
Grants	88,972		88,972
Rehabilitation Loans	32,645		32,645
Hospitality Tax		\$ 223,529	223,529
Other	172,700		172,700
Prepaid Charges	246,441		246,441
Due From (To) Other Funds	156,813	(88,398)	68,415
Restricted assets:			
Cash	4,423,044	2,900,392	7,323,436
<u>TOTAL ASSETS</u>	\$ 14,306,715	\$ 3,035,523	\$ 17,342,238
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,826,362	\$ 490,113	\$ 2,316,475
Accrued Payroll, Taxes, & Vacation Pay	546,665		546,665
<u>TOTAL LIABILITIES</u>	2,373,027	490,113	2,863,140
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Revenue - property taxes	302,855		302,855
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	302,855	-	302,855
<u>FUND BALANCES</u>			
Nonspendable	246,441		246,441
Restricted	4,423,044	2,545,410	6,968,454
Unassigned	6,961,348		6,961,348
<u>TOTAL FUND BALANCES</u>	11,630,833	2,545,410	14,176,243
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>	\$ 14,306,715	\$ 3,035,523	

Reconciliation to amounts reported for governmental activities in the
Statement of Net Position (See Note 19):

Capital assets used in governmental activities are not financial resources and therefore are not reported in these funds.	21,340,664
Other liabilities not payable from currently available resources are not reported in these funds.	(187,256)
The net pension liability and related deferred outflows and deferred inflows do not represent current financial resources and is not reported in these funds.	(11,829,209)
The net OPEB liability and related deferred outflows and deferred inflows do not represent current financial resources and is not reported in these funds.	(1,054,537)
Long-term liabilities, including bonds payable, unavailable revenue, and compensated absences, are not due and payable in the current period and therefore are not reported in these funds.	(13,677,913)
Net Position, end of year - Governmental Activities	<u>\$ 8,767,992</u>

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	General	Hospitality Tax	Total Governmental Funds
<u>REVENUES</u>			
Property Taxes	\$ 5,475,411		\$ 5,475,411
Franchise Fees, Licenses, and Permits	5,572,811		5,572,811
Fines and Forfeitures	123,499		123,499
Interest	53,956	\$ 689	54,645
Intergovernmental	560,036		560,036
Charges For Services	975,011		975,011
Grant Proceeds	100,348	432,225	532,573
Police Program Income	73,121		73,121
Hospitality Tax		1,729,406	1,729,406
Other Revenues	269,086		269,086
<u>TOTAL REVENUES</u>	13,203,279	2,162,320	15,365,599
<u>EXPENDITURES</u>			
Current			
General Government	1,957,268		1,957,268
Community & Economic Development	490,241		490,241
Public Safety	8,959,056		8,959,056
Public Services	2,136,167		2,136,167
General Services	1,383,732		1,383,732
Tourism Related		198,026	198,026
Capital Outlay			
General Government	1,028,356		1,028,356
Community & Economic Development	1,016,837		1,016,837
Public Services	395,897		395,897
Tourism Related		3,380,140	3,380,140
Debt Service			
Principal	1,346,599	340,000	1,686,599
Interest	199,615	93,964	293,579
<u>TOTAL EXPENDITURES</u>	18,913,768	4,012,130	22,925,898
<u>EXCESS OF EXPENDITURES</u>			
<u>(OVER)/UNDER REVENUES</u>	(5,710,489)	(1,849,810)	(7,560,299)
<u>OTHER FINANCING SOURCES/(USES)</u>			
Transfers In/(Out)	3,680,000	(800,000)	2,880,000
General Obligation Bond Issuance	4,000,000		4,000,000
Sale of Capital Assets	231,287		231,287
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	7,911,287	(800,000)	7,111,287
<u>NET CHANGE IN FUND BALANCES</u>	2,200,798	(2,649,810)	(449,012)
<u>FUND BALANCE - July 1</u>	9,430,035	5,195,220	14,625,255
<u>FUND BALANCE - June 30</u>	\$ 11,630,833	\$ 2,545,410	\$ 14,176,243

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, 2019

Net change in fund balances - total governmental funds	\$	(449,012)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.		6,435,697
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.		51,214
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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.		(94,600)
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The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(2,313,401)
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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.		(403,265)
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The net OPEB 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 decreased in the current year.		1,639
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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.		(730,046)
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Change in Net Position - Governmental Activities (See Note 19)	\$	2,498,226
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The accompanying notes to financial statements are an integral part of this statement.

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2019

	<u>BUDGETED AMOUNTS</u>			Variance with Final Budget Positive (Negative)
<u>REVENUES</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Property Taxes	\$ 5,185,000	\$ 5,185,000	\$ 5,475,411	\$ 290,411
Licenses and Permits	4,972,000	5,247,000	5,572,811	325,811
Fines and Forfeits	144,000	144,000	123,499	(20,501)
Interest	2,200	52,200	53,956	1,756
Intergovernmental	537,600	537,600	560,036	22,436
Charges For Services	935,000	935,000	975,011	40,011
Grant Proceeds	33,000	117,000	100,348	(16,652)
Police Program Income	61,100	61,100	73,121	12,021
Other Revenues	563,100	763,100	269,086	(494,014)
<u>TOTAL REVENUES</u>	12,433,000	13,042,000	13,203,279	161,279
<u>EXPENDITURES</u>				
Current				
General Government	1,956,365	2,030,365	1,957,268	73,097
Community & Economic Development	474,350	525,050	490,241	34,809
Public Safety	8,943,390	9,200,690	8,959,056	241,634
Public Services	2,067,350	2,279,350	2,136,167	143,183
General Services	1,466,195	1,481,195	1,383,732	97,463
Capital Outlay				
General Government	-	-	1,028,356	(1,028,356)
Community & Economic Development	-	-	1,016,837	(1,016,837)
Public Services	-	-	395,897	(395,897)
Debt Service				
Principal	1,018,350	1,018,350	1,346,599	(328,249)
Interest	200,000	200,000	199,615	385
<u>TOTAL EXPENDITURES</u>	16,126,000	16,735,000	18,913,768	(2,178,768)
<u>EXCESS OF EXPENDITURES OVER REVENUES</u>	(3,693,000)	(3,693,000)	(5,710,489)	(2,017,489)
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers In	3,680,000	3,680,000	3,680,000	-
GO Bond Issuance	-	-	4,000,000	4,000,000
Sale of Capital Assets	13,000	13,000	231,287	218,287
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	3,693,000	3,693,000	7,911,287	4,218,287
<u>NET CHANGE IN FUND BALANCE</u>	\$ -	\$ -	2,200,798	\$ 2,200,798
<u>FUND BALANCE - July 1</u>			9,430,035	
<u>FUND BALANCE - June 30</u>			\$ 11,630,833	

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, 2019

	<u>Business-Type Activities</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 11,205,781
Accounts Receivable	3,318,403
Prepaid Charges	71,566
Notes Receivable- Municipal Government	706,663
Restricted Cash and Cash Equivalents	<u>20,143,250</u>
<u>TOTAL CURRENT ASSETS</u>	<u>35,445,663</u>
<u>NONCURRENT ASSETS</u>	
Noncurrent Receivable - Municipal Government	<u>2,615,661</u>
CAPITAL ASSETS	
Water Plant, Lines, and Sewer System	97,755,062
Less: Accumulated Depreciation	(38,954,729)
Construction in Progress	<u>118,312</u>
<u>TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</u>	<u>58,918,645</u>
<u>TOTAL NONCURRENT ASSETS</u>	<u>61,534,306</u>
<u>TOTAL ASSETS</u>	<u>96,979,969</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>	
Pension Plan	1,265,708
OPEB Plan	<u>90,948</u>
<u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u>	<u>1,356,656</u>
<u>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</u>	<u>98,336,625</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2019

	<u>Business-Type Activities</u>
<u>LIABILITIES</u>	
CURRENT LIABILITIES	
(Payable from Current Assets)	
Accounts Payable	\$ 861,518
Customer Deposits	665,148
Accrued Payroll and Vacation Pay	275,652
Capital Lease Obligation	127,515
Unearned Revenue	710,402
Due to Other Funds	68,415
(Payable from Restricted Assets)	
Revenue Bonds Payable	2,226,765
Accrued Interest Payable	162,893
<u>TOTAL CURRENT LIABILITIES</u>	<u>5,098,308</u>
LONG-TERM LIABILITIES	
Accrued Vacation Pay - Due After One Year	212,158
Capital Lease Obligation - Due After One Year	403,652
Revenue Bonds - Due After One Year	44,885,195
Unearned Revenue - Due After One Year	12,538,345
Net Pension Liability	7,311,592
Net OPEB Liability	638,259
<u>TOTAL LONG-TERM LIABILITIES</u>	<u>65,989,201</u>
<u>TOTAL LIABILITIES</u>	<u>71,087,509</u>
<u>DEFERRED INFLOW OF RESOURCES</u>	
Pension Plan	56,530
OPEB Plan	2,836
<u>TOTAL DEFERRED INFLOW OF RESOURCES</u>	<u>59,366</u>
<u>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</u>	<u>71,146,875</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	30,838,875
Restricted	
Debt Service	496,284
Unrestricted	(4,145,409)
<u>TOTAL NET POSITION</u>	<u>\$ 27,189,750</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 - WATER AND SEWER
YEAR ENDED JUNE 30, 2019

	<u>Business-Type Activities</u>
<u>OPERATING REVENUES</u>	
Charges for Service	\$ 18,857,064
<u>TOTAL OPERATING REVENUES</u>	<u>18,857,064</u>
<u>OPERATING EXPENSES</u>	
Personnel Services	5,432,503
Material and Supplies	1,029,173
Contractual Services	1,624,222
Utilities	992,698
Repairs and Maintenance	460,480
Depreciation	2,453,571
Other Operating Expenses	192,723
<u>TOTAL OPERATING EXPENSES</u>	<u>12,185,370</u>
<u>OPERATING INCOME</u>	<u>6,671,694</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest Revenue	232,066
Interest and Amortization Expense	(1,139,141)
Loss on Sale of Capital Assets	(109,591)
Capital Grants and Contributions	
Capital Grant Proceeds	152,614
<u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u>	<u>(864,052)</u>
<u>NET INCOME (LOSS) BEFORE TRANSFERS</u>	<u>5,807,642</u>
<u>TRANSFERS (OUT)</u>	
General Fund	(2,880,000)
<u>CHANGE IN NET POSITION</u>	<u>2,927,642</u>
<u>NET POSITION - July 1</u>	<u>24,262,108</u>
<u>NET POSITION - June 30</u>	<u>\$ 27,189,750</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 - WATER AND SEWER
YEAR ENDED JUNE 30, 2019

	<u>Business-Type Activities</u>
<u>Cash Flows From Operating Activities</u>	
Cash Received From Customers	\$ 18,389,547
Cash Paid to Suppliers	(4,352,188)
Cash Paid to Employees	(4,931,131)
	<hr/>
<u>Net Cash Provided by Operating Activities</u>	9,106,228
	<hr/>
<u>Cash Flows From Non-Capital Financing Activities</u>	
Transfers Out	(2,880,000)
	<hr/>
<u>Net Cash (Used) by Non-Capital Financing Activities</u>	(2,880,000)
	<hr/>
<u>Cash Flows From Capital and Related Financing Activities</u>	
Proceeds from Capital Debt	15,485,000
Principal Paid on Capital Debt	(2,325,971)
Interest Paid on Capital Debt	(1,098,321)
Aquisition of Capital Assets	(2,045,324)
Payments Received from Municipal Governments	730,286
Proceeds from Capital Grants	152,614
Proceeds from the Sale of Capital Assets	34,688
	<hr/>
<u>Net Cash Provided by Capital and Related Financing Activities</u>	10,932,972
	<hr/>
<u>Cash Flows From Investing Activities</u>	
Interest on Investments	232,066
	<hr/>
<u>Net Cash Provided by Investing Activities</u>	232,066
	<hr/>
<u>Net Increase in Cash and Cash Equivalents</u>	17,391,266
	<hr/>
<u>Cash and Cash Equivalents - July 1</u>	13,957,765
	<hr/>
<u>Cash and Cash Equivalents - June 30</u>	\$ 31,349,031
	<hr/>
<u>Cash</u>	\$ 11,205,781
	<hr/>
<u>Restricted Cash and Cash Equivalents</u>	20,143,250
	<hr/>
<u>Total Cash and Cash Equivalents</u>	\$ 31,349,031
	<hr/>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER
YEAR ENDED JUNE 30, 2019

	<u>Business-Type Activities</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
<u>Operating Income</u>	<u>\$ 6,671,694</u>
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</u>	
Depreciation	2,453,571
(Increase) Decrease in	
Accounts Receivable	198,369
Prepaid Charges	(61,390)
Deferred Outflow of Resources	67,843
Increase (Decrease) in	
Accounts Payable	394,317
Unearned Revenue	(710,402)
Customer Deposits	44,516
Accrued Expenses	55,305
Due to Other Funds	(385,819)
Net Pension Liability	348,319
Net OPEB Liability	3,216
Deferred Inflow of Resources	26,689
<u>Total Adjustments</u>	<u>2,434,534</u>
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 9,106,228</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, 2019

	<u>ASSETS</u>	<u>Total Agency Funds</u>
Cash and Cash Equivalents		\$ 36,923
<u>TOTAL ASSETS</u>		<u>\$ 36,923</u>
	<u>LIABILITIES</u>	
Due to Fireman's Organization		\$ 954
Fiduciary Funds Held		35,969
<u>TOTAL LIABILITIES</u>		<u>\$ 36,923</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, 2019

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of West Columbia (the "City") 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 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, 2019, 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.

During fiscal year 2017 pursuant to SC Code Section 6-1-730, the City adopted a 2% Hospitality Tax on prepared foods and beverages. Proceeds of this tax must be used for the purposes outlined in the Code.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

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 and Hospitality Tax Fund as the “major” governmental funds 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.

Hospitality Tax Fund – The Hospitality Tax fund is used to account for revenues received from the City’s hospitality tax and expenditures that were approved to be paid from these funds.

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 Narcotic Seizure Fund as presented on Schedule D-1. The Fireman’s Fund is used to account for revenue received from the State Fire Association’s Insurance Fund. The Narcotic Seizure 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, 2019

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 13 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 fees, 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, 2019

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, 2019, 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	\$ 16,126,000	\$ 609,000	\$ 16,735,000

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, 2019 all commitments lapsed and no encumbrances were recognized.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

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 typically consist of both gasoline and diesel fuel. The cost of such 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 \$2,500 or greater and a useful life of five years or more are capitalized and reported on the government-wide financial statements. The City has no material general infrastructure assets.

Proprietary fund: Capital outlays of the proprietary fund 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, 2019

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	5 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 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 Governmental Funds, such as 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 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 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 deferred outflows, and total liabilities and deferred inflows 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, 2019

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 deferred outflows, and total liabilities and deferred inflows 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, an ordinance passed 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, 2019

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. The general fund is the only fund that reports a positive unassigned fund balance amount.

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 two items that qualify for reporting in this category. These deferred items are associated with contributions and changes in the City's pension and OPEB plans for the current fiscal year (See Notes 10 and 19).

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 two other deferred inflows that are recognized under the full accrual basis of accounting that is associated with the City's pension plan and other post-employment benefits (See Note 10 and Note 18).

N. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the South Carolina Other Retirement Benefits Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 1. Summary of Significant Accounting Policies (continued)

O. Comparative Data

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

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are used to determine depreciation expense and the allowance for doubtful accounts among other accounts. Actual results could differ from those estimates.

Note 2. Deposits and Investments

Deposits

As of June 30, 2019, 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 is 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. The City does not participate in LGIP.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 2. Deposits and Investments (continued)

Concentration of Credit Risk

The City's investment policy requires available surplus funds to be invested in 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, 2019, the City had cash on-hand of \$3,225 and cash deposits in demand, savings, money market and certificate of deposit accounts equal to \$47,101,072. Of the deposit amounts, \$1,023,284 is covered by FDIC insurance, and the balance of \$46,077,788 is collateralized by federal agency securities or letters of credit held by the various banks to secure the deposits of the City.

Custodial Credit Risk-Investments

For an investment, this is the risk that, in the event of the failure of the counter party, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2019, all investments in agency securities or letters of credit, 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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 4. Property Taxes (continued)

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

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

Note 5. Notes Receivable – Proprietary Fund

This consists of amounts due from the Town of Lexington and the Joint Municipal Water and Sewer Commission pursuant to contracts that provide necessary improvements to the City's Lake Murray Water Treatment Facility that guarantee capacity of 4.5 million GPD to the Town and increase the Commission's guaranteed capacity from 4.5 million GPD to 10.07 million GPD.

The Town's contract also provides for installation of water lines for newly acquired customer 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 these deferred revenues and other 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, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Non-Depreciable				
Capital Assets:				
Construction in Process	\$ 5,059,361	\$ 4,608,936		\$ 9,668,297
Land	3,554,632	1,028,356	\$ 730,045	3,852,943
Total Non-Depreciable				
Capital Assets:	<u>8,613,993</u>	<u>5,637,292</u>	<u>730,045</u>	<u>13,521,240</u>
Depreciable Capital Assets:				
Buildings and Improvements	8,949,779			8,949,779
Vehicles and Equipment	9,510,469	1,461,921	263,828	10,708,562
Total Depreciable				
Capital Assets	<u>18,460,248</u>	<u>1,461,921</u>	<u>263,828</u>	<u>19,658,341</u>
Total Capital Assets:	<u>27,074,241</u>	<u>7,099,213</u>	<u>993,873</u>	<u>33,179,581</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 6. Changes in Capital Assets (continued)

Governmental Activities (continued):

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>Less accumulated</u>				
<u>Depreciation for:</u>				
Buildings and Improvements	\$3,388,073	\$ 243,143		\$ 3,631,216
Vehicles and Equipment	8,051,155	420,374	\$ 263,828	8,207,701
Total Accumulated				
Depreciation:	<u>11,439,228</u>	<u>663,517</u>	<u>263,828</u>	<u>11,838,917</u>
Governmental Activities				
Capital Assets, Net:	<u>\$15,635,013</u>	<u>\$ 6,435,696</u>	<u>\$ 730,045</u>	<u>\$ 21,340,664</u>

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

General government	\$ 156,016
Community and economic development	-
Public safety	267,711
Public services	99,924
General services	139,866
Total depreciation expense – governmental activities	<u>\$ 663,517</u>

Business-Type Activities:

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

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Non-Depreciable				
Capital Assets:				
Land	\$ 187,500			\$ 187,500
Construction in Progress	1,334,566	\$ 71,828	\$ 1,288,082	118,312
Total Non-Depreciable				
Capital Assets	<u>1,522,066</u>	<u>71,828</u>	<u>1,288,082</u>	<u>305,812</u>
Depreciable Capital Assets				
Buildings	62,227,547	549,689		62,777,236
Improvements Other				
Than Buildings	27,085,259	1,962,099	184,852	28,862,506
Equipment	3,855,828	445,527		4,301,355
Vehicles and Equipment	1,395,725	304,263	73,524	1,626,464
Total Depreciable				
Capital Assets:	<u>94,564,359</u>	<u>3,261,578</u>	<u>258,376</u>	<u>97,567,561</u>
Total Capital Assets:	<u>96,086,425</u>	<u>3,333,406</u>	<u>1,546,458</u>	<u>97,873,373</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 6. Changes in Capital Assets (continued)

Business-Type Activities (continued):

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Less accumulated Depreciation for:				
Buildings	\$18,731,593	\$ 1,801,172		\$20,532,765
Improvements Other Than Buildings	15,946,496	341,593	\$ 55,841	16,232,248
Equipment	1,229,467	193,286		1,422,753
Vehicles and Equipment	707,698	117,520	58,256	766,962
Total Accumulated Depreciation:	<u>36,615,254</u>	<u>2,453,571</u>	<u>114,097</u>	<u>38,954,728</u>

Business-Type Activities

Capital Assets, Net:	<u>\$59,471,171</u>	<u>\$ 879,835</u>	<u>\$ 1,432,361</u>	<u>\$58,918,645</u>
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Depreciation expense was charged to functions/programs in business-type activities as follows:

Water and sewer utility	<u>\$ 2,453,571</u>
Total depreciation expense – business-type activities	<u>\$ 2,453,571</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, net of accumulated depreciation, under capital leases totaled approximately \$1,405,532 at June 30, 2019 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, 2019.

<u>Year Ending</u> <u>June 30</u>	<u>Governmental-type</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
2020	\$ 249,616	\$ 137,402
2021	230,477	137,402
2022	210,240	76,691
2023	210,240	76,691
2024-2025	286,931	134,030
Minimum lease payments for all capital leases	1,208,289	562,216
Less: Amount representing interest at the City's incremental borrowing rate of interest	(64,847)	(31,049)
Present value of minimum lease payments	<u>\$1,143,441</u>	<u>\$ 531,167</u>

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

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

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

Governmental Activities:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Long Term Debt:				
Capital Leases	\$ 1,440,024		\$ 296,583	\$ 1,143,441
Net Pension Liability	14,077,819	\$ 566,940		14,644,759
Net OPEB Liability	1,214,865	5,831		1,220,696
HTax Bond Series 2018	4,000,000		340,000	3,660,000
TIF Bond Series 2016A	2,675,000		207,000	2,468,000
TIF Bond Series 2016B	2,561,000		198,000	2,363,000
GO Bond Series 2010	645,852		645,852	
GO Bond Series 2019		4,000,000		4,000,000
Total Payable	<u>\$26,614,560</u>	<u>\$ 4,572,771</u>	<u>\$ 1,687,435</u>	<u>\$ 29,499,896</u>
 Compensated Absences	 <u>\$ 577,440</u>	 <u>\$ 97,995</u>	 <u>\$ 8,216</u>	 <u>\$ 667,219</u>

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

		<u>June 30, 2019</u>	
	<u>Interest Rate</u>	<u>Current Portion</u>	<u>Long Term Portion</u>
Capital Leases	1.23 to 1.83%	\$ 249,616	\$ 893,825
HTax Bond, Series 2018	2.48%	368,000	3,292,000
TIF Bond, Series 2016A	3.35%	213,000	2,255,000
TIF Bond, Series 2016B	2.36%	204,000	2,159,000
General Obligation Bond, Series 2019	2.76%	344,000	3,656,000
Compensated Absences		320,892	346,327

On March 26, 2019, the City issued a long-term General Obligation Bond, Series 2019, in the amount of \$4,000,000 to fund equipment, property and expansion of City Hall and the Police Department. The GO Bond, Series 2010, has been satisfied. The Series 2019 Bond is payable as to principal and interest in equally amortized payments, payable each March 1, beginning March 1, 2020 through March 1, 2029, with the final payment of \$101,380 being paid on March 1, 2030 the maturity date of the Bond. The Bond shall bear interest at the rate of 2.76 percent per annum.

On June 20, 2018, the City issued a new hospitality tax (Htax) bond. This new issuance will fund numerous tourism related projects. The total issuance amount is \$4,000,000 for 10 years at a rate of 2.48%. The Htax bond is secured by the fee revenue generated through the City's Hospitality Tax fund.

On November 15, 2016, the City issued a new tax increment financing (TIF) bond. This new issuance refunded the previous TIF bond and added another \$5,000,000 to be spent on publicly maintained infrastructure within a new development. The total issuance amount is \$6,049,000 for 12 years, with \$3,090,000 being tax-exempt at a rate of 2.36% and \$2,959,000 being taxable at a rate of 3.35%. 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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

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

Governmental Activities (continued):

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 \$6,086,807 at June 30, 2019 (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>
2020	\$ 1,129,000	\$ 339,613
2021	1,186,000	309,043
2022	1,263,000	276,882
2023	1,300,000	242,318
2024	1,338,000	206,720
2025	1,375,000	170,092
2026	1,413,000	132,606
2027	1,453,000	94,474
2028	1,494,000	55,243
2029	440,000	14,904
2030	100,000	2,760
Totals	\$ <u>12,491,000</u>	\$ <u>1,844,655</u>

Business-Type Activities:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
Long Term Debt:				
Capital Leases	\$ 677,724		\$ 146,557	\$ 531,167
Net Pension Liability	6,963,273	\$ 348,319		7,311,592
Net OPEB Liability	635,043	3,216		638,259
Revenue Bonds – 2005	5,529,927		660,683	4,869,244
Revenue Bonds – 2009A	6,518,742		467,583	6,051,159
Revenue Bonds – 2009B	5,996,695		430,148	5,566,547
Revenue Bonds – 2013	418,000		418,000	
Revenue Bonds – 2016	15,343,000		203,000	15,140,000
Revenue Bonds – 2018		15,485,000		15,485,000
Total Payable	\$42,082,404	\$15,836,535	\$ 2,325,971	\$ 55,592,968
Compensated Absences:	\$ 336,182	\$ 55,185	\$ 8,759	\$ 382,608

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

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

Business-Type Activities (continued):

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

	<u>Interest Rate</u>	<u>June 30, 2019</u> <u>Current Portion</u>	<u>Long Term Portion</u>
Capital Leases	1.59% - 1.80%	\$ 127,515	\$ 403,652
Revenue Bonds:			
Series 2005 Issue	2.25%	675,684	4,193,560
Series 2009A Issue	2.25%	478,193	5,572,966
Series 2009B Issue	2.25%	439,888	5,126,679
Series 2016 Issue	2.66%	633,000	14,507,000
Series 2018 Issue	4.04%		15,485,000
Total Revenue Bonds		<u>\$ 2,226,765</u>	<u>\$44,885,185</u>
Compensated Absences		<u>\$ 170,450</u>	<u>\$ 212,158</u>

The City issued \$15,485,000 in Water and Sewer System Revenue bonds, series 2018 to be spent on water and sewer infrastructure projects. This was a public issue for 25 years at an average rate of 4.04%. Moody's Investor Service, Inc. has assigned its municipal bond rating of "Aa3" to the Series 2018 Bonds.

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>
2020	\$ 2,226,765	\$ 1,385,103
2021	2,669,928	1,332,083
2022	2,743,913	1,258,308
2023	2,809,735	1,190,444
2024	2,881,417	1,123,040
2025	2,959,976	1,043,032
2026	2,894,543	967,719
2027	2,376,226	902,095
2028	2,447,600	831,739
2029	2,519,529	758,994
2030	2,593,021	683,848
2031	1,789,307	611,214
2032	1,551,000	555,922
2033	1,601,000	506,358
2034	1,652,000	455,128
2035	1,703,000	402,208
2036	1,760,000	347,594
2037	1,813,000	291,064
2038-2044	<u>6,120,000</u>	<u>979,400</u>
Totals	<u>\$47,111,950</u>	<u>\$15,625,293</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 9. Net Position

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<u>Net Investment in Capital Assets:</u>		
Net capital assets	\$ 21,340,664	\$ 58,918,645
Bond proceeds on deposit	4,597,444	19,563,357
Less: net bonds payable	(12,491,000)	(47,111,960)
Less: capital leases	(1,143,441)	(531,167)
Total investment in capital assets	<u>\$ 12,303,667</u>	<u>\$ 30,838,875</u>
<u>Restricted:</u>		
Debt Service	\$ 637,306	\$ 496,284
Capital Project Fund	300,004	
Hospitality Tax	1,394,040	
Law Enforcement Grants and Programs	221,949	
Parks Program	42,110	
Accommodations Tax	130,583	
Total restricted net position	<u>\$ 2,725,992</u>	<u>\$ 496,284</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).

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 10. Pension Plan (continued)

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.

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, 2017, employees participating in the SCRS were required to contribute 9.00% of all earnable compensation. The employer contribution rate for SCRS was 14.56%. Included in the total SCRS employer contribution rate is a base retirement contribution of 14.41% and 0.15% contribution rate for the incidental death program. The City's contributions for the years ended June 30, 2019, 2018 and 2017 were \$985,453, \$947,394, and \$828,912, respectively, and equaled to the base required retirement contribution rate.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 10. Pension Plan (continued)

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.

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, 2017, employees participating in the PORS were required to contribute 9.75% of all earnable compensation. The employer contribution rate for PORS was 17.24%. Included in the total PORS employer contribution rate is a base retirement contribution of 16.84% and .20% for the incidental death program and .20% for the accidental death program. The City's contributions for the years ended June 30, 2019, 2018 and 2017 were \$668,608, \$392,068, and \$364,333, respectively, and equaled to the base required retirement 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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 10. Pension Plan (continued)

At June 30, 2019, the City reported \$16,503,117 and \$5,453,234 for its proportionate share of the net pension liabilities of SCRS and PORS, respectively. The net pension liability of the SCRS defined benefit pension plan was determined based on the July 1, 2017 actuarial valuations, using membership data as of July 1, 2017, projected forward to June 30, 2018, and financial information of the pension trust funds as of June 30, 2017, 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, 2019, the City's SCRS proportion was 0.073653% and its PORS proportion was 0.19245%.

At June 30, 2019 the state reported deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

Deferred Outflows of Resources	SCRS	PORS
Differences between expected and actual experience	\$ 29,790	\$ 168,023
Assumption changes	654,757	359,558
Net difference between project and actual investment earnings	262,154	109,052
Differences between employer contributions and proportionate share	948,768	74,712
Contributions made from measurement date to June 30, 2018	985,453	668,608
Total deferred outflows of resources	2,880,922	1,379,953
 Deferred Inflows of Resources		
Differences between expected and actual experience	97,117	-
Differences between employer contributions and proportionate share	20,073	118,957
Total deferred inflows of resources	117,190	118,957
 Net deferred outflows/(inflows)	\$ 2,763,732	\$ 1,260,996

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 10. Pension Plan (continued)

Deferred outflows of \$985,453 and \$668,608 for SCRS and PORS, respectively, reported as resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year ended June 30,</u>	<u>SCRS</u>	<u>PORS</u>	<u>Net</u>
2020	\$ (1,003,360)	\$ (317,644)	\$ (1,321,004)
2021	(790,283)	(224,139)	(1,014,422)
2022	1,414	(39,420)	(38,006)
2023	13,950	(11,185)	2,765
	<u>\$ (1,778,279)</u>	<u>\$ (592,388)</u>	<u>\$ (2,370,667)</u>

The total pension liabilities in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	<u>SCRS</u>	<u>PORS</u>
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Investment Rate or Return	7.25%	7.25%
Projected Salary Increases	3.0% to 12.5%	3.5% to 9.5%
Inflation Rate	2.25%	2.25%
Benefit Adjustments	Lesser of 1% or \$500	Lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016. Assumption used in the determination of the June 30, 2018, SCRS and PORS valuations are as follows:

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	2016 PRSC Males Multiplied by 92%	2016 PRSC Females Multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males Multiplied by 100%	2016 PRSC Females Multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males Multiplied by 125%	2016 PRSC Females Multiplied by 111%

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 10. Pension Plan (continued)

The long-term expected rate of return on pension plan investments is based upon the 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

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

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	47.0%		
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
Real Assets	10.0%		
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
Opportunistic	13.0%		
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.75%	0.11%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
Total Expected Return	100%		5.03%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Rate			7.28%

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 10. Pension Plan (continued)

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the Systems' fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

The following table represents the City's proportionate share of the net SCRS and PORS pension liabilities calculated using the discount rate of 7.25 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 (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

Plan	1% Decrease 6.25%	Current Rate 7.25%	1% Increase 8.25%
SCRS	\$ 21,088,094	\$ 16,503,117	\$ 13,225,533
PORS	5,453,234	7,351,641	3,898,280
	<u>\$ 28,439,735</u>	<u>\$ 21,956,351</u>	<u>\$ 17,123,813</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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

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.

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. Specific excess insurance, such as liability insurance, is provided through the South Carolina Municipal Insurance and Risk Financing Fund (SCMIRF).

Note 13. 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, 2019 are as follows:

	<u>Inter-fund Receivables</u>	<u>Inter-fund Payables</u>
General Fund	\$ 156,813	
Hospitality Tax Fund		\$ 88,398
Proprietary Fund: Water and Sewer		68,415
Totals	<u>\$ 156,813</u>	<u>\$ 156,813</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, 2019 are as follows:

<u>Transfer Out</u>	<u>Transfer In</u>
	<u>General Fund</u>
Special Revenue Fund: Hospitality Tax	\$ 800,000
Proprietary Fund: Water and Sewer	2,880,000
	<u>\$ 3,680,000</u>

The transfer of \$2,880,000 to the General Fund from the Proprietary Fund is based on budgetary authorizations and the City's financial policies. The principal purpose of the transfers between funds is to support the general operations of the government and it is in compliance.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 14. 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, 2019, fifty-three and sixty-five hundredths percent (53.65%) of the water produced is to be made available to the Commission and twenty-eight and eighty-nine hundredths percent (28.89%) to the Town. Water is sold at a bulk rate, which in turn would be sold to their customers. The Commission and the Town only have an operational interest in the plant and not an equitable interest.

Note 15. Construction Commitments

The City has multiple construction projects as of June 30, 2019. The City continues to work through FEMA projects as a result of the October 2015 severe weather and flooding. There are multiple water and sewer projects underway at year end that should be completed within the next fiscal year. Through the TIF bond issuance, the City is in the middle of a multi-year project to create public parking and public space within a new development. This project will be a great compliment to the Riverwalk Park and provide much needed public parking for the entire district. The City has committed \$5,500,000 to this project these last couple of years. The City is also in the process of constructing two new parks that should be online soon. The City is engaged in many water and sewer infrastructure upgrade projects throughout the entire system.

Note 16. 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 17. Compliance - Net Earnings Covenant - Series 2005, 2009A, 2009B, 2013, 2016, 2018 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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 18. Other Post-Employment Benefits (OPEB)

A. General Information about the OPEB Plan

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.

Employees covered by benefit terms. At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	22
Inactive employees entitled to but not yet receiving benefits payments	-
Active employees	195
	<u>217</u>

Contributions

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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 18. Other Post-Employment Benefits (OPEB) (continued)

B. Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016.

Actuarial assumptions

The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Real wage growth	
SCRS	0.75%
PORS	1.25%
Wage inflation	
SCRS	3.00%
PORS	3.50%
Salary increases	
SCRS	3.00% - 7.00%
PORS	3.50% - 9.50%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	4.75%
Municipal Bond Index Rate	
Prior Measurement Date	3.55%
Measurement Date	4.10%
Single Equivalents Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	4.75%
Measurement Date	4.75%
Health Care Cost Rates	
Pre-Medicare	7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023
Medicare	5.50% for 2016 decreasing to an ultimate rate of 5.00% by 2020

Mortality rates were based on the RP-2014 Mortality Table for Employees with a 95% multiplier to better reflect anticipated experience and provide a margin for future improvements.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study adopted by SCRS and PORS.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 18. Other Post-Employment Benefits (OPEB) (continued)

B. Net OPEB Liability (continued)

Actuarial assumptions (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected rate of return assumption is 4.75%. The target allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed income	94.30%
Equity funds	0.00%
Cash and cash equivalents	5.70%
Total	<u>100%</u>

Discount Rate

The discount rate used to measure the total OPEB liability as of the measurement date was 4.75 percent. The projection of cash flows used to determine the discount rate in accordance with GASB 75. The projections basis was an actuarial valuation performed as of January 1, 2016. In addition to the actuarial methods and assumptions of the January 1, 2016 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually using the payroll growth assumption
- Active employees do not explicitly contribute to the Plan.
- In all future years, the employer continues to contribute the full ADEC through deposit to the Trust and direct payment of benefits to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make contributions to the Trust and benefits payments from its own resources for all periods in the projection.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

Based on these assumptions, the Plan's Fiduciary Net Position was projected to not be depleted.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 18. Other Post-Employment Benefits (OPEB) (continued)

B. Net OPEB Liability (continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2017	<u>\$ 3,681,343</u>	<u>\$ 1,831,435</u>	<u>\$ 1,849,908</u>
Changes for the year:			
Service cost	97,767		97,767
Interest on TOL and cash flows	171,380		171,380
Differences between expected and actual experience	(8,918)		(8,918)
Contributions - employer		224,576	(224,576)
Net investment income		26,606	(26,606)
Benefit payments and implicit subsidy credit	(148,386)	(148,386)	-
Plan administrative expenses			-
Net changes	<u>111,843</u>	<u>102,796</u>	<u>9,047</u>
Balance at December 31, 2018	<u><u>\$ 3,793,186</u></u>	<u><u>\$ 1,934,231</u></u>	<u><u>\$ 1,858,955</u></u>

Sensitivity of the net OPEB liability to changes in the discount rate
and healthcare cost trend rates

The following presents the net OPEB liability of the Plan, as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentagepoint higher (8.0 percent) than the current discount rate:

	(6.0%)	(7.0%)	(8.0%)
Net OPEB liability	1,455,706	1,858,955	2,324,676

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 18. Other Post-Employment Benefits (OPEB) (continued)

B. Net OPEB Liability (continued)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using the discount rate of 4.75%, as well as what the Plan's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
Net OPEB liability	\$ 2,164,579	\$ 1,858,955	\$ 1,578,943

**C. OPEB Expense and Deferred Outflows of Resources
and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the City recognized OPEB expense of \$209,182. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 77,259	\$ 7,977
Current year contributions	114,268	-
Net difference between projected and actual earnings on OPEB plan investments	70,721	-
Total	<u>\$ 262,248</u>	<u>\$ 7,977</u>

Deferred outflows of \$114,268, reported as resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year ended December 31:

2019	\$ 28,817
2020	28,817
2021	28,815
2022	21,824
2023	9,388
Thereafter	22,342
Total	<u>\$ 140,003</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 19. 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	\$ 33,179,581
Less, accumulated depreciation	<u>(11,838,917)</u>

Net amount reported	<u>\$21,340,664</u>
----------------------------	----------------------------

Accrued interest on bonds and capital leases in governmental funds is not due and payable in the current period and therefore is not reported as a liability in the funds.

\$ (187,256)

Net amount reported	<u>\$ (187,256)</u>
----------------------------	-----------------------------

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	\$ (14,644,759)
Deferred outflows from pensions	2,995,167
Deferred inflows from pensions	<u>(179,617)</u>

Net amount reported	<u>\$(11,829,209)</u>
----------------------------	------------------------------

The net OPEB liability and the related deferred outflows and deferred inflows do not represent current financial resources and are not reported in the governmental funds.

Net OPEB liability	\$ (1,220,696)
Deferred outflows from OPEB	171,300
Deferred inflows from OPEB	<u>(5,141)</u>

Net amount reported	<u>\$(1,054,537)</u>
----------------------------	------------------------------

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

Unavailable Revenue – property taxes	\$ 302,855
Bonds and Capital leases payable	(13,634,441)
Compensated absences	<u>(346,327)</u>

Net amount reported	<u>\$(13,677,913)</u>
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CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 19. 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

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 capital
outlay exceeds depreciation in the current period.

Capital outlay expenditures	\$ 7,099,214
Depreciation expense	<u>(663,517)</u>

Net amount reported	<u>\$ 6,435,697</u>
----------------------------	----------------------------

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

Property taxes	\$ <u>51,214</u>
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Net amount reported	<u>\$ 51,214</u>
----------------------------	-------------------------

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

Change in Accrued compensated absences	\$ (48,801)
Change in Accrued interest expense	<u>(45,799)</u>

Net amount reported	<u>\$ (94,600)</u>
----------------------------	----------------------------

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:

General Obligation Bond Proceeds	\$ (4,000,000)
Principal payments – Bonds	1,390,016
Principal payments – Capital Leases	<u>296,583</u>

Net amount reported	<u>\$ (2,313,401)</u>
----------------------------	------------------------------

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 19. 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 overall change in net pension liability, deferred outflows and deferred inflows increased in the current fiscal year.

Net Pension Liability increased	\$ (566,940)
Deferred outflows from pensions increased	132,701
Deferred inflows from pensions decreased	<u>30,974</u>

Net amount reported	<u>\$ (403,265)</u>
----------------------------	-----------------------------

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

Net OPEB Liability increased	\$ (5,831)
Deferred outflows from OPEB increased	12,611
Deferred inflows from OPEB increased	<u>(5,141)</u>

Net amount reported	<u>\$ 1,639</u>
----------------------------	------------------------

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

\$ (730,046)

Note 20. Subsequent Events

The City has evaluated all events subsequent to the basic financial statements for the year ended June 30, 2019 through January 24, 2020, which is the date the financial statements were available to be issued and determined that there are no events requiring note disclosure.

Note 21. New GASB Pronouncements

GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2019

Note 21. New GASB Pronouncements (continued)

GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

GASB Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

Required Supplementary Information

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

<u>South Carolina Retirement System</u>	2014	2015	2016	2017	2018	2019
City's proportion of the net pension liability	0.066843%	0.066843%	0.066216%	0.070317%	0.070317%	0.073653%
City's proportionate share of the net pension liability	\$ 11,989,250	\$ 11,508,454	\$ 12,558,184	\$ 15,829,488	\$ 15,829,488	\$ 16,503,254
City's covered payroll	\$ 6,145,082	\$ 6,145,082	\$ 6,275,436	\$ 6,679,388	\$ 6,679,388	\$ 7,064,832
City's proportionate share of the net pension liability as a percentage of its covered payroll	195.10%	187.28%	200.12%	236.99%	236.99%	233.60%
Plan fiduciary net position as a percentage of the total pension liability	56.39%	59.92%	56.99%	53.30%	53.30%	54.10%
<u>South Carolina Police Officers Retirement System</u>	2014	2015	2016	2017	2018	2019
City's proportion of the net pension liability	0.196980%	0.196980%	0.194510%	0.190240%	0.190240%	0.192450%
City's proportionate share of the net pension liability	\$ 4,083,300	\$ 3,773,317	\$ 4,239,338	\$ 5,211,604	\$ 5,211,604	\$ 5,453,234
City's covered payroll	\$ 2,455,989	\$ 2,455,989	\$ 2,484,382	\$ 2,455,074	\$ 2,455,074	\$ 2,475,177
City's proportionate share of the net pension liability as a percentage of its covered payroll	166.26%	153.64%	170.64%	212.28%	212.28%	220.32%
Plan fiduciary net position as a percentage of the total pension liability	62.98%	67.55%	64.57%	60.90%	60.90%	61.73%

* - The amounts presented for each fiscal year were determined as of July 1 of three 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 five years of information is available.

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

South Carolina Retirement System

	2014	2015	2016	2017	2018	2019
Contractually required contributions	\$ 642,161	\$ 677,745	\$ 705,930	\$ 828,912	\$ 947,394	\$ 985,453
Contributions in relation to the contractually required contribution	(642,161)	(677,745)	(705,930)	(828,912)	(947,394)	(985,453)
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 6,145,082	\$ 6,275,436	\$ 6,186,941	\$ 6,679,388	\$ 7,064,832	\$ 6,838,675
Contributions as a percentage of covered payroll	10.45%	10.80%	11.41%	12.41%	13.41%	14.41%

South Carolina Police Officers Retirement System

	2014	2015	2016	2017	2018	2019
Contractually required contributions	\$ 305,525	\$ 323,218	\$ 348,778	\$ 364,333	\$ 392,068	\$ 668,608
Contributions in relation to the contractually required contribution	(305,525)	(323,218)	(348,778)	(364,333)	(392,068)	(668,608)
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,455,989	\$ 2,484,382	\$ 2,520,072	\$ 2,455,074	\$ 2,475,177	\$ 3,970,356
Contributions as a percentage of covered payroll	12.44%	13.01%	13.84%	14.84%	15.84%	16.84%

* - The amounts presented for each fiscal year were determined as of July 1 of three 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 five years of information is available.

City of West Columbia, SC
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Last Two Fiscal Years*

	2018	2019
Total OPEB Liability		
Service cost	\$ 94,710	\$ 97,767
Interest	163,396	171,380
Changes of benefit terms	-	-
Difference between expected and actual experience	97,917	(8,918)
Changes of assumptions or other inputs	-	-
Benefit payments and implicit study credit	(226,571)	(148,386)
Net change in Total OPEB Liability	129,452	111,843
Total OPEB Liability - beginning	3,551,891	3,681,343
Total OPEB Liability - ending (a)	3,681,343	3,793,186
Plan Fiduciary Net Position		
Contributions - employer	\$ 319,299	\$ 224,576
Net investment income	47,918	26,606
Benefit payments	(226,571)	(148,386)
Administrative expense	(16,488)	-
Net change in plan fiduciary net position	124,158	102,796
Plan fiduciary net position - beginning	1,707,277	1,831,435
Plan fiduciary net position - ending (b)	\$ 1,831,435	\$ 1,934,231
Net OPEB Liability - ending (a) - (b)	\$ 1,849,908	\$ 1,858,955
 Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	 49.75%	 50.99%
Covered payroll	\$ 8,929,276	\$ 8,929,276
Total OPEB Liability as a percentage of covered payroll	20.72%	20.82%

* - 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 75 during fiscal year 2018. As such, only years subsequent to fiscal year 2017 have information available.

City of West Columbia, SC
Schedule of OPEB Employer Contributions
Last Two Fiscal Years*

Schedule 4

	<u>2018</u>	<u>2019</u>
Actuarially Determined Employer Contributions (ADEC)	\$ 221,485	\$ 215,579
Contributions in relation to the ADEC	<u>319,299</u>	<u>224,576</u>
Annual contribution deficiency (excess)	<u>\$ (97,814)</u>	<u>\$ (8,997)</u>
Covered payroll*	\$ 8,929,276	\$ 8,929,276
Actual contributions as a percentage of covered payroll	3.58%	2.52%

* - 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 75 during fiscal year 2018. As such, only years subsequent to fiscal year 2017 have information available.

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GOVERNMENTAL FUNDS

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.

HOSPITALITY TAX FUND

The Hospitality Tax fund is used to account for revenues received from the City's hospitality tax and expenditures that were approved to be paid from these funds.

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
AS OF JUNE 30, 2019 AND 2018

<u>ASSETS</u>	June 30, 2019	June 30, 2018
Cash	\$ 8,431,830	\$ 7,325,691
Receivables (Net of Allowance for Uncollectibles)		
Property Taxes - Delinquent	352,845	281,762
State	139,076	130,233
Municipal Governments	262,349	221,724
Grants	88,972	471,697
Rehabilitation Loans	32,645	32,645
Other	172,700	171,560
Prepaid Charges	246,441	19,807
Due From Other Funds	156,813	550,612
Restricted Cash and Equivalents	4,423,044	2,457,292
<u>TOTAL ASSETS</u>	<u>\$ 14,306,715</u>	<u>\$ 11,663,023</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,826,362	\$ 1,253,937
Payroll Withholding	5,622	8,684
Accrued Salaries	220,150	188,812
Accrued Vacation Pay	320,893	279,914
Unearned Revenue - Grants	-	250,000
<u>TOTAL LIABILITIES</u>	<u>2,373,027</u>	<u>1,981,347</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenue - property taxes	302,855	251,641
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>302,855</u>	<u>251,641</u>
<u>FUND BALANCE</u>		
Nonspendable	246,441	19,807
Restricted	4,423,044	2,457,292
Unassigned	6,961,348	6,952,936
<u>TOTAL FUND BALANCE</u>	<u>11,630,833</u>	<u>9,430,035</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE</u>	<u>\$ 14,306,715</u>	<u>\$ 11,663,023</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEARS ENDED JUNE 30, 2019 AND 2018

	June 30, 2019	June 30, 2018
<u>REVENUES</u>		
Property Taxes	\$ 5,475,411	\$ 4,963,119
Franchise Fees, Licenses, and Permits	5,572,811	5,150,862
Fines and Forfeitures	123,499	138,694
Interest	53,956	5,180
Intergovernmental	560,036	545,466
Charges For Services	975,011	964,941
Grant Proceeds	100,348	814,690
Police Program Income	73,121	97,620
Other Revenues	269,086	165,606
<u>TOTAL REVENUES</u>	13,203,279	12,846,178
<u>EXPENDITURES</u>		
Current		
General Government	2,985,624	2,463,722
Community and Economic Development	490,241	410,951
Public Safety	8,959,056	7,907,957
Public Services	2,532,064	2,008,161
General Services	1,383,732	1,760,849
Capital Outlay		
Community and Economic Development	1,016,837	4,483,163
Debt Service		
Principal	1,346,599	961,559
Interest	199,615	217,281
<u>TOTAL EXPENDITURES</u>	18,913,768	20,213,643
<u>EXCESS OF EXPENDITURES OVER/(UNDER) REVENUES</u>	(5,710,489)	(7,367,465)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In	3,680,000	3,267,000
GO Bond Issuance	4,000,000	-
Capital Lease Issuance	-	500,000
Sale of Capital Assets	231,287	58,821
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	7,911,287	3,825,821
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</u>	2,200,798	(3,541,644)
<u>FUND BALANCE - July 1</u>	9,430,035	12,971,679
<u>FUND BALANCE - June 30</u>	\$ 11,630,833	\$ 9,430,035

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEARS ENDED JUNE 30, 2019 AND 2018

	June 30, 2019			June 30, 2018		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property Taxes	\$ 5,185,000	\$ 5,475,411	\$ 290,411	\$ 4,699,000	\$ 4,963,119	\$ 264,119
Licenses and Permits	5,247,000	5,572,811	325,811	4,825,000	5,150,862	325,862
Fines and Forfeitures	144,000	123,499	(20,501)	133,000	138,694	5,694
Interest	52,200	53,956	1,756	200	5,180	4,980
Intergovernmental	537,600	560,036	22,436	542,600	545,466	2,866
Charges for Services	935,000	975,011	40,011	964,000	964,941	941
Grant Proceeds	117,000	100,348	(16,652)	838,000	814,690	(23,310)
Police Program Income	61,100	73,121	12,021	75,100	97,620	22,520
Other Revenues	763,100	269,086	(494,014)	140,100	165,606	25,506
TOTAL REVENUES	13,042,000	13,203,279	161,279	12,217,000	12,846,178	629,178
EXPENDITURES						
General Government	2,030,365	1,957,268	73,097	2,520,400	2,463,722	56,678
Community and Economic Development	525,050	490,241	34,809	422,150	410,951	11,199
Public Safety	9,200,690	8,959,056	241,634	8,137,950	7,907,957	229,993
Public Services	2,279,350	2,136,167	143,183	2,021,750	2,008,161	13,589
General Services	1,481,195	1,383,732	97,463	1,757,450	1,760,849	(3,399)
Capital Outlay	-	1,028,356	(1,028,356)	-	4,483,163	(4,483,163)
General Government	-	1,016,837	(1,016,837)	-	-	-
Community and Economic Development	-	395,897	(395,897)	-	-	-
Public Services	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Principal	1,018,350	1,346,599	(328,249)	962,300	961,559	741
Interest	200,000	199,615	385	218,000	217,281	719
TOTAL EXPENDITURES	16,735,000	18,913,768	(2,178,768)	16,040,000	20,213,643	(4,173,643)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,693,000)	(5,710,489)	(2,017,489)	(3,823,000)	(7,367,465)	(3,544,465)
OTHER FINANCING SOURCES/(USES)						
Transfers In	3,680,000	3,680,000	-	3,267,000	3,267,000	-
GO Bond Issuance	-	4,000,000	4,000,000	-	-	-
Capital Lease Issuance	-	-	-	500,000	500,000	-
Sale of Capital Assets	13,000	231,287	218,287	56,000	58,821	2,821
TOTAL OTHER FINANCING SOURCES/(USES)	3,693,000	7,911,287	4,218,287	3,823,000	3,825,821	2,821
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ -	2,200,798	\$ 2,200,798	\$ -	(3,541,644)	\$ (3,541,644)
FUND BALANCE - July 1		9,430,035			12,971,679	
FUND BALANCE - June 30		\$ 11,630,833			\$ 9,430,035	

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	Budget	Actual	Variance Favorable (Unfavorable)	2018 Actual
<u>GENERAL GOVERNMENT</u>				
LEGISLATIVE (MAYOR & COUNCIL)				
Personnel Services	\$ 94,600	\$ 93,512	\$ 1,088	\$ 86,601
Other Services and Charges	22,700	17,856	4,844	19,634
<u>TOTALS</u>	117,300	111,368	5,932	106,235
<u>ADMINISTRATIVE</u>				
Personnel Services	935,200	934,704	496	887,701
Supplies	13,200	14,166	(966)	14,166
Other Services and Charges	820,353	769,229	51,124	686,544
Capital Outlay	144,312	1,156,157	(1,011,845)	769,075
Debt Service - Principal	416,600	416,577	23	405,887
Debt Service - Interest	150,400	150,236	164	161,214
<u>TOTALS</u>	2,480,065	3,441,069	(961,004)	2,924,587
<u>TOTAL GENERAL GOVERNMENT</u>	2,597,365	3,552,437	(955,072)	3,030,822
<u>COMMUNITY DEVELOPMENT</u>				
INSPECTIONS / CODES COMPLIANCE				
Personnel Services	354,350	333,484	20,866	293,071
Supplies	5,300	3,718	1,582	2,342
Other Supplies and Charges	38,750	32,925	5,825	29,314
Capital Outlay	45,950	39,944	6,006	14,347
<u>TOTAL COMMUNITY DEVELOPMENT</u>	444,350	410,071	34,279	339,074
<u>ECONOMIC DEVELOPMENT</u>				
Personnel Services	74,400	73,997	403	66,501
Supplies	800	720	80	257
Other Services and Charges	5,500	5,453	47	5,118
Capital Outlay	-	1,016,837	(1,016,837)	4,483,163
Debt Service - Principal	317,000	645,852	(328,852)	305,656
Debt Service - Interest	23,850	23,890	(40)	35,196
<u>TOTAL ECONOMIC DEVELOPMENT</u>	421,550	1,766,749	(1,345,199)	4,895,891
<u>TOTAL COMMUNITY & ECONOMIC DEVELOPMENT</u>	865,900	2,176,820	(1,310,920)	5,234,965
<u>PUBLIC SAFETY</u>				
POLICE DEPARTMENT				
ADMINISTRATION				
Personnel Services	3,299,900	3,226,932	72,968	3,108,649
Supplies	54,430	62,400	(7,970)	31,954
Other Services and Charges	744,940	629,716	115,224	598,544
Capital Outlay	313,140	325,335	(12,195)	221,837
Debt Service - Principal	95,000	94,973	27	97,137
Debt Service - Interest	7,500	7,457	43	4,568
<u>TOTALS</u>	4,514,910	4,346,813	168,097	4,062,689

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2018 Actual</u>
<u>PUBLIC SAFETY (CONTINUED)</u>				
DETECTIVES				
Personnel Services	1,088,500	1,044,552	43,948	975,627
Supplies	6,800	5,595	1,205	4,991
Other Services and Charges	78,170	88,778	(10,608)	71,431
Capital Outlay	64,710	61,861	2,849	55,716
<u>TOTALS</u>	1,238,180	1,200,786	37,394	1,107,765
DISPATCH - 911 CALL CENTER				
Personnel Services	251,500	255,347	(3,847)	237,874
Supplies	2,700	2,393	307	218
Other Services and Charges	29,300	28,409	891	27,629
Capital Outlay	800	183	617	18,927
<u>TOTALS</u>	284,300	286,332	(2,032)	284,648
COURT ADMINISTRATION				
Personnel Services	258,300	255,356	2,944	242,614
Supplies	5,200	5,110	90	2,237
Other Services and Charges	74,100	57,828	16,272	62,152
Capital Outlay	4,000	-	4,000	-
<u>TOTALS</u>	341,600	318,294	23,306	307,003
<u>TOTAL POLICE DEPARTMENT</u>	6,378,990	6,152,225	226,765	5,762,105
FIRE DEPARTMENT				
Personnel Services	2,050,440	2,030,967	19,473	1,870,699
Supplies	61,805	63,849	(2,044)	60,068
Other Services and Charges	503,095	482,890	20,205	237,486
Capital Outlay	308,860	331,556	(22,696)	79,305
Debt Service - Principal	15,200	15,174	26	8,234
Debt Service - Interest	1,800	1,834	(34)	1,114
<u>TOTALS</u>	2,941,200	2,926,270	14,930	2,256,906
<u>TOTAL PUBLIC SAFETY</u>	9,320,190	9,078,495	241,695	8,019,011

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	Budget	Actual	Variance Favorable (Unfavorable)	2018 Actual
<u>PUBLIC SERVICES</u>				
STREET DEPARTMENT				
Personnel Services	119,650	119,536	114	112,731
Supplies	1,750	1,396	354	1,222
Other Services and Charges	295,000	265,561	29,439	257,361
Capital Outlay	800	-	800	-
Debt Service - Principal	4,800	4,791	9	4,851
Debt Service - Interest	550	551	(1)	491
<u>TOTALS</u>	422,550	391,835	30,715	376,656
SANITATION DEPARTMENT				
Personnel Services	1,302,800	1,250,556	52,244	1,211,924
Supplies	21,500	18,733	2,767	20,376
Other Services and Charges	352,620	350,068	2,552	237,648
Capital Outlay	187,000	527,514	(340,514)	166,899
Debt Service - Principal	141,700	141,673	27	111,386
Debt Service - Interest	13,850	13,319	531	12,997
<u>TOTALS</u>	2,019,470	2,301,863	(282,393)	1,761,230
<u>TOTAL PUBLIC SERVICES</u>	2,442,020	2,693,698	(251,678)	2,137,886
<u>DIVISION OF GENERAL SERVICES</u>				
MAINTENANCE SHOP				
Personnel Services	291,100	238,538	52,562	275,512
Supplies	4,500	3,356	1,144	6,107
Other Services and Charges	39,850	36,323	3,527	36,045
Capital Outlay	3,675	5,857	(2,182)	1,708
<u>TOTALS</u>	339,125	284,074	55,051	319,372
PARKS AND RECREATION				
Personnel Services	687,050	689,733	(2,683)	521,304
Supplies	49,300	38,864	10,436	46,991
Other Service and Charges	146,850	129,310	17,540	830,102
Capital Outlay	257,100	240,450	16,650	43,081
Debt Service - Principal	28,400	28,396	4	27,917
Debt Service - Interest	1,700	1,491	209	2,192
<u>TOTALS</u>	1,170,400	1,128,244	42,156	1,471,587
<u>TOTAL GENERAL SERVICES</u>	1,509,525	1,412,318	97,207	1,790,959
<u>GRAND TOTAL</u>	\$ 16,735,000	\$ 18,913,768	\$ (2,178,768)	\$ 20,213,643

SCHEDULE B-1

CITY OF WEST COLUMBIA, SOUTH CAROLINA
HOSPITALITY TAX FUND
BALANCE SHEET
AS OF JUNE 30, 2019
(WTH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
<u>ASSETS</u>		
Receivables (Net)	\$ 223,529	\$ 135,660
Restricted Cash and Equivalents	<u>2,900,392</u>	<u>5,213,424</u>
<u>TOTAL ASSETS</u>	<u>\$ 3,123,921</u>	<u>\$ 5,349,084</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 490,113	\$ 57,486
Due to General Fund	<u>88,398</u>	<u>96,378</u>
<u>TOTAL LIABILITIES</u>	<u>578,511</u>	<u>153,864</u>
<u>FUND BALANCE</u>		
Restricted	<u>2,545,410</u>	<u>5,195,220</u>
<u>TOTAL FUND BALANCE</u>	<u>2,545,410</u>	<u>5,195,220</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 3,123,921</u>	<u>\$ 5,349,084</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
HOSPITALITY TAX FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
<u>REVENUES</u>		
Hospitality Tax	\$ 1,729,406	\$ 1,472,558
Grant Proceeds	432,225	-
Interest	689	24
	<hr/>	<hr/>
<u>TOTAL REVENUES</u>	<u>2,162,320</u>	<u>1,472,582</u>
<u>EXPENDITURES</u>		
Current		
Tourism Related	198,026	486,801
Capital Outlay		
Tourism Related	3,380,140	-
Debt Service		
Principal	340,000	-
Interest	93,964	-
	<hr/>	<hr/>
<u>TOTAL EXPENDITURES</u>	<u>4,012,130</u>	<u>486,801</u>
<u>EXCESS OF EXPENDITURES OVER REVENUES</u>	<u>(1,849,810)</u>	<u>985,781</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Hospitality Tax Bond Issuance	-	4,000,000
Transfers (Out)	(800,000)	(590,000)
	<hr/>	<hr/>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>(800,000)</u>	<u>3,410,000</u>
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES</u> <u>OVER EXPENDITURES AND OTHER FINANCING USES</u>	<u>(2,649,810)</u>	<u>4,395,781</u>
<u>FUND BALANCE - July 1</u>	<u>5,195,220</u>	<u>799,439</u>
<u>FUND BALANCE - June 30</u>	<u>\$ 2,545,410</u>	<u>\$ 5,195,220</u>

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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, 2019 AND 2018

	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 11,205,781	\$ 8,769,848
Accounts Receivable	3,318,403	3,516,772
Prepaid Charges	71,566	10,176
Notes Receivable- Municipal Government	706,663	670,776
Restricted Cash and Cash Equivalents	20,143,250	5,187,917
<u>TOTAL CURRENT ASSETS</u>	<u>35,445,663</u>	<u>18,155,489</u>
<u>NONCURRENT ASSETS</u>		
Noncurrent Receivable - Municipal Government	2,615,661	3,381,824
CAPITAL ASSETS		
Water Plant, Lines, and Sewer System	97,755,062	94,751,859
Less: Accumulated Depreciation	(38,954,729)	(36,615,254)
Construction in Progress	118,312	1,334,566
<u>TOTAL CAPITAL ASSETS (NET OF</u> <u>ACCUMULATED DEPRECIATION)</u>	<u>58,918,645</u>	<u>59,471,171</u>
<u>TOTAL NONCURRENT ASSETS</u>	<u>61,534,306</u>	<u>62,852,995</u>
<u>TOTAL ASSETS</u>	<u>96,979,969</u>	<u>81,008,484</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension Plan	1,265,708	1,340,617
OPEB Plan	90,948	83,882
<u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u>	<u>1,356,656</u>	<u>1,424,499</u>
<u>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</u>	<u>98,336,625</u>	<u>82,432,983</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2019 AND 2018

	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
(Payable from Current Assets)		
Accounts Payable	861,518	467,201
Customer Deposits	665,148	620,632
Accrued Payroll and Vacation Pay	275,652	249,661
Capital Lease Obligation	127,515	127,204
Unearned Revenue	710,402	710,402
Due to Other Funds	68,415	454,234
(Payable from Restricted Assets)		
Revenue Bonds Payable	2,226,765	2,179,404
Accrued Interest Payable	162,893	122,073
<u>TOTAL CURRENT LIABILITIES</u>	<u>5,098,308</u>	<u>4,930,811</u>
LONG-TERM LIABILITIES		
Accrued Vacation Pay - Due After One Year	212,158	182,844
Capital Lease Obligation - Due After One Year	403,652	550,520
Revenue Bonds - Due After One Year	44,885,195	31,626,960
Unearned Revenue - Due After One Year	12,538,345	13,248,747
Net Pension Liability	7,311,592	6,963,273
Net OPEB Liability	638,259	635,043
<u>TOTAL LONG-TERM LIABILITIES</u>	<u>65,989,201</u>	<u>53,207,387</u>
<u>TOTAL LIABILITIES</u>	<u>71,087,509</u>	<u>58,138,198</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Plan	56,530	32,677
OPEB Plan	2,836	-
<u>TOTAL DEFERRED INFLOW OF RESOURCES</u>	<u>59,366</u>	<u>32,677</u>
<u>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</u>	<u>71,146,875</u>	<u>58,170,875</u>
<u>NET POSITION</u>		
Net Investment In Capital Assets	30,838,875	29,645,047
Restricted		
Capital Improvement Grant	-	81,258
Debt Service	496,284	448,704
Unrestricted	(4,145,409)	(5,912,901)
<u>TOTAL NET POSITION</u>	<u>\$ 27,189,750</u>	<u>\$ 24,262,108</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, 2019 AND 2018

	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 18,857,064	\$ 16,514,282
Operating Grants and Contributions	-	25,755
<u>TOTAL OPERATING REVENUES</u>	<u>18,857,064</u>	<u>16,540,037</u>
<u>OPERATING EXPENSES</u>		
Personnel Services	5,432,503	4,201,063
Material and Supplies	1,029,173	1,021,020
Contractual Services	1,624,222	1,476,095
Utilities	992,698	967,548
Repairs and Maintenance	460,480	453,298
Depreciation	2,453,571	2,208,134
Other Operating Expenses	192,723	178,128
<u>TOTAL OPERATING EXPENSES</u>	<u>12,185,370</u>	<u>10,505,286</u>
<u>OPERATING INCOME</u>	<u>6,671,694</u>	<u>6,034,751</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	232,066	120,882
Interest and Amortization Expense	(1,139,141)	(856,222)
Gain (Loss) on Sale of Capital Assets	(109,591)	78,857
Capital Grants and Contributions		
Insurance Proceeds	-	13,397
Capital Grant Proceeds	152,614	500,000
<u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u>	<u>(864,052)</u>	<u>(143,086)</u>
<u>NET INCOME BEFORE TRANSFERS</u>	<u>5,807,642</u>	<u>5,891,665</u>
<u>TRANSFERS IN/(OUT)</u>		
General Fund	(2,880,000)	(2,677,000)
<u>CHANGE IN NET POSITION</u>	<u>2,927,642</u>	<u>3,214,665</u>
<u>NET POSITION - July 1</u>	<u>24,262,108</u>	<u>21,047,443</u>
<u>NET POSITION - June 30</u>	<u>\$ 27,189,750</u>	<u>\$ 24,262,108</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER
YEARS ENDED JUNE 30, 2019 AND 2018

	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
<u>Cash Flows From Operating Activities</u>		
Cash Received From Customers	\$ 18,389,547	\$ 16,064,715
Cash Paid to Suppliers	(4,352,188)	(5,035,181)
Cash Paid to Employees	(4,931,131)	(4,663,035)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	9,106,228	6,366,499
	<hr/>	<hr/>
<u>Cash Flows from Non-Capital Financing Activities</u>		
Transfers Out	(2,880,000)	(2,677,000)
	<hr/>	<hr/>
Net Cash Used in Non-Capital Financing Activities	(2,880,000)	(2,677,000)
	<hr/>	<hr/>
<u>Cash Flows From Capital and Related Financing Activities</u>		
Proceeds from Capital Debt	15,485,000	500,000
Principal Paid on Capital Debt	(2,325,971)	(2,192,189)
Interest Paid on Capital Debt	(1,098,321)	(856,663)
Acquisition of Capital Assets	(2,045,324)	(4,418,595)
Payments Received from Municipal Governments	730,286	729,066
Payments Received from Insurance	-	13,397
Proceeds from Capital Grants	152,614	500,000
Proceeds from the Sale of Capital Assets	34,688	78,857
	<hr/>	<hr/>
Net Cash Provided (Used) in Capital and Related Financing Activities	10,932,972	(5,646,127)
	<hr/>	<hr/>
<u>Cash Flows From Investing Activities</u>		
Interest on Investments	232,066	120,882
	<hr/>	<hr/>
Net Cash Provided by Investing Activities	232,066	120,882
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and and Cash Equivalents	17,391,266	(1,835,746)
	<hr/>	<hr/>
<u>Cash and Cash Equivalents - July 1</u>	13,957,765	15,793,511
	<hr/>	<hr/>
<u>Cash and Cash Equivalents - June 30</u>	\$ 31,349,031	\$ 13,957,765
	<hr/>	<hr/>
<u>Cash</u>	\$ 11,205,781	\$ 8,769,848
	<hr/>	<hr/>
<u>Restricted Cash and Cash Equivalents</u>	20,143,250	5,187,917
	<hr/>	<hr/>
<u>Total Cash and Cash Equivalents</u>	\$ 31,349,031	\$ 13,957,765
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CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER
YEARS ENDED JUNE 30, 2019 AND 2018

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

	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
<u>Operating Income</u>	<u>\$ 6,671,694</u>	<u>\$ 6,034,751</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	2,453,571	2,208,134
(Increase) Decrease in		
Accounts Receivable	198,369	97,523
Prepaid Charges	(61,390)	3,949
Deferred Outflow of Resources	67,843	(459,463)
Increase (Decrease) in		
Accounts Payable	394,317	(820,978)
Unearned Revenue	(710,402)	(629,144)
Customer Deposits	44,516	56,299
Accrued Expenses	55,305	(4,327)
Due to Other Funds	(385,819)	(122,063)
Net Pension Liability	348,319	-
Net OPEB Liability	3,216	1,818
Deferred Inflow of Resources	26,689	-
Total Adjustments	<u>2,434,534</u>	<u>331,748</u>
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 9,106,228</u>	<u>\$ 6,366,499</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
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>FIREMAN'S FUND</u>				
ASSETS- CASH	\$ 2,558	\$ 36,852	\$ 38,456	\$ 954
LIABILITIES				
Due to Fireman's Organization	\$ 2,558	\$ 36,852	\$ 38,456	\$ 954
<u>NARCOTIC SEIZURE</u>				
ASSETS- CASH	\$ 12,947	\$ 28,395	\$ 5,373	\$ 35,969
LIABILITIES				
Fiduciary Funds Held	\$ 12,947	\$ 28,395	\$ 5,373	\$ 35,969
<u>TOTAL - ALL FIDUCIARY FUNDS</u>				
ASSETS- CASH	\$ 15,505	\$ 65,247	\$ 43,829	\$ 36,923
LIABILITIES				
Due to Fireman's Organization	2,558	36,852	38,456	954
Fiduciary Funds Held	12,947	28,395	5,373	35,969
	\$ 15,505	\$ 65,247	\$ 43,829	\$ 36,923

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
JUNE 30, 2019 AND 2018

	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
<u>CAPITAL ASSETS</u>		
Land	\$ 3,852,943	\$ 3,554,632
Construction in Process	9,668,297	5,059,361
Buildings and Improvements	8,949,779	8,949,779
Vehicles and Equipment	10,708,562	9,510,469
<u>TOTAL CAPITAL ASSETS</u>	<u>\$ 33,179,581</u>	<u>\$ 27,074,241</u>
<u>INVESTMENT IN CAPITAL ASSETS</u>		
<u>BY SOURCE</u>		
General Fund	29,799,441	27,074,241
Special Revenue Fund - Hospitality Tax	3,380,140	-
<u>TOTAL INVESTMENT IN CAPITAL ASSETS</u>	<u>\$ 33,179,581</u>	<u>\$ 27,074,241</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2019

	Land, CIP, Buildings and Fixtures	Vehicles and Equipment	Total
<u>FUNCTION AND ACTIVITIES</u>			
GENERAL GOVERNMENT	\$ 7,095,741	\$ 353,971	\$ 7,449,712
COMMUNITY DEVELOPMENT	6,197,847	59,953	6,257,800
PUBLIC SAFETY			
Police	-	4,477,050	4,477,050
Fire	1,140,678	2,498,568	3,639,246
TOTAL PUBLIC SAFETY	1,140,678	6,975,618	8,116,296
PUBLIC SERVICES			
Street	-	566,360	566,360
Sanitation	76,418	1,873,630	1,950,048
TOTAL PUBLIC SERVICES	76,418	2,439,990	2,516,408
GENERAL SERVICES			
General Services	87,329	-	87,329
Maintenance Shop	103,008	225,234	328,242
Parks and Recreation	4,389,858	653,796	5,043,654
TOTAL GENERAL SERVICES	4,580,195	879,030	5,459,225
TOURISM RELATED	3,380,140	-	3,380,140
<u>TOTAL CAPITAL ASSETS</u>	<u>\$ 22,471,019</u>	<u>\$ 10,708,562</u>	<u>\$ 33,179,581</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, 2019

<u>FUNCTION AND ACTIVITY</u>	<u>Capital Assets June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Capital Assets June 30, 2019</u>
GENERAL GOVERNMENT	\$ 7,405,298	\$ 44,414	\$ -	\$ 7,449,712
COMMUNITY DEVELOPMENT	4,543,116	1,714,684	-	6,257,800
PUBLIC SAFETY				
Police	4,330,663	363,091	216,704	4,477,050
Fire	3,156,565	504,066	21,385	3,639,246
TOTAL PUBLIC SAFETY	7,487,228	867,157	238,089	8,116,296
PUBLIC SERVICES				
Street	592,099	-	25,739	566,360
Sanitation	1,422,534	527,514	-	1,950,048
TOTAL PUBLIC SERVICES	2,014,633	527,514	25,739	2,516,408
GENERAL SERVICES				
General Services	87,329	-	-	87,329
Maintenance Shop	323,991	4,251	-	328,242
Parks and Recreation	5,212,646	561,053	730,045	5,043,654
TOTAL GENERAL SERVICES	5,623,966	565,304	730,045	5,459,225
TOURISM RELATED	-	3,380,140	-	3,380,140
<u>TOTAL CAPITAL ASSETS</u>	<u>\$ 27,074,241</u>	<u>\$ 7,099,213</u>	<u>\$ 993,873</u>	<u>\$ 33,179,581</u>

VICTIM'S RIGHTS ASSISTANCE

CITY OF WEST COLUMBIA
SCHEDULE OF COURT FINES, FEES, ASSESSMENTS AND SURCHARGES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

For the Month of:

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Court Fines													
Court Fines Collected	\$ 7,902	\$ 9,492	\$ 8,281	\$ 11,309	\$ 7,126	\$ 7,356	\$ 8,327	\$ 7,990	\$ 9,881	\$ 6,203	\$ 11,279	\$ 7,393	\$ 102,540
Court Fines Retained	7,902	9,492	8,281	11,309	7,126	7,356	8,327	7,990	9,881	6,203	11,279	7,393	102,540
Court Fines Remitted to State Treasurer	-	-	-	-	-	-	-	-	-	-	-	-	-
Court Assessments													
Court Assessments Collected	8,199	10,124	8,678	9,936	8,221	8,290	8,947	8,518	12,333	7,443	11,218	7,281	109,189
Court Assessments Retained by City	916	1,130	969	1,221	918	924	999	951	1,377	831	1,252	813	12,301
Court Assessments Remitted to State Treasurer	7,284	8,994	7,709	8,715	7,303	7,366	7,948	7,567	10,956	6,612	9,965	6,468	96,887
Court Surcharges													
Court Surcharges Collected	5,187	5,560	6,029	5,447	5,122	5,241	5,957	4,374	6,269	4,390	5,771	3,450	62,796
Court Surcharges Retained by City	750	825	1,200	950	675	775	1,050	450	650	725	912	550	9,512
Court Surcharges Remitted to State Treasurer	4,437	4,735	4,829	4,497	4,447	4,466	4,907	3,924	5,619	3,665	4,858	2,901	53,284
Victims Services													
Court Assessments Allocated to Victims Services	916	1,130	969	1,221	918	924	999	951	1,377	831	1,252	813	12,301
Court Surcharges Allocated to Victims Services	750	825	1,200	950	675	775	1,050	450	650	725	912	550	9,512
Funds Allocated to Victims Services	1,666	1,955	2,169	2,171	1,593	1,699	2,049	1,401	2,027	1,556	2,165	1,363	21,813
Victims Services Expenditures	1,666	1,955	2,169	2,171	1,593	1,699	2,049	1,401	2,027	1,556	2,165	1,363	21,813
Funds in Excess (Shortage) of Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Victims Services Fund Carryover from 2018	-	-	-	-	-	-	-	-	-	-	-	-	-
Victims Services Fund Balance, June 30, 2019													\$ -

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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.

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Financial Trends	104
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	110
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	
Debt Capacity	114
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	119
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	121
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)									
	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net investment in capital assets	\$ 5,918,026	\$ 6,771,907	\$ 7,429,902	\$ 7,594,825	\$ 7,754,760	\$ 7,226,074	\$ 7,630,796	\$ 6,833,900	\$ 9,890,265	\$ 12,303,667
Restricted	73,883	95,481	96,818	121,554	143,948	196,449	465,836	1,626,871	2,093,588	2,725,992
Unrestricted	3,375,634	3,341,494	3,855,758	4,238,749	4,367,132	(6,370,468)	(5,252,945)	(5,413,419)	(5,714,087)	(6,261,667)
Total Governmental Activities Net Position	\$ 9,367,543	\$ 10,208,882	\$ 11,382,478	\$ 11,955,128	\$ 12,265,840	\$ 1,052,055	\$ 2,843,687	\$ 3,047,352	\$ 6,269,766	\$ 8,767,992
Business-Type Activities										
Net investment in capital assets	\$ 23,309,987	\$ 23,130,592	\$ 23,918,424	\$ 24,500,510	\$ 25,210,043	\$ 25,731,877	\$ 25,948,977	\$ 26,803,984	\$ 29,645,047	\$ 30,838,875
Restricted	2,917,030	3,154,651	2,899,541	2,770,192	2,593,418	11,284,796	4,603,590	2,481,791	529,962	496,284
Unrestricted	(3,199,076)	(3,585,072)	(4,671,804)	(5,637,529)	(5,921,368)	(18,185,198)	(11,586,573)	(7,651,434)	(5,912,901)	(4,145,409)
Total Business-Type Activities Net Position	\$ 23,027,941	\$ 22,700,171	\$ 22,146,161	\$ 21,633,173	\$ 21,882,093	\$ 18,831,475	\$ 18,965,994	\$ 21,634,341	\$ 24,262,108	\$ 27,189,750
Primary Government										
Net investment in capital assets	\$ 29,228,013	\$ 29,902,499	\$ 31,348,326	\$ 32,095,335	\$ 32,964,803	\$ 32,957,951	\$ 33,579,773	\$ 33,637,884	\$ 39,535,312	\$ 43,142,542
Restricted	2,990,913	3,250,132	2,996,359	2,891,746	2,737,366	11,481,245	5,069,426	4,108,662	2,623,550	3,222,276
Unrestricted	176,558	(243,578)	(816,046)	(1,398,780)	(1,554,236)	(24,555,666)	(16,839,518)	(13,064,853)	(11,626,988)	(10,407,076)
Total Primary Governmental Net Position	\$ 32,395,484	\$ 32,909,053	\$ 33,528,639	\$ 33,588,301	\$ 34,147,933	\$ 19,883,530	\$ 21,809,681	\$ 24,681,693	\$ 30,531,874	\$ 35,957,742

City of West Columbia, South Carolina

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 1,476,296	\$ 1,423,194	\$ 1,467,482	\$ 1,656,211	\$ 1,346,552	\$ 1,715,597	\$ 1,271,502	\$ 1,869,396	\$ 2,171,290	\$ 2,719,820
Community & economic development	277,395	260,905	246,140	377,098	346,572	344,200	309,105	504,766	358,149	522,091
Public safety	7,356,707	7,479,607	7,468,321	7,256,373	7,275,636	7,158,809	7,054,030	8,918,738	7,144,296	8,459,804
Public services	2,121,412	1,975,679	1,754,463	1,708,734	1,800,762	1,778,287	1,688,882	2,526,198	1,805,330	2,223,485
General services	695,689	843,702	941,772	1,047,600	1,078,525	1,118,290	787,763	1,563,549	741,498	1,384,034
Tourism Related								34,204	253,695	198,026
Interest on Long-Term Debt	333,755	285,970	247,238	196,505	130,510	110,897	92,341	211,697	241,334	339,378
Total governmental activities expenses	12,261,254	12,269,057	12,125,416	12,242,521	11,978,557	12,226,080	11,203,623	15,628,548	12,715,592	15,846,638
Business-type activities:										
Water & sewer utility	7,817,515	8,355,960	8,456,581	8,633,742	8,540,261	8,935,396	10,894,406	12,521,055	11,361,508	13,324,511
Total business-type activities expenses	7,817,515	8,355,960	8,456,581	8,633,742	8,540,261	8,935,396	10,894,406	12,521,055	11,361,508	13,324,511
Total primary government expenses	\$ 20,078,769	\$ 20,625,017	\$ 20,581,997	\$ 20,876,263	\$ 20,518,818	\$ 21,161,476	\$ 22,098,029	\$ 28,149,603	\$ 24,077,100	\$ 29,171,149
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 3,773,352	\$ 3,788,349	\$ 3,920,086	\$ 4,080,037	\$ 4,760,461	\$ 5,114,678	\$ 5,210,461	\$ 5,818,318	\$ 5,150,862	\$ 5,572,811
Public safety	417,452	351,337	470,971	314,430	173,004	184,943	159,905	159,296	1,103,635	1,098,510
Public services	148,511									
Operating grants and contributions	390,495	375,272	405,215	377,865	10,459	53,609	177,395	867,856	123,001	83,623
Capital grants and contributions	395,089	261,407	505,634	481,603	37,797	245,866	-	-	789,309	522,070
Total governmental activities program revenues	5,124,899	4,776,365	5,301,906	5,253,935	4,981,721	5,599,096	5,547,761	6,845,470	7,166,807	7,277,014
Business-type activities:										
Charges for services:										
Water & sewer utility	10,601,741	10,971,120	10,788,398	10,814,210	11,036,602	12,413,206	13,229,678	17,299,814	16,514,282	18,857,064
Operating grants and contributions									25,755	
Capital contributions and grants	28,011	12,514	8,470	202,491	183,856	-	-	385,458	513,397	152,614
Total business-type activities program revenues	10,629,752	10,983,634	10,796,868	11,016,701	11,220,458	12,413,206	13,229,678	17,685,272	17,053,434	19,009,678
Total primary government program revenues	\$ 15,754,651	\$ 15,759,999	\$ 16,098,774	\$ 16,270,636	\$ 16,202,179	\$ 18,012,302	\$ 18,777,439	\$ 24,530,742	\$ 24,220,241	\$ 26,286,692
Net (expense)/revenue										
Governmental activities	(7,136,355)	(7,492,692)	(6,823,510)	(6,988,586)	(6,996,836)	(6,626,984)	(5,655,862)	(8,783,078)	(5,548,785)	(8,569,624)
Business-type activities	2,812,237	2,627,674	2,340,287	2,382,959	2,680,197	3,477,810	2,335,272	5,164,217	5,691,926	5,685,167
Total primary government net expense	\$ (4,324,118)	\$ (4,865,018)	\$ (4,483,223)	\$ (4,605,627)	\$ (4,316,639)	\$ (3,149,174)	\$ (3,320,590)	\$ (3,618,861)	\$ 143,141	\$ (2,884,457)

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenue and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 3,150,684	\$ 3,591,516	\$ 3,947,495	\$ 4,006,034	\$ 4,124,188	\$ 4,193,861	\$ 4,451,419	\$ 4,370,273	\$ 4,969,306	\$ 5,526,625
Hospitality taxes								1,173,643	1,472,558	1,729,406
Gain on sale of capital asset	27,129	80,030	25,539	52,569	(41,384)	(924,125)	27,031	2,230	58,821	48,052
Intergovernmental	443,768	422,332	411,954	468,226	478,509	475,734	493,555	541,234	545,466	560,036
Investment earnings	27	2,385	224	162	164	41	57	5,022	5,204	54,645
Recapture of Professional Fees		800,000								
Miscellaneous	203,550	160,670	479,996	476,311	201,949	156,903	175,432	268,341	165,606	269,086
Transfers	3,413,800	3,277,098	3,131,898	2,562,766	2,544,122	2,283,000	2,300,000	2,626,000	2,677,000	2,880,000
Total governmental activities	7,238,958	8,334,031	7,997,106	7,566,068	7,307,548	6,183,414	7,447,494	8,986,743	9,893,961	11,067,850
Business-type activities:										
Gain / (Loss) on sale of capital asset	3,385	23,950	7,800			1,778		2,767	78,857	(109,591)
Intergovernmental	25,000									
Investment earnings	292,751	297,704	229,801	173,361	112,845	105,668	99,247	127,363	120,882	232,066
Transfers	(3,413,800)	(3,277,098)	(3,131,898)	(2,562,766)	(2,544,122)	(2,283,000)	(2,300,000)	(2,626,000)	(2,677,000)	(2,880,000)
Total Business-type activities	(3,092,664)	(2,955,444)	(2,894,297)	(2,389,405)	(2,431,277)	(2,175,354)	(2,200,753)	(2,495,870)	(2,477,261)	(2,757,525)
Total primary government	\$ 4,146,294	\$ 5,378,587	\$ 5,102,809	\$ 5,176,663	\$ 4,876,271	\$ 4,009,860	\$ 5,246,741	\$ 6,490,873	\$ 7,416,700	\$ 8,310,325
Change in Net Position										
Governmental activities	\$ 102,603	\$ 841,339	\$ 1,173,596	\$ 73,376	\$ 310,712	\$ (441,570)	\$ 1,791,632	\$ 3,330,881	\$ 1,110,883	\$ 2,498,226
Business-type activities	(280,427)	(327,770)	(554,010)	238,269	248,920	1,302,256	134,519	(160,598)	2,686,956	2,927,642
Total primary government	\$ (177,824)	\$ 513,569	\$ 619,586	\$ 311,645	\$ 559,632	\$ 860,686	\$ 1,926,151	\$ 3,170,283	\$ 3,797,839	\$ 5,425,868

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
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	80,594	408,077	5,181	9,150	3,444,053
2015	3,006,108	74,968	428,498	5,850	9,550	3,524,974
2016	3,109,262	92,789	439,797	7,051	5,400	3,654,299
2017	3,137,452	124,720	461,736	7,802	24,150	3,755,860
2018	3,587,149	134,246	479,909	8,506	20,650	4,230,460
2019	4,603,645	144,656	497,038	10,995	22,200	5,278,534

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Governmental Funds</u>										
General Fund										
Restricted	\$ 73,883	\$ 95,481	\$ 96,818	\$ 121,554	\$ 143,948	\$ 196,449	\$ 465,836	\$ 5,704,013	\$ 2,457,292	\$ 4,423,044
Nonspendable	27,355	119,862		19,439	20,779	100	2,863	13,437	19,807	246,441
Unassigned	3,500,517	3,583,591	4,006,469	4,396,007	4,508,614	4,640,117	5,187,980	7,254,229	6,952,936	6,961,348
Total general fund	3,601,755	3,798,934	4,103,287	4,537,000	4,673,341	4,836,666	5,656,679	12,971,679	9,430,035	11,630,833
Hospitality Tax Fund										
Restricted								799,439	5,195,220	2,545,410
Total hospitality tax fund	-	-	-	-	-	-	-	799,439	5,195,220	2,545,410
Total Governmental Funds	\$ 3,601,755	\$ 3,798,934	\$ 4,103,287	\$ 4,537,000	\$ 4,673,341	\$ 4,836,666	\$ 5,656,679	\$ 13,771,118	\$ 14,625,255	\$ 14,176,243

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Property taxes	\$ 3,145,451	\$ 3,613,165	\$ 3,926,503	\$ 4,049,721	\$ 4,101,037	\$ 4,167,660	\$ 4,413,888	\$ 4,338,397	\$ 4,963,119	\$ 5,475,411
Franchise fees, licenses and permits	3,084,136	3,132,209	3,208,692	3,371,652	4,028,076	4,262,892	4,346,796	4,955,572	5,150,862	5,572,811
Intergovernmental	443,768	422,332	411,954	468,226	478,509	475,734	493,555	541,234	545,466	560,036
Charges for services	837,727	656,140	711,394	708,385	732,385	851,786	863,665	862,746	964,941	975,011
Fines and forfeitures	389,324	343,474	452,259	276,023	161,744	169,025	153,866	159,296	138,699	123,499
Investment earnings	27	2,385	224	162	164	41	57	5,022	5,204	54,645
Grant proceeds	785,584	636,679	910,849	859,468	48,256	299,475	177,395	789,490	814,690	532,573
Police program	28,128	7,863	18,712	38,407	11,260	15,918	6,039	78,366	97,620	73,121
Hospitality tax								1,173,643	1,472,558	1,729,406
Other revenues	203,550	160,670	479,996	476,311	201,949	156,903	175,432	268,341	165,606	269,086
Total revenues	8,917,695	8,974,917	10,120,583	10,248,355	9,763,380	10,399,434	10,630,693	13,172,107	14,318,760	15,365,599
Expenditures										
General government	1,259,765	1,235,857	1,328,992	1,510,249	1,206,552	1,539,918	1,191,866	3,010,611	2,463,722	1,957,268
Public safety	7,560,272	7,575,576	7,264,921	6,860,122	7,100,438	7,037,456	7,019,681	7,690,492	7,907,957	8,959,056
Public services	1,926,353	2,118,363	1,730,813	1,559,523	1,741,512	1,765,063	1,734,673	2,388,898	2,008,161	2,136,167
General services	707,366	769,804	891,228	940,515	993,229	1,103,814	813,252	1,435,496	1,760,849	1,383,732
Community and economic development	280,864	255,414	245,729	375,206	341,838	530,722	341,290	390,385	410,951	490,241
Tourism related								34,204	486,801	198,026
Capital Outlay										
General government									4,483,163	1,028,356
Community and economic development										1,016,837
Public services										395,897
Tourism related										3,380,140
Debt Service										
Principal	772,427	985,012	1,062,958	961,063	1,035,340	1,025,846	1,047,572	2,073,181	961,559	1,686,599
Interest	345,080	306,494	264,484	226,124	137,670	115,863	97,573	119,614	217,281	293,579
Total expenditures	12,852,127	13,246,520	12,789,125	12,432,802	12,556,579	13,118,682	12,245,907	17,142,881	20,700,444	22,925,898
Excess of revenues over (under) expenditures	(3,934,432)	(4,271,603)	(2,668,542)	(2,184,447)	(2,793,199)	(2,719,248)	(1,615,214)	(3,970,774)	(6,381,684)	(7,560,299)
Other financing sources (uses)										
Transfers in	3,413,800	3,277,098	3,131,898	2,562,766	2,544,122	2,283,000	2,300,000	2,626,000	2,677,000	2,880,000
Bonds issued	2,813,623				3,327,000	(3,327,000)		6,049,000	4,000,000	4,000,000
Payments to bond agent										
Capital leases	345,000	105,000			247,350	300,000	96,250	870,000	500,000	
Recapture of Professional Fees		800,000								
Sale of capital assets	125,677	80,030	27,358	55,400	138,068	299,573	38,977	2,540,213	58,821	231,287
Total other financing sources (uses)	6,698,100	4,262,128	3,159,256	2,618,166	2,929,540	2,882,573	2,435,227	12,085,213	7,235,821	7,111,287
Net change in fund balances	\$ 2,763,668	\$ (9,475)	\$ 490,714	\$ 433,719	\$ 136,341	\$ 163,325	\$ 820,013	\$ 8,114,439	\$ 854,137	\$ (449,012)
Debt service as a percentage of noncapital expenditures	9.32%	10.60%	10.97%	9.75%	9.73%	9.26%	9.48%	14.70%	8.42%	12.51%

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					
2010	2009	15,435,370	23,556,940	5,594,310	6,092,130	1,119,530	49,559,220	5.5500	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	6.1879	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	6.1879	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	6.1879	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	6.1879	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	6.1879	1,103,079,667	5.44%
2016	2015	18,948,660	28,668,790	7,067,710	7,711,980	485,900	61,911,240	6.1879	1,138,144,643	5.44%
2017	2016	19,457,900	29,081,840	7,272,590	7,580,890	300,650	63,092,570	6.1879	1,161,690,286	5.43%
2018	2017	22,247,370	33,528,230	7,642,150	8,385,460	212,140	71,591,070	6.1879	1,320,198,393	5.42%
2019	2018	22,897,380	36,143,660	7,651,810	9,392,240	309,970	75,775,120	6.5397	1,388,856,810	5.46%

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			
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	
2016	2015	5.528	0.660	6.188	7.287	0.410	7.697	14.646	7.950	22.596	2.244	38.725	
2017	2016	5.528	0.660	6.188	7.320	0.410	7.730	14.646	7.950	22.596	2.266	38.780	
2018	2017	5.528	0.660	6.188	7.225	0.340	7.565	14.646	7.950	22.596	2.254	38.603	
2019	2018	5.880	0.660	6.540	7.419	0.380	7.799	15.072	7.950	23.022	2.116	39.476	

Source: Lexington County Auditor

Table 8

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

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
South Carolina Electric & Gas	2,298,840	1	3.03%	1,252,680	1	2.53%
Abberly Village at W/C	1,435,200	2	1.89%			
Time Warner Cable Southeast	1,137,530	3	1.50%	561,200	6	1.13%
500 Alexander LLC	1,174,720	4	1.55%			
Wal-Mart Real Estate Business	793,860	5	1.05%	707,420	3	1.43%
Dinlas 7070 LLC	786,000	6	1.04%			
ECA Buligo West Side Partners	710,700	7	0.94%			
Southeastern Freight Lines	667,310	8	0.88%			
Southern Anesthesia & Surgical	421,160	9	0.56%			
Capital Hospitality LLC	435,110	10	0.57%			
Campus Investors HSRE_SC				1,203,200	2	2.43%
Columbia Farms, Inc.				654,080	4	1.32%
Westside Meshekoff Family LP				567,860	5	1.15%
Bell South Telecommunications				442,340	7	0.89%
Sun, Inc				418,710	8	0.84%
Granby Oaks Association				355,910	9	0.72%
Baker and Baker				324,060	10	0.65%
Total Principal Taxpayers	<u>9,860,430</u>		<u>13.01%</u>	<u>6,487,460</u>		<u>13.09%</u>
City-wide Assessed Valuation	<u>75,775,120</u>		<u>100.00%</u>	<u>49,559,220</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				
2010	2009	3,193,445	3,035,874	95.1%	153,159	3,189,033	99.9%
2011	2010	3,712,765	3,519,563	94.8%	188,118	3,707,682	99.9%
2012	2011	3,966,151	3,773,171	95.1%	186,642	3,959,813	99.8%
2013	2012	4,073,787	3,909,046	96.0%	150,896	4,059,942	99.7%
2014	2013	4,174,334	4,005,054	95.9%	149,898	4,154,953	99.5%
2015	2014	4,261,340	4,079,968	95.7%	156,486	4,236,454	99.4%
2016	2015	4,513,544	4,333,793	96.0%	149,372	4,483,165	99.3%
2017	2016	4,615,721	4,408,237	95.5%	158,092	4,566,328	94.7%
2018	2017	5,276,503	5,046,516	95.6%	155,821	5,202,337	94.7%
2019	2018	5,856,703	5,573,729	95.2%	-	5,573,729	94.7%

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	Hospitality Tax Revenue Bond	Tax Increment Finance Bonds	Capital Leases	Water/Sewer Bonds	Capital Leases				
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	
2016	1,246,261		1,120,000	571,353	33,373,210	293,412	36,604,236	8.82%	2,343	
2017	951,508		5,630,000	1,201,927	35,940,192	236,076	43,959,703	9.60%	2,534	
2018	645,852	\$ 4,000,000	5,236,000	1,440,024	33,806,355	677,724	45,805,955	9.73%	2,596	
2019	4,000,000	3,660,000	4,831,000	1,143,441	47,111,950	531,167	61,277,558	12.80%	3,382	

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>
2010	\$ 2,813,623		\$ 2,813,623	0.31%	\$ 215
2011	2,569,619	\$ 9,016	2,560,603	0.26%	171
2012	2,323,817	68	2,323,749	0.23%	155
2013	2,068,923	50	2,068,873	0.20%	138
2014	1,804,600	21,523	1,783,077	0.17%	119
2015	1,530,500	53,460	1,477,040	0.13%	98
2016	1,246,261	91,094	1,155,167	0.10%	77
2017	951,508	127,690	823,818	0.07%	47
2018	645,852	220,211	425,641	0.03%	24
2019	4,000,000	25,764	3,974,236	0.29%	219

City of West Columbia, South Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Lexington County	\$ 30,793,373	5.66%	\$ 1,742,905
School District No. 2	277,430,000	18.58%	51,546,494
Lexington County Recreation District	26,320,000	8.21%	2,160,872
Riverbanks Park District	13,030,303	2.30%	299,697
Subtotal, overlapping debt			<u>55,749,968</u>
City of West Columbia, South Carolina direct debt			<u>13,634,441</u>
Total direct and overlapping debt			<u><u>69,384,409</u></u>

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

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

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 4,054,300	\$ 4,192,767	\$ 4,497,186	\$ 4,654,256	\$ 4,745,948	\$ 4,845,846	\$ 4,952,899	\$ 5,047,406	\$ 5,744,257	\$ 6,086,807
Total net debt applicable to limit	2,813,623	2,569,619	2,323,817	2,068,923	1,804,600	1,530,500	1,246,261	951,508	645,852	3,974,236
Legal debt margin	1,240,677	1,623,148	2,173,369	2,585,333	2,941,348	3,315,346	3,706,638	4,095,898	5,098,405	2,112,571
Total net debt applicable to the limit as a percentage of the debt limit	69.40%	61.29%	51.67%	44.45%	38.02%	31.58%	25.16%	18.85%	11.24%	65.29%
Legal Debt Margin Calculation for Fiscal Year 2017										
Assessed Value										\$75,775,120
Add back: exempt real property										309,970
Total assessed value										<u>76,085,090</u>
Debt limit (8%)										6,086,807
Debt applicable to limit:										
General obligation bonds										4,000,000
Less: Amount set aside for repayment										(25,764)
general obligation debt										<u>3,974,236</u>
Total net debt applicable to limit										<u>\$ 2,112,571</u>
Legal debt margin										

Note: 1. The City of West Columbia issued \$4,000,000 in General Obligation Bonds on November 19, 2018. 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 \$6,086,807 at June 30, 2019, which would be the legal debt limit.

City of West Columbia, South Carolina
Pledged-Revenue Coverage
Last Eight Fiscal Years
(only last eight years available in this format)

	2012	2013	2014	2015	2016	2017	2018	2019
Operating Revenues	\$ 10,788,398	\$ 10,814,210	\$ 11,036,602	\$ 12,413,206	\$ 13,229,677	\$ 17,299,814	\$ 16,514,278	\$ 18,857,064
Less: Deferred Charge Prior Year Adjustment ¹	(435,707)	(435,707)	(435,707)	(435,707)	(517,057)	(524,453)	(524,453)	(524,453)
Plus: Contractual Contribution ²	841,768	835,160	819,949	700,103	698,714	705,508	704,210	625,585
Plus: Capacity Payment ³	-	-	-	-	2,300,000	-	-	-
Plus: Interest Revenue ⁴	229,801	173,361	112,845	105,668	99,247	118,897	104,700	232,066
Plus: Sale of Capital Assets	7,800			1,778		2,767	78,857	34,688
Gross Revenues	11,432,060	11,387,024	11,533,689	12,785,048	15,810,581	17,602,533	16,877,592	19,224,950
Total Expenses	7,585,633	7,861,375	7,927,812	8,358,121	10,750,674	11,756,572	10,505,285	12,185,370
Less: Depreciation	(1,674,697)	(1,653,503)	(1,653,732)	(1,653,191)	(1,984,617)	(2,058,423)	(2,208,134)	(2,453,571)
Operation and Maintenance Expenses ⁵	5,910,936	6,207,872	6,274,080	6,704,930	8,766,057	9,698,149	8,297,151	9,731,799
Net Earnings	5,521,124	5,179,152	5,259,609	6,080,118	7,044,524	7,904,384	8,580,441	9,493,151
Debt Service								
Principal	1,868,197	1,993,044	2,036,930	1,907,311	1,627,123	1,929,070	2,133,828	2,179,414
Interest	884,185	701,216	625,217	583,752	407,622	688,216	852,701	1,139,141
Debt Service	2,752,382	2,694,260	2,662,147	2,491,063	2,034,745	2,617,286	2,986,529	3,318,555
Debt Service Coverage	2.01x	1.92x	1.98x	2.44x	3.46x	3.02x	2.87x	2.86x

¹ Represents capacity payments made by the Joint Commission and/or the Town in previous years that are being amortized by the City in its financial statements over the life of the respective water contracts. As these payments are realized in the year in which they were paid, net revenues are adjusted to exclude the "amortized" revenues

² Represents payments by the Town and the Joint Commission for their proportionate share of existing debt service issued by the City

³ Represents payments by the Joint Commission for the purchase of additional capacity in the Murray Lake Water Treatment Plant

⁴ Net of interest on bond proceeds

⁵ Net of depreciation

Notes: Details regarding the governments outstanding debt can be found in the notes to the financial statements.

This calculation is in accordance with the City's master bond ordinance.

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				
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%
2016	15,623	415,118,733	26,571	37.9	14.0			3,009	4.70%
2017	17,350	457,710,350	26,381	38.2	14.0			3,582	4.10%
2018	17,642	471,006,116	26,698	38.3	14.0			3,745	3.50%
2019	18,118	478,605,088	26,416	38.9	14.0			3,745	3.70%

Data sources: ESRI, 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

Employers	2019			2010		
	Employees	Rank	Percentage of Principal Employers	Employees	Rank	Percentage of Principal Employers
House of Raeford Farms	990	1	28.90%	875	1	31.82%
Wal-Mart Stores	606	2	17.69%	535	2	19.45%
South Eastern Freight Lines	601	3	17.54%			
South Carolina Episcopal Home	528	4	15.41%	240	4	8.73%
City of West Columbia	215	5	6.28%	192	6	6.98%
Lowe's Home Improvement	164	6	4.79%			
Heartland of Lexington	121	7	3.53%	236	5	8.58%
Trane	100	8	2.92%			
Bi-Lo LLC	83	9	2.42%	72	10	2.62%
Wentworth Printing	18	10	0.53%			
Lexington School District 2				244	3	8.87%
Belcher Staffing Services				184	7	6.69%
U S Postal Service				96	8	3.49%
H T Hackney Company				76	9	2.76%
Total	<u>3,426</u>		<u>100.0%</u>	<u>2,750</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	14	14	14	16	16	17	19	21	21	26
Building Inspectors	3	3	3	3	2	2	2	2	2	2
Code Compliance		2	2	2	2	2	3	3	3	3
Community Development	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Officers	58	58	58	53	55	56	54	51	48	50
Civilians	14	14	14	12	11	11	11	11	13	10
Fire										
Firefighters and officers	24	24	24	24	24	24	24	25	25	25
Maintenance - Garage	6	7	7	7	7	7	7	7	6	6
Sanitation (Garbage & Trash)	32	32	32	27	24	24	22	22	22	18
Parks and Recreation	3	6	5	7	7	7	7	10	11	14
Water (Production & Distribution)	32	32	32	36	36	37	37	35	35	34
Sewer Collection	4	4	4	4	4	4	4	4	4	5
Total	191	197	196	192	189	192	191	192	191	194

Source: City of West Columbia Finance Office

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

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Physical arrests	2,058	3,398	2,097	741	1,179	1,248	1,173	1,184	1,169	1,059
Fire										
Number of calls answered	757	651	992	999	1,038	1,222	1,363	1,836	1,952	2,032
Inspections	1,000	1,328	1,406	1,472	1,597	1,205	1,295	1,884	2,169	1,957
Sanitation										
Refuse collected (tons/day) Lexington Landfill ¹	30	24	22	22	22	22	22	35	35	36
Refuse collected (tons/day) Richland Landfill ²	10									
Recyclables collected (tons/day)	2	2	2	2	2	2	2	3	3	6
Culture and Recreation										
Community Center (Times Used)	108	164	118	116	152	118	98	130	110	175
Water										
New connections	101	74	82	116	139	132	109	36	161	142
Water mains breaks	14	20	24	16	27	11	22	26	19	31
Water customers	19,025	19,032	19,205	19,321	19,460	19,592	19,701	19,737	19,898	20,040
Water Plant I	2,633	3,225	3,227	3,074	3,123	3,122	3,323	3,363	3,328	3,250
Water Plant II	9,310	9,042	8,992	8,589	8,683	9,029	10,146	10,215	10,743	10,930
Total Average daily consumption (thousands of gallons)	11,943	12,267	12,219	11,663	11,806	12,151	13,469	13,578	14,071	14,180
Wastewater										
Average daily sewage treatment ³	3,095	3,095	3,095	3,095	2,980	3,075	3,081	3,062	2,730	3,065
(thousands of gallons)										
Sewer customers	10,758	11,157	11,197	11,268	11,334	11,397	11,474	11,510	11,552	11,586
Overlapping customers - City of Cayce ⁴	1,515									
Total sewer customers	12,273	11,157	11,197	11,268	11,334	11,397	11,474	11,510	11,552	11,586

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	63	67	65	65	59	52	52	54	53	54
Fire stations	1	1	1	1	1	1	1	1	1	1
Responding units	14	11	11	11	9	10	10	9	10	13
Sanitation										
Garbage collection trucks	14	12	12	12	12	12	12	12	12	13
Yard trash collection trucks	6	7	7	7	7	7	7	7	7	7
Highways and streets										
Streetlights ¹	989	989	989	1017	1,262	1,284	1,284	1,333	1,354	1,369
Traffic signals	30	30	30	30	30	30	30	40	41	46
Culture and recreation										
Parks	5	5	5	5	5	5	5	5	5	6
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	245	249	251	255	257	265	270	278	279	281
Fire hydrants	953	960	965	986	986	1003	1010	1041	1023	1043
Water Plant I	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Water Plant II	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
Maximum daily capacity (millions of gallons)	30.0	30.0	30.0	30.0	30.0	30.0	28.5	28.5	28.5	28.5
Sewer										
Sanitary sewers (miles)	115	115	115	115	115	118	118	119	119	128
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.

CERTIFIED PUBLIC ACCOUNTANTS

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PHONE: (803) 739-3090
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INDEPENDENT AUDITORS 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
200 North 12th Street
West Columbia, South Carolina 29169

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 (the “City”), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated January 24, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "The Brittingham Group LLP". The signature is written in a cursive, flowing style. It is contained within a thin black rectangular border.

West Columbia, South Carolina
January 24, 2020