



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022**

**City of West Columbia
South Carolina**

**CITY OF WEST COLUMBIA
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022**

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

**JUSTIN R. BLACK, CPA
Senior Assistant City Administrator & City Treasurer**

**Prepared by:
FINANCE DEPARTMENT**

CITY OF WEST COLUMBIA, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022
TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal from Administrator/Treasurer	3-6
Organizational Charts	7-8
Principal Officers	9
Certificate of Achievement for Excellence in Financial Reporting	10

FINANCIAL SECTION

<u>Independent Auditors' Report</u>	13-15
--	-------

<u>Management's Discussion and Analysis</u>	17-24
--	-------

Basic Financial Statements

Government-wide Financial Statements

Exhibits:

I. Statement of Net Position	26-27
II. Statement of Activities	28

Fund Financial Statements

Exhibits:

III. Balance Sheet – Governmental Funds	29
IV. Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
V. Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	32
VI. Statement of Net Position – Proprietary Fund – Water and Sewer	33-34
VII. Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund – Water and Sewer	35
VIII. Statement of Cash Flows – Proprietary Fund – Water and Sewer	36-37
IX. Statement of Fiduciary Net Position – Fiduciary Funds	38
X. Statement of Changes in Fiduciary Net Position – Fiduciary Funds	39

<u>Notes to Financial Statements</u>	40-72
---	-------

CITY OF WEST COLUMBIA, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022
TABLE OF CONTENTS

FINANCIAL SECTION (CONTINUED)

Basic Financial Statements (continued)

Required Supplementary Information:

1. Schedule of Proportionate Share of South Carolina Retirement Systems Net Pension Liabilities	74
2. Schedule of South Carolina Retirement Systems Contributions	75
3. Schedule of Changes in the City's Net OPEB Liability and Related Ratios	76
4. Schedule of OPEB Employer Contributions	77

Supplementary Information

Combining, Individual Fund Statements and Schedules

Schedules:

Governmental Funds:

General Fund:

A-1	Comparative Balance Sheets	80
A-2	Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances	81
A-3	Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	82
A-4	Schedule of Expenditures Compared with Budget	83-85

Hospitality Tax Fund:

B-1	Balance Sheet	86
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balance	87

Proprietary Fund - Water and Sewer:

C-1	Comparative Statements of Net Position	90-91
C-2	Comparative Statements of Revenues, Expenses and Changes in Net Position	92
C-3	Comparative Statements of Cash Flows	93-94

Fiduciary Funds:

D-1	Combining Statement of Fiduciary Net Position	96
D-2	Combining Statement of Changes in Fiduciary Net Position	97

Capital Assets used in the Operations of Governmental Funds:

E-1	Comparative Schedules By Source	100
E-2	Schedule By Function and Activity	101
E-3	Schedule of Changes By Function and Activity	102

Victim Rights Assistance:

F-1	Schedule of Court Fines, Fees, Assessments and Surcharges	104
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CITY OF WEST COLUMBIA, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022
TABLE OF CONTENTS

STATISTICAL SECTION - (UNAUDITED)

Tables:

1	Net Position by Component	108
2	Changes in Net Position	109-110
3	Governmental Activities Tax Revenues by Source	111
4	Fund Balances of Governmental Funds	112
5	Changes in Fund Balances of Governmental Funds	113
6	Assessed Value and Estimated Actual Value of Taxable Property	114
7	Property Tax Rates – Direct and Overlapping Governments	115
8	Principal Property Taxpayers	116
9	Property Tax Levies and Collections	117
10	Ratios of Outstanding Debt by Type	118
11	Ratios of General Bonded Debt Outstanding	119
12	Direct and Overlapping Governmental Activities Debt	120
13	Legal Debt Margin Information	121
14	Pledged-Revenue Coverage	122
15	Demographic and Economic Statistics	123
16	Principal Employers	124
17	Full-Time Equivalent City Government Employees by Function	125
18	Operating Indicators by Function	126
19	Capital Asset Statistics by Function	127

GOVERNMENTAL AUDITING STANDARDS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	130-132
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INTRODUCTORY SECTION

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January 18, 2023

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of West Columbia, South Carolina, for the fiscal year ended June 30, 2022. 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, 2022, 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, 2022 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

R. Trevor Bedell

Council Members

Jimmy Brooks

Joseph D. Dickey, Jr.

Mike Green

Casey Jordan Hallman

David B. Moye

Erin Parnell Porter

Mickey Pringle

City Administrator

Brian E. Carter,
ICMA-CM, AICP

Deputy

City Administrator

Michelle M. Dickerson,
Esquire

City Treasurer/

Senior 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 annual comprehensive 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 auditors' 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 over 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 9.5 square miles and serves a population of 17,902 as of June 30, 2022. 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, 2020, the City refunded the 2019 general obligation bond for \$3,729,000. This bond covers various infrastructure and equipment needs. These needs included improvements to City Hall and a new police department evidence facility. The City refunded the 2009A and 2009B water and sewer revenue bonds in the amount of \$10,540,000. These two bond refunds provided significant savings in debt service over their duration. The City issued no new debt during the 2022 fiscal year. Short- and long-term plans are updated periodically, which dictate the need for future indebtedness.

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 and special revenue funds 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 0.50 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 annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the 31st 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 ACFR 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 annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff and finance 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,



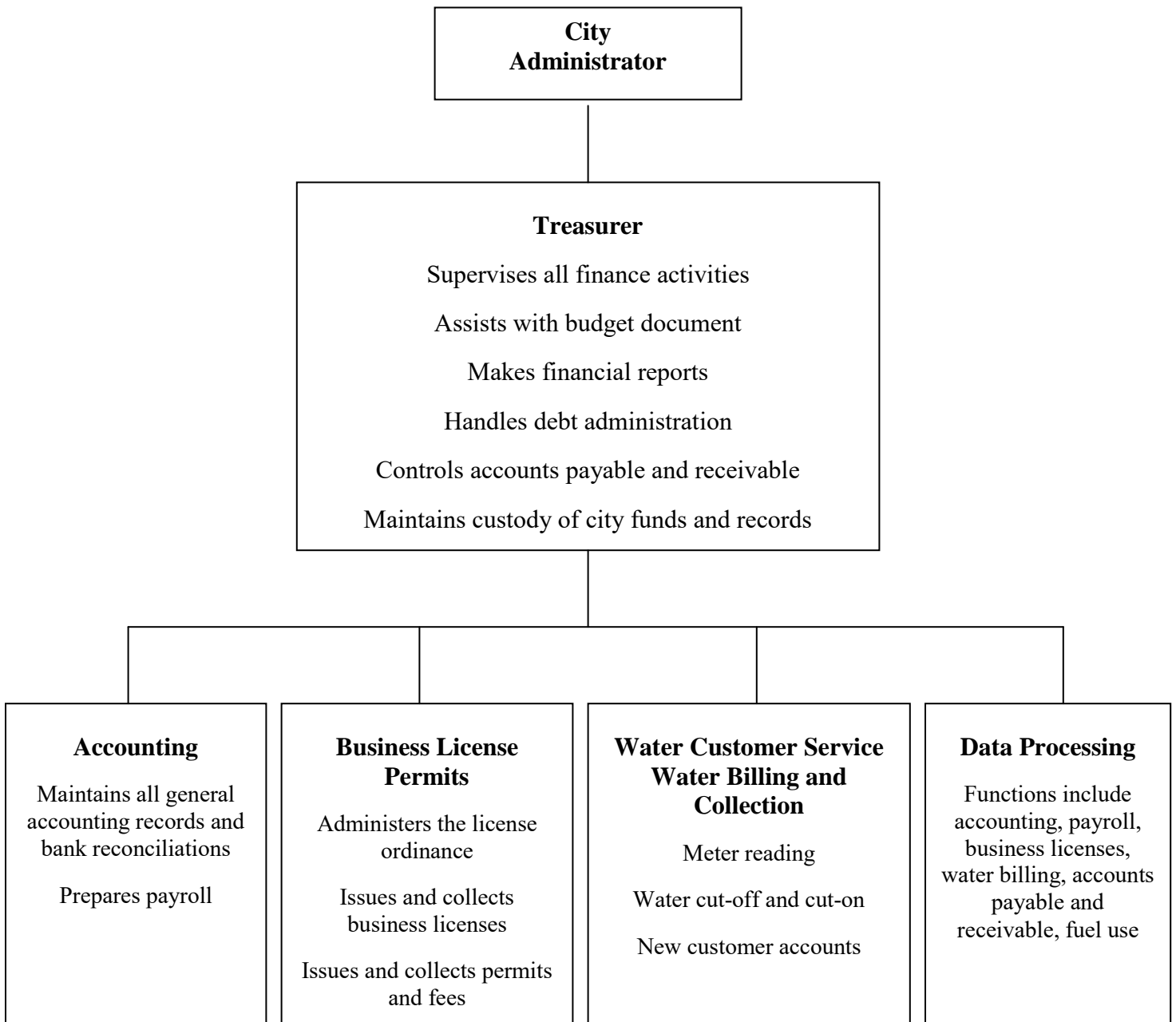
Justin R. Black, CPA
Senior Assistant City Administrator
& City Treasurer



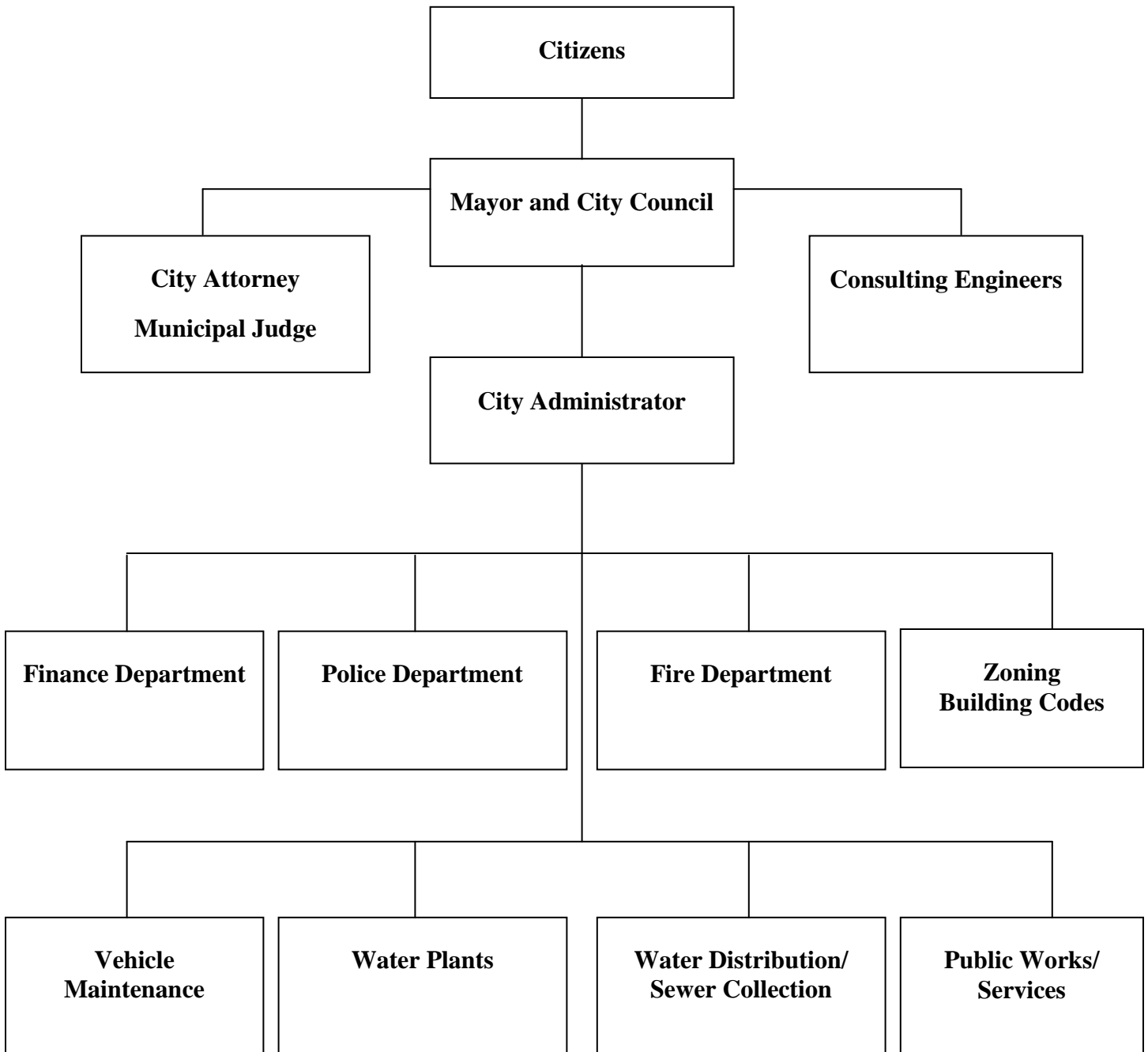
Brian E. Carter, CM-ICMA, AICP
City Administrator

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

R. Trevor Bedell, Mayor Pro-Tempore

**Jimmy Brooks
Joseph Dickey
Mike Green
Casey Jordan Hallman
David Moye
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, Senior 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Columbia, South Carolina (hereafter referred to as the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17 through 24, the Schedule of Proportionate Share of Retirement Systems Net Pension Liabilities on page 74, the Schedule of South Carolina Retirement Systems Contributions on page 75, the Schedule of Changes in the City's Net OPEB Liability and Related Ratios on page 76, and the Schedule of OPEB Employer Contributions on page 77, 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.

Supplementary 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 accompanying combining and individual fund financial statements, and the Schedule of Court, Fines, Assessments, and Surcharges (per ACT 96), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 combining and individual fund financial statements, and the Schedule of Court, Fines, Assessments, and Surcharges (per ACT 96), are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 City's internal control over financial reporting and compliance.

The Brittingham Group LLP

January 18, 2023
West Columbia, South Carolina

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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, 2022. 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 total assets and deferred outflows exceeded its total liabilities and deferred inflows on June 30, 2022, by \$54,235,287 (net position). The City's total net position increased \$6,984,334 with an increase of \$4,069,866 from governmental activities and an increase of \$2,914,468 resulting from business-type activities.
- The City's total assets increased \$7,753,572 over the prior year. This is mainly due to an increase in unrestricted and restricted cash. The City has received its first allotment of ARPA funding which accounts for the large increase in restricted cash.
- The City's total liabilities decreased \$4,007,352 from the prior year. This is mostly attributable to the significant decrease in the City's net pension liability, although the City also retired debt during the fiscal year.
- For the fiscal year ending June 30, 2022, 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 \$17,448,373, an increase of \$945,255 from the previous fiscal year. Of this amount, \$11,195,022 is unassigned.
- The General Fund reported actual revenues of \$59,364 over budget and expenditures under budgeted appropriations by \$66,218. General Fund expenditures include \$495,866 in capital outlay for projects funded by bond proceeds, as well as \$1,269,730 in debt service.
- The City's total long-term debt decreased by \$9,900,298 for the current fiscal year. The two main reason for the decrease of the City's overall outstanding long-term debt is the retirement of debt through debt service payments and a significant decrease in the City's net pension liability.

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 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 26-28 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 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 2021-2022. 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 29-32 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 33-37 of this report.

Fiduciary funds – The City acts as custodian, 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 position. 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 38-39 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 40-72 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 eighteenth 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 \$54,235,287 at the close of the most recent fiscal year. The City's increase in net position for this fiscal year amounts to \$6,984,334. This increase is a result of an increase in total assets of \$7,753,572 resulting from mainly more cash and additions to capital assets over current year depreciation. Also, total liabilities decreased \$4,007,352 mainly due to annual debt service and a significant decrease to the City's net pension liability. Overall deferred outflows decreased by \$1,201,555 with deferred inflows increasing substantial due to the significant changes in the net pension liability from the prior year.

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

Government-wide Financial Analysis (continued)

City of West Columbia's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current assets and other	\$25,267,804	\$18,935,076	\$39,607,327	\$38,772,810	\$64,875,131	\$57,707,886
Capital assets, net	24,955,727	23,074,014	58,317,909	59,613,295	83,273,636	82,687,309
Total assets	50,223,531	42,009,090	97,925,236	98,386,105	148,148,767	140,395,195
Deferred outflows	4,175,186	5,257,802	1,138,793	1,257,732	5,313,979	6,515,534
Total assets and deferred outflows	54,398,717	47,266,892	99,064,029	99,643,837	153,462,746	146,910,729
Long-term liabilities	24,488,137	29,479,648	53,789,731	58,698,518	78,277,868	88,178,166
Other liabilities	9,046,999	3,663,877	6,627,844	6,118,020	15,674,843	9,781,897
Total liabilities	33,535,136	33,143,525	60,417,575	64,816,538	93,952,711	97,960,063
Deferred inflows	3,612,331	941,983	1,662,417	757,730	5,274,748	1,699,713
Total liabilities and deferred inflows	37,147,467	34,085,508	62,079,992	65,574,268	99,227,459	99,659,776
Net Position						
Net Investment in capital assets	16,737,067	13,940,326	35,946,932	34,843,981	52,683,999	48,784,307
Restricted	4,209,562	3,855,586	329,794	339,702	4,539,356	4,195,288
Unrestricted	(3,695,379)	(4,614,528)	707,311	(1,114,114)	(2,988,068)	(5,728,642)
Total net position	\$17,251,250	\$13,181,384	\$36,984,037	\$34,069,569	\$54,235,287	\$47,250,953

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 position 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 restricted 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 economic growth. General Government and Public safety were the main contributors to actual expenses being under budgeted expenses. There was not a major difference in total expenses from the prior year. The increase is mainly attributable to tourism related expenses coming out of COVID. Business-type activities experienced roughly a two percent decrease in total revenues from the prior year. This decrease is mainly attributed to less amounts received from contract customers and the increase in water and sewer rates from the prior fiscal year. Total business-type expenses increased by \$223,431 over the prior year. This is mainly due to an increase in materials and supplies resulting from inflationary pricing throughout the fiscal year.

Government-wide Financial Analysis (continued)

City of West Columbia's Change in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	\$ 7,716,126	\$ 6,976,098	\$21,223,637	\$21,520,481	\$28,939,763	\$28,496,579
Operating grants & contributions	166,436	607,568	-	-	166,436	607,568
Capital grants & contributions	67,846	-	4,138	1,800	71,984	1,800
General revenues						
Property taxes	7,052,228	6,707,519	-	-	7,052,228	6,707,519
Hospitality taxes	2,520,238	2,031,290	-	-	2,520,238	2,031,290
Intergovernmental	734,446	627,002	-	-	734,446	627,002
Investment earnings	15,630	47,490	132,674	261,104	148,304	308,594
Other	249,774	325,967	-	12,571	249,774	338,538
Total revenues	18,522,724	17,322,934	21,360,449	21,795,956	39,883,173	39,118,890
Expenses						
General Government	1,981,435	2,117,695	-	-	1,981,435	2,117,695
Community Development	638,244	586,830	-	-	638,244	586,830
Public Safety	10,560,268	10,488,682	-	-	10,560,268	10,488,682
Public Services	2,345,081	2,289,587	-	-	2,345,081	2,289,587
General Services	1,522,308	1,573,771	-	-	1,522,308	1,573,771
Tourism Related	300,953	191,163	-	-	300,953	191,163
Interest on Long-term Debt	224,569	254,996	-	-	224,569	254,996
Water & Sewer Utility	-	-	15,325,981	15,102,550	15,325,981	15,102,550
Total expenses	17,572,858	17,502,724	15,325,981	15,102,550	32,898,839	32,605,274
Excess (deficiency) before transfers	949,866	(179,790)	6,034,468	6,693,406	6,984,334	6,513,616
Transfers	3,120,000	3,080,000	(3,120,000)	(3,080,000)	-	-
Increase (decrease) in net position	4,069,866	2,900,210	2,914,468	3,613,406	6,984,334	6,513,616
Net Position - July 1	13,181,384	10,281,174	34,069,569	30,456,163	47,250,953	40,737,337
Net Position - June 30	\$17,251,250	\$13,181,384	\$36,984,037	\$34,069,569	\$54,235,287	\$47,250,953

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, 2022, the City of West Columbia governmental funds reported combined fund balances of \$17,448,373, an increase of \$945,255 from the prior year. Nearly sixty-five percent (65%) 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 \$723,677 and \$5,529,674 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. On June 30, 2022, the total fund balance in the general fund was \$14,799,974. The General Fund balance increased by \$149,523 during the current fiscal year. This increase is mainly a result of property taxes and franchise fees exceeding budgeted projections. The City's tax base increased roughly 4% because of more economic growth and insurance franchise fees collected by MASC increased over the prior year. Also, expenditures increased significantly over the prior year due to purchasing multiple large trucks for public services and many vehicles for public safety. These purchases were necessary to ensure essential services had reliable equipment.

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 \$2,648,399, which increased from the previous year due to revenues exceeding expectations. This increase is a direct result of continued economic growth and more restaurants opening within the City.

Proprietary funds – The City's Proprietary Fund provides the same type of information found in the government-wide financial statements, but with greater detail. On June 30, 2022, total net position of the Water and Sewer Utility System amounted to \$36,984,037 as compared to a balance of \$34,069,569 at June 30, 2021. The increase in net position of \$2,914,468 for the fiscal year is due mainly to large amounts being paid annually on debt service, capital costs, and the significant decrease in net pension obligation.

General Fund Highlights

A budget to actual statement is provided for the General Fund. Columns for both the original budget adopted for fiscal year 2022 as well as the final budget are presented. Quarterly budget amendments and supplemental appropriations were approved during the 2021-2022 budget year. There was an overall increase of \$1,660,000 between the original budget and the final amended budget.

The General Fund prior year revenues of \$15,194,945 before other financing sources and achieved current year revenues of \$15,929,264, or \$734,319 more. This is mainly due to increased property tax assessments, franchise, and business license fees. Expenditures in the prior year were \$17,135,834 before other uses with current year expenditures of \$19,878,782. Expenditures increased mainly as a result of more capital costs in the current year. The City budgeted a deficiency of estimated revenues under its appropriated expenditures before other financing sources and uses totaling \$4,075,100, but achieved a deficiency of revenue under expenditures before other financing sources and uses of \$3,949,518. The General Fund's budget also included budgeted net transfers in from other funds of \$4,070,000.

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, 2022, amounts to \$83,273,636 (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 \$2 million.
- The City is in the middle of multiple water, sewer, and public capital projects, which accounts for large CIP amount city-wide. Filter rehabilitations in our water treatment facility and a parking improvement project were completed during the year.
- The City is also in the early planning and design stages of a water treatment facility expansion project.

Capital Assets and Debt Administration (Continued)

City of West Columbia's Capital Assets (Net)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 3,852,943	\$ 3,852,943	\$ 407,727	\$ 407,727	\$ 4,260,670	\$ 4,260,670
Buildings & equipment	7,314,946	7,304,084	40,209,743	39,936,517	47,524,689	47,240,601
Improvements other than buildings	-	-	13,282,323	13,823,567	13,282,323	13,823,567
Equipment	-	-	2,645,144	2,728,908	2,645,144	2,728,908
Vehicles & equipment	4,172,859	2,542,761	641,427	785,046	4,814,286	3,327,807
Construction in progress	9,614,979	9,374,226	1,131,545	1,931,530	10,746,524	11,305,756
Total assets, net	<u>\$24,955,727</u>	<u>\$23,074,014</u>	<u>\$58,317,909</u>	<u>\$59,613,295</u>	<u>\$83,273,636</u>	<u>\$82,687,309</u>

Long-term debt - At the end of the current fiscal year, the City of West Columbia had total bonded debt outstanding of \$8,920,000 consisting of tax increment financing (TIF) bonds, series 2016, a hospitality tax bond (Htax), series 2018, and a general obligation (GO) bond, Series 2020. 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 Htax bond is secured by hospitality tax revenues (see Note 8).

The City also had total revenue bonds outstanding in the amount of \$39,215,881 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 \$7,520,718, as reflected in Note 8 and Table 13.

City of West Columbia's Outstanding Long-term Debt

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Capital leases	\$ 481,860	\$ 679,677	\$ 202,568	\$ 273,907	\$ 684,428	\$ 953,584
Net pension liability	15,629,492	18,809,847	6,039,260	7,235,233	21,668,752	26,045,080
Net OPEB liability	566,972	885,365	335,625	476,093	902,597	1,361,458
Tax increment finance bonds	3,444,000	3,958,000	-	-	3,444,000	3,958,000
General obligation bonds	2,947,000	3,336,000	-	-	2,947,000	3,336,000
Hospitality tax bonds	2,529,000	2,915,000	-	-	2,529,000	2,915,000
Revenue bonds	-	-	39,215,881	42,009,565	39,215,881	42,009,565
Accrued compensated absences	729,964	711,814	360,464	382,536	1,090,428	1,094,350
Total outstanding debt	<u>\$26,328,288</u>	<u>\$31,295,703</u>	<u>\$46,153,798</u>	<u>\$50,377,334</u>	<u>\$72,482,086</u>	<u>\$81,673,037</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, 2022, please see Notes 7, 8 and 10 in the Notes to the Financial Statements. In the fiscal year 2017-2018, 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 2.9 percent, which is in line with previous years and is the lowest rate in more than ten years. This compares favorably with the state's rate of 3.2 percent and the national rate of 3.6 percent.
- In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the City's operations at this time. Future potential impacts are unknown.

These factors were taken into account when adopting the general budget for 2022-2023. Amounts available for appropriation in the general fund budget are \$21,015,000, an increase of roughly \$1 million from the final 2022 budget of \$19,945,000. It should be noted that the appropriated budget for 2023 includes \$570,000 in budgeted revenues to service a long-term general obligation bond the City issued in March of 2020. A debt service millage of 6.6 mils was levied for the 2022-2023 fiscal year in order to service the debt requirements.

Property tax revenues for the coming year are projected to increase due to a 7.444 operating mil increase, 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 2023 have increased over the actual 2022 expenditures due mainly to increases in operating costs and expansion of essential services. The City does not anticipate entering into any major land acquisitions for economic development purposes in fiscal year 2022-2023.

As for the City's business-type activities, the City 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 growth.

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, Senior Assistant City Administrator and Treasurer.

BASIC FINANCIAL STATEMENTS

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 13,001,278	\$ 15,856,150	\$ 28,857,428
Receivables, net	1,566,852	4,568,238	6,135,090
Prepaid Charges	723,677	5,512	729,189
Internal Balances, net	94,320	(94,320)	-
Notes Receivable - Municipal Government	-	523,454	523,454
Restricted Cash and Cash Equivalents	9,881,677	17,377,265	27,258,942
Total Current Assets	25,267,804	38,236,299	63,504,103
Non -Current assets:			
Notes Receivable - Municipal Government	-	1,371,028	1,371,028
Capital Assets, net:			
Land	3,852,943	407,727	4,260,670
Buildings and Improvements	7,314,946	40,209,743	47,524,689
Improvements Other Than Buildings	-	13,282,323	13,282,323
Vehicles and Equipment	4,172,859	3,286,571	7,459,430
Construction in Progress	9,614,979	1,131,545	10,746,524
Total Non -Current assets	24,955,727	59,688,937	84,644,664
<u>TOTAL ASSETS</u>	50,223,531	97,925,236	148,148,767
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Pension Plan	3,990,128	1,041,053	5,031,181
OPEB Plan	185,058	97,740	282,798
<u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u>	4,175,186	1,138,793	5,313,979
<u>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</u>	54,398,717	99,064,029	153,462,746
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	2,481,274	2,016,961	4,498,235
Accrued Expenses and Other Liabilities	3,308	-	3,308
Accrued Interest Payable	105,493	91,570	197,063
Accrued Compensated Absences	317,719	173,877	491,596
Customer Deposits	-	793,931	793,931
Unearned Revenue	4,616,773	629,144	5,245,917
(Payable from Restricted Assets)			
Capital Leases	201,432	72,641	274,073
Bonds Payable	1,321,000	2,849,720	4,170,720
Total Current Liabilities	9,046,999	6,627,844	15,674,843
Long-Term (Non-Current) Liabilities:			
Capital Leases	280,428	129,927	410,355
Bonds Payable	7,599,000	36,366,161	43,965,161
Unearned Revenue	-	10,732,171	10,732,171
Accrued Compensated Absences	412,245	186,587	598,832
Net Pension Liability	15,629,492	6,039,260	21,668,752
Net OPEB Liability	566,972	335,625	902,597
Total Long-Term Liabilities	24,488,137	53,789,731	78,277,868
<u>TOTAL LIABILITIES</u>	33,535,136	60,417,575	93,952,711
<u>DEFERRED INFLOW OF RESOURCES</u>			
Pension Plan	3,020,905	1,384,662	4,405,567
OPEB Plan	591,426	277,755	869,181
<u>TOTAL DEFERRED INFLOW OF RESOURCES</u>	3,612,331	1,662,417	5,274,748
<u>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</u>	37,147,467	62,079,992	99,227,459

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
<u>NET POSITION</u>			
Net Investment in Capital Assets	16,737,067	35,946,932	52,683,999
Restricted to:			
Debt Service	969,900	329,794	1,299,694
Law Enforcement Grants & Programs	419,365	-	419,365
Accommodations Tax	253,052	-	253,052
Parks Program	55,755	-	55,755
Hospitality Tax	2,511,490	-	2,511,490
Unrestricted	(3,695,379)	707,311	(2,988,068)
<u>TOTAL NET POSITION</u>	<u>\$ 17,251,250</u>	<u>\$ 36,984,037</u>	<u>\$ 54,235,287</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, 2022

FUNCTIONS AND PROGRAMS	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
Governmental activities:							
General Government	\$ 1,981,435	\$ 6,586,817	\$ 3,756		\$ 4,609,138		\$ 4,609,138
Community & Economic Development	638,244				(638,244)		(638,244)
Public Safety	10,560,268	1,129,309	149,680	\$ 42,196	(9,239,083)		(9,239,083)
Public Services	2,345,081		6,000		(2,339,081)		(2,339,081)
General Services	1,522,308				(1,522,308)		(1,522,308)
Tourism Related	300,953		7,000	25,650	(268,303)		(268,303)
Interest on Long-Term Debt	224,569				(224,569)		(224,569)
	<u>17,572,858</u>	<u>7,716,126</u>	<u>166,436</u>	<u>67,846</u>	<u>(9,622,450)</u>		<u>(9,622,450)</u>
Business-type activities:							
Water and sewer utility	15,325,981	21,223,637	-	4,138	-	\$ 5,901,794	5,901,794
Total Business-type activities	<u>15,325,981</u>	<u>21,223,637</u>	<u>-</u>	<u>4,138</u>	<u>-</u>	<u>5,901,794</u>	<u>5,901,794</u>
<u>TOTAL FUNCTIONS AND PROGRAMS</u>	<u>\$ 32,898,839</u>	<u>\$ 28,939,763</u>	<u>\$ 166,436</u>	<u>\$ 71,984</u>	<u>(9,622,450)</u>	<u>5,901,794</u>	<u>(3,720,656)</u>
<u>General Revenue and Transfers</u>							
Property Taxes					7,052,228		7,052,228
Hospitality Taxes					2,520,238		2,520,238
Intergovernmental - Unrestricted					734,446		734,446
Gain / (Loss) on sale of capital assets					20,714		20,714
Investment earnings - Unrestricted					15,630	132,674	148,304
Miscellaneous					229,060		229,060
Transfers					3,120,000	(3,120,000)	-
Total general revenue and transfers					<u>13,692,316</u>	<u>(2,987,326)</u>	<u>10,704,990</u>
Changes in net position					4,069,866	2,914,468	6,984,334
Net Position - July 1					13,181,384	34,069,569	47,250,953
Net Position- June 30					<u>\$ 17,251,250</u>	<u>\$ 36,984,037</u>	<u>\$ 54,235,287</u>

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022

	General Fund	Hospitality Tax Fund	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 13,001,278		\$ 13,001,278
Receivables (Net of Allowance for Uncollectables)			
Property Taxes	461,946		461,946
State	194,952		194,952
Municipal Governments	374,437		374,437
Grants	92,881		92,881
Rehabilitation Loans	32,645		32,645
Hospitality Tax		\$ 227,917	227,917
Other	182,074		182,074
Prepaid Charges	723,677		723,677
Due From Other Funds	55,123	39,197	94,320
Restricted assets:			
Cash	7,370,187	2,511,490	9,881,677
<u>TOTAL ASSETS</u>	<u>\$ 22,489,200</u>	<u>\$ 2,778,604</u>	<u>\$ 25,267,804</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,476,603	\$ 4,671	\$ 2,481,274
Accrued Payroll, Taxes, & Vacation Pay	321,027		321,027
<u>TOTAL LIABILITIES</u>	<u>2,797,630</u>	<u>4,671</u>	<u>2,802,301</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Revenue - property taxes	400,357		400,357
Unavailable Revenue - deferred grant revenue	4,491,239	125,534	4,616,773
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>4,891,596</u>	<u>125,534</u>	<u>5,017,130</u>
<u>FUND BALANCES</u>			
Nonspendable	723,677		723,677
Restricted	2,881,275	2,648,399	5,529,674
Unassigned	11,195,022		11,195,022
<u>TOTAL FUND BALANCES</u>	<u>14,799,974</u>	<u>2,648,399</u>	<u>17,448,373</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>	<u>\$ 22,489,200</u>	<u>\$ 2,778,604</u>	

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.	24,955,727
Other liabilities not payable from currently available resources are not reported in these funds.	(105,493)
The net pension liability and related deferred outflows and deferred inflows do not represent current financial resources and is not reported in these funds.	(14,660,269)
The net OPEB liability and related deferred outflows and deferred inflows do not represent current financial resources and is not reported in these funds.	(973,340)
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.	(9,413,748)
Net Position, end of year - Governmental Activities	<u>\$ 17,251,250</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, 2022

	General	Hospitality Tax	Total Governmental Funds
<u>REVENUES</u>			
Property Taxes	\$ 7,029,079		\$ 7,029,079
Franchise Fees, Licenses, and Permits	6,586,817		6,586,817
Fines and Forfeitures	128,797		128,797
Interest	11,923	\$ 3,707	15,630
Intergovernmental	734,446		734,446
Charges For Services	1,000,512		1,000,512
Grant Proceeds	143,951	25,650	169,601
Police Program Income	64,679		64,679
Hospitality Tax		2,520,238	2,520,238
Other Revenues	229,060		229,060
<u>TOTAL REVENUES</u>	15,929,264	2,549,595	18,478,859
<u>EXPENDITURES</u>			
Current			
General Government	1,895,018		1,895,018
Community & Economic Development	658,401		658,401
Public Safety	10,826,251		10,826,251
Public Services	3,218,235		3,218,235
General Services	1,515,281		1,515,281
Tourism Related		194,744	194,744
Capital Outlay			
General Government	247,933		247,933
Public Safety	247,933		247,933
Tourism Related		150,645	150,645
Debt Service			
Principal	1,100,817	386,000	1,486,817
Interest	168,913	72,474	241,387
<u>TOTAL EXPENDITURES</u>	19,878,782	803,863	20,682,645
<u>EXCESS OF EXPENDITURES (OVER)/UNDER REVENUES</u>	(3,949,518)	1,745,732	(2,203,786)
<u>OTHER FINANCING SOURCES/(USES)</u>			
Transfers In/(Out)	4,070,000	(950,000)	3,120,000
Sale of Capital Assets	29,041		29,041
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	4,099,041	(950,000)	3,149,041
<u>NET CHANGE IN FUND BALANCES</u>	149,523	795,732	945,255
<u>FUND BALANCE - July 1</u>	14,650,451	1,852,667	16,503,118
<u>FUND BALANCE - June 30</u>	\$ 14,799,974	\$ 2,648,399	\$ 17,448,373

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, 2022

Net change in fund balances - total governmental funds	\$ 945,255
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.	1,890,040
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	23,149
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.	(12,854)
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.	1,486,817
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 decreased in the current year.	(321,295)
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 increased in the current year.	67,080
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.	(8,326)
Change in Net Position - Governmental Activities (See Note 19)	<u>\$ 4,069,866</u>

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2022

	<u>BUDGETED AMOUNTS</u>			Variance with Final Budget Positive (Negative)
<u>REVENUES</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Property Taxes	\$ 6,240,000	\$ 7,005,000	\$ 7,029,079	\$ 24,079
Licenses and Permits	5,424,000	6,574,000	6,586,817	12,817
Fines and Forfeits	105,000	105,000	128,797	23,797
Interest	15,000	15,000	11,923	(3,077)
Intergovernmental	552,600	727,600	734,446	6,846
Charges For Services	975,000	1,000,000	1,000,512	512
Grant Proceeds	68,300	148,300	143,951	(4,349)
Police Program Income	66,000	66,000	64,679	(1,321)
Other Revenues	764,000	229,000	229,060	60
<u>TOTAL REVENUES</u>	14,209,900	15,869,900	15,929,264	59,364
<u>EXPENDITURES</u>				
Current				
General Government	2,365,700	2,155,700	1,895,018	260,682
Community & Economic Development	707,300	687,300	658,401	28,899
Public Safety	9,863,600	10,977,600	10,826,251	151,349
Public Services	2,580,000	3,311,000	3,217,367	93,633
General Services	1,498,600	1,543,600	1,516,149	27,451
Capital Outlay				
General Government	-	-	247,933	(247,933)
Public Safety	-	-	247,933	(247,933)
Debt Service				
Principal	1,100,900	1,100,900	1,100,817	83
Interest	168,900	168,900	168,913	(13)
<u>TOTAL EXPENDITURES</u>	18,285,000	19,945,000	19,878,782	66,218
<u>EXCESS OF EXPENDITURES OVER REVENUES</u>	(4,075,100)	(4,075,100)	(3,949,518)	125,582
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers In	4,070,000	4,070,000	4,070,000	-
Sale of Capital Assets	5,100	5,100	29,041	23,941
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	4,075,100	4,075,100	4,099,041	23,941
<u>NET CHANGE IN FUND BALANCE</u>	\$ -	\$ -	149,523	\$ 149,523
<u>FUND BALANCE - July 1</u>			14,650,451	
<u>FUND BALANCE - June 30</u>			\$ 14,799,974	

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, 2022

	<u>Business-Type Activities</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 15,856,150
Accounts Receivable	4,568,238
Prepaid Charges	5,512
Notes Receivable- Municipal Government	523,454
Restricted Cash and Cash Equivalents	<u>17,377,265</u>
<u>TOTAL CURRENT ASSETS</u>	<u>38,330,619</u>
<u>NONCURRENT ASSETS</u>	
Noncurrent Receivable - Municipal Government	<u>1,371,028</u>
CAPITAL ASSETS	
Water Plant, Lines, and Sewer System	104,171,508
Less: Accumulated Depreciation	(46,985,144)
Construction in Progress	<u>1,131,545</u>
<u>TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</u>	<u>58,317,909</u>
<u>TOTAL NONCURRENT ASSETS</u>	<u>59,688,937</u>
<u>TOTAL ASSETS</u>	<u>98,019,556</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>	
Pension Plan	1,041,053
OPEB Plan	<u>97,740</u>
<u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u>	<u>1,138,793</u>
<u>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</u>	<u>99,158,349</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2022

	<u>Business-Type Activities</u>
<u>LIABILITIES</u>	
CURRENT LIABILITIES	
(Payable from Current Assets)	
Accounts Payable	\$ 2,016,961
Customer Deposits	793,931
Accrued Payroll and Vacation Pay	173,877
Capital Lease Obligation	72,641
Unearned Revenue	629,144
Due to Other Funds	94,320
(Payable from Restricted Assets)	
Revenue Bonds Payable	2,849,720
Accrued Interest Payable	91,570
	<hr/>
<u>TOTAL CURRENT LIABILITIES</u>	6,722,164
	<hr/>
LONG-TERM LIABILITIES	
Accrued Vacation Pay - Due After One Year	186,587
Capital Lease Obligation - Due After One Year	129,927
Revenue Bonds - Due After One Year	36,366,161
Unearned Revenue - Due After One Year	10,732,171
Net Pension Liability	6,039,260
Net OPEB Liability	335,625
	<hr/>
<u>TOTAL LONG-TERM LIABILITIES</u>	53,789,731
	<hr/>
<u>TOTAL LIABILITIES</u>	60,511,895
	<hr/>
<u>DEFERRED INFLOW OF RESOURCES</u>	
Pension Plan	1,384,662
OPEB Plan	277,755
	<hr/>
<u>TOTAL DEFERRED INFLOW OF RESOURCES</u>	1,662,417
	<hr/>
<u>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</u>	62,174,312
	<hr/>
<u>NET POSITION</u>	
Net Investment in Capital Assets	35,946,932
Restricted	
Debt Service	329,794
Unrestricted	707,311
	<hr/>
<u>TOTAL NET POSITION</u>	\$ 36,984,037
	<hr/>

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, 2022

	<u>Business-Type Activities</u>
<u>OPERATING REVENUES</u>	
Charges for Service	\$ 21,223,637
<u>TOTAL OPERATING REVENUES</u>	<u>21,223,637</u>
<u>OPERATING EXPENSES</u>	
Personnel Services	5,290,726
Material and Supplies	1,636,223
Contractual Services	2,092,297
Utilities	1,085,514
Repairs and Maintenance	886,312
Depreciation	2,853,726
Other Operating Expenses	315,109
<u>TOTAL OPERATING EXPENSES</u>	<u>14,159,907</u>
<u>OPERATING INCOME</u>	<u>7,063,730</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest Revenue	132,674
Interest and Amortization Expense	(1,166,074)
<u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u>	<u>(1,033,400)</u>
<u>NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</u>	<u>6,030,330</u>
<u>CAPITAL CONTRIBUTIONS</u>	
Grant Proceeds	4,138
<u>NET INCOME (LOSS) BEFORE TRANSFERS</u>	<u>6,034,468</u>
<u>TRANSFERS (OUT)</u>	
General Fund	(3,120,000)
<u>CHANGE IN NET POSITION</u>	<u>2,914,468</u>
<u>NET POSITION - July 1</u>	<u>34,069,569</u>
<u>NET POSITION - June 30</u>	<u>\$ 36,984,037</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, 2022

	<u>Business-Type Activities</u>
<u>Cash Flows From Operating Activities</u>	
Cash Received From Customers	\$ 21,588,596
Cash Paid to Suppliers	(5,311,742)
Cash Paid to Employees	(5,793,622)
	<hr/>
<u>Net Cash Provided by Operating Activities</u>	10,483,232
	<hr/>
<u>Cash Flows From Non-Capital Financing Activities</u>	
Transfers Out	(3,120,000)
	<hr/>
<u>Net Cash Used by Non-Capital Financing Activities</u>	(3,120,000)
	<hr/>
<u>Cash Flows From Capital and Related Financing Activities</u>	
Principal Paid on Capital Debt	(2,865,023)
Interest Paid on Capital Debt	(1,171,787)
Aquisition of Capital Assets	(1,558,340)
Payments Received from Municipal Governments	484,308
Proceeds from Capital Grants	4,138
	<hr/>
<u>Net Cash Used by Capital and Related Financing Activities</u>	(5,106,704)
	<hr/>
<u>Cash Flows From Investing Activities</u>	
Interest on Investments	132,674
	<hr/>
<u>Net Cash Provided by Investing Activities</u>	132,674
	<hr/>
<u>Net Decrease in Cash and Cash Equivalents</u>	2,389,202
	<hr/>
<u>Cash and Cash Equivalents - July 1</u>	30,844,213
	<hr/>
<u>Cash and Cash Equivalents - June 30</u>	\$ 33,233,415
	<hr/>
<u>Cash</u>	\$ 15,856,150
	<hr/>
<u>Restricted Cash and Cash Equivalents</u>	17,377,265
	<hr/>
<u>Total Cash and Cash Equivalents</u>	\$ 33,233,415
	<hr/>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER
YEAR ENDED JUNE 30, 2022

	<u>Business-Type Activities</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
<u>Operating Income</u>	<u>\$ 7,063,730</u>
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</u>	
Depreciation	2,853,726
(Increase) Decrease in	
Accounts Receivable	943,461
Prepaid Charges	83,262
Deferred Outflow of Resources	118,939
Increase (Decrease) in	
Accounts Payable	576,797
Unearned Revenue	(629,144)
Customer Deposits	50,642
Accrued Expenses	(190,081)
Due to Other Funds	43,654
Net Pension Liability	(1,195,973)
Net OPEB Liability	(140,468)
Deferred Inflow of Resources	904,687
<u>Total Adjustments</u>	<u>3,419,502</u>
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 10,483,232</u>

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2022

	<u>Total Custodial Funds</u>
	<u>\$</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	82,452
<u>TOTAL ASSETS</u>	<u>82,452</u>
<u>LIABILITIES</u>	
Due to Fireman's Organization	40,826
Due to Narcotics Programs	41,626
<u>TOTAL LIABILITIES</u>	<u>82,452</u>
<u>TOTAL NET POSITION</u>	<u>\$ -</u>

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

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Total Custodial Funds</u>
<u>ADDITIONS</u>	
Fireman's funds	\$ 44,085
Narcotic funds seized	<u>10,395</u>
<u>TOTAL ADDITIONS</u>	<u>54,480</u>
<u>DEDUCTIONS</u>	
Fireman's funds disbursed	44,085
Narcotic funds disbursed	<u>10,395</u>
<u>TOTAL DEDUCTIONS</u>	<u>54,480</u>
<u>CHANGE IN NET POSITION</u>	-
<u>NET POSITION - July 1</u>	<u>-</u>
<u>NET POSITION - June 30</u>	<u>\$ -</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, 2022

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, 2022, 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, 2022

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

Custodial Funds – Custodial funds are used to account for assets held by the City in a custodial capacity or as a trustee agent for individuals, private organizations and/or other governmental units. Custodial funds use the economic resources measurement focus. The fiduciary operations of the City consist of custodial funds as presented on Exhibit IX and X.

The custodial funds consist of the Fireman’s Fund and the Narcotic Seizure Fund as presented on Schedules D-1 and D-2. The Fireman’s Fund is used to account for contributions 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, 2022

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, 2022

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, 2022, 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	\$ 18,285,000	\$ 1,660,000	\$ 19,945,000

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, 2022 all commitments lapsed and no encumbrances were recognized.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

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, 2022

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, 2022

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, 2022

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, represent a consumption of net assets that applies to future periods 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 18).

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, represent an acquisition of net assets that applies to future periods 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, 2022

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, 2022, 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, 2022

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, 2022, the City had cash on-hand of \$3,225 and cash deposits in demand, savings, money market and certificate of deposit accounts equal to \$56,153,767. Of the deposit amounts, \$1,250,000 is covered by FDIC insurance, and the balance of \$54,903,767 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, 2022, 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 14 - 10% of tax

March 15 and thereafter - 15% of tax plus collection cost

Current year real and personal taxes go into execution on March 15. 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, 2022

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 Joint Municipal Water and Sewer Commission pursuant to contracts that provide necessary improvements to the City's Lake Murray Water Treatment Facility that increase the Commission's guaranteed capacity from 4.5 million GPD to 10.07 million GPD.

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, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2022</u>
Non-Depreciable					
Capital Assets:					
Construction in Process	\$ 9,374,226	\$ 600,469		\$(359,715)	\$ 9,614,980
Land	3,852,943				3,852,943
Total Non-Depreciable					
Capital Assets:	<u>13,227,169</u>	<u>600,469</u>		<u>(359,715)</u>	<u>13,467,923</u>
Depreciable Capital Assets:					
Buildings & Improvements	11,582,865	34,931		359,715	11,977,511
Vehicles and Equipment	11,401,822	2,185,119	\$ 182,926		13,404,015
Total Depreciable					
Capital Assets	<u>22,984,687</u>	<u>2,220,050</u>	<u>182,926</u>	<u>359,715</u>	<u>25,381,526</u>
Total Capital Assets:	<u>36,211,856</u>	<u>2,820,519</u>	<u>182,926</u>		<u>38,849,449</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

Note 6. Changes in Capital Assets (continued)

Governmental Activities (continued):

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2022</u>
<u>Less accumulated</u>					
<u>Depreciation for:</u>					
Buildings and Improvements	\$4,278,781	\$ 383,784			\$ 4,662,565
Vehicles and Equipment	8,859,061	546,695	\$ 174,598		9,231,158
Total Accumulated					
Depreciation:	<u>13,137,842</u>	<u>930,479</u>	<u>174,598</u>		<u>13,893,723</u>
Governmental Activities					
Capital Assets, Net:	<u>\$23,074,014</u>	<u>\$1,890,040</u>	<u>\$ 8,328</u>		<u>\$ 24,955,726</u>

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

General government	\$ 157,128
Community and economic development	3,781
Public safety	365,951
Public services	136,290
General services	201,681
Tourism related	65,648
Total depreciation expense – governmental activities	<u>\$ 930,479</u>

Business-Type Activities:

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

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2022</u>
Non-Depreciable					
Capital Assets:					
Land	\$ 407,727				\$ 407,727
Construction in Progress	1,931,530	\$ 555,307		\$(1,355,292)	1,131,545
Total Non-Depreciable					
Capital Assets	<u>2,339,257</u>	<u>555,307</u>		<u>(1,355,292)</u>	<u>1,539,272</u>
Depreciable Capital Assets					
Buildings	64,151,712	793,441		1,355,292	66,300,445
Improvements Other Than Buildings	30,851,354				30,851,354
Equipment	4,644,142	179,242			4,823,384
Vehicles and Equipment	1,758,247	30,350			1,788,597
Total Depreciable					
Capital Assets:	<u>101,405,455</u>	<u>1,003,033</u>		<u>1,355,292</u>	<u>103,763,780</u>
Total Capital Assets:	<u>103,744,712</u>	<u>1,558,340</u>			<u>105,303,052</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

Note 6. Changes in Capital Assets (continued)

Business-Type Activities (continued):

	Balance				Balance
	<u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2022</u>
Less accumulated Depreciation for:					
Buildings	\$24,215,195	\$ 1,875,507			\$26,090,702
Improvements Other Than Buildings	17,027,787	541,244			17,569,031
Equipment	1,915,234	263,006			2,178,240
Vehicles and Equipment	973,201	173,969			1,147,170
Total Accumulated Depreciation:	<u>44,131,417</u>	<u>2,853,726</u>			<u>46,985,143</u>
Business-Type Activities Capital Assets, Net:	<u>\$59,613,295</u>	<u>\$(1,295,386)</u>			<u>\$58,317,909</u>

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

Water and sewer utility	<u>\$ 2,853,726</u>
Total depreciation expense – business-type activities	<u>\$ 2,853,726</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 \$606,991 at June 30, 2022 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, 2022.

Year Ending	Governmental-type	Business-type
<u>June 30</u>	<u>Activities</u>	<u>Activities</u>
2023	\$ 210,240	\$ 76,691
2024	210,240	76,691
2025	76,691	57,339
Minimum lease payments for all capital leases	497,171	210,721
Less: Amount representing interest at the City's incremental borrowing rate of interest	<u>(15,311)</u>	<u>(8,153)</u>
Present value of minimum lease payments	<u>\$ 481,860</u>	<u>\$ 202,568</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 and special revenue funds. Business-type obligations from the proprietary fund for the debts as detailed below. Both the general and enterprise funds have been used in prior years to liquidate net pension and net OPEB liabilities.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

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

Governmental Activities:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Long Term Debt:				
Capital Leases	\$ 679,677		\$ 197,817	\$ 481,860
Net Pension Liability	18,809,847		3,180,355	15,629,492
Net OPEB Liability	885,365		318,393	566,972
HTax Bond Series 2018	2,915,000		386,000	2,529,000
TIF Bond Series 2016A	2,022,000		287,000	1,735,000
TIF Bond Series 2016B	1,936,000		227,000	1,709,000
GO Bond Series 2020	3,336,000		389,000	2,947,000
Total Payable	<u>\$30,583,889</u>		<u>\$ 4,985,565</u>	<u>\$ 25,598,324</u>
 Compensated Absences	 <u>\$ 711,814</u>	 <u>\$ 54,037</u>	 <u>\$ 35,887</u>	 <u>\$ 729,964</u>

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

		<u>June 30, 2022</u>	
	<u>Interest Rate</u>	<u>Current Portion</u>	<u>Long Term Portion</u>
Capital Leases	1.23 to 1.83%	\$ 201,432	\$ 280,428
HTax Bond, Series 2018	2.48%	396,000	2,133,000
TIF Bond, Series 2016A	3.35%	298,000	1,437,000
TIF Bond, Series 2016B	2.36%	233,000	1,476,000
General Obligation Bond, Series 2020	1.29%	394,000	2,553,000
Compensated Absences		317,719	412,245

On April 7, 2020, the City issued a long-term General Obligation Bond, Series 2020, in the amount of \$3,729,000 to refund the GO Bond, Series 2019. The 2020 bond will bear interest at 1.29% per annum and is providing \$224,032 in debt service savings.

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, 2022

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 \$7,520,718 at June 30, 2022 (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>
2023	\$ 1,321,000	\$ 199,161
2024	1,354,000	168,779
2025	1,385,000	137,593
2026	1,417,000	105,775
2027	1,452,000	73,549
2028	1,486,000	40,449
2029	426,000	6,509
2030	79,000	1,018
Totals	\$ <u>8,920,000</u>	\$ <u>732,833</u>

Business-Type Activities:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Long Term Debt:				
Capital Leases	\$ 273,907		\$ 71,339	\$ 202,568
Net Pension Liability	7,235,233		1,195,973	6,039,260
Net OPEB Liability	476,093		140,468	335,625
Revenue Bonds – 2005	3,502,565		706,684	2,795,881
Revenue Bonds – 2016	13,857,000		667,000	13,190,000
Revenue Bonds – 2018	15,095,000		410,000	14,685,000
Revenue Bonds – 2020	9,555,000		1,010,000	8,545,000
Total Payable	\$49,994,798		\$ 4,201,464	\$ 45,793,334
Compensated Absences:	\$ 382,536	\$ 17,861	\$ 39,933	\$ 360,464

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

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, 2022</u> <u>Current Portion</u>	<u>Long Term Portion</u>
Capital Leases	1.59% - 1.80%	\$ 72,641	\$ 129,927
Revenue Bonds:			
Series 2005 Issue	2.25%	\$ 722,720	\$ 2,073,161
Series 2016 Issue	2.66%	685,000	12,505,000
Series 2018 Issue	4.04%	420,000	14,265,000
Series 2020 Issue	1.25%	1,022,000	7,523,000
Total Revenue Bonds		<u>\$ 2,849,720</u>	<u>\$36,366,161</u>
Compensated Absences		<u>\$ 173,877</u>	<u>\$ 186,587</u>

The City issued \$10,540,000 in Water and Sewer System Revenue bonds, series 2020 to refund the SRF 2009A and SRF 2009B series bonds. This bond issue is for 10 years at a rate of 1.25%. The 2020 revenue is providing \$467,357 in debt service savings. The 2018 series bond issue 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>
2023	\$ 2,849,720	\$ 1,107,663
2024	2,912,119	1,049,747
2025	2,980,890	979,569
2026	2,905,151	914,440
2027	2,377,000	859,367
2028	2,436,000	799,925
2029	2,498,000	738,500
2030	2,559,000	675,049
2031	1,498,000	609,576
2032	1,551,000	555,922
2033-2037	8,529,000	2,002,352
2038-2042	4,205,000	867,275
2043-2044	1,915,000	112,125
Totals	<u>\$39,215,880</u>	<u>\$11,271,510</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

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	\$ 24,955,724	\$ 58,317,909
Bond proceeds on deposit	1,183,204	17,047,472
Less: net bonds payable	(8,920,000)	(39,215,881)
Less: capital leases	(481,861)	(202,568)
Total investment in capital assets	<u>\$ 16,737,067</u>	<u>\$ 35,946,932</u>
<u>Restricted:</u>		
Debt Service	\$ 969,900	\$ 329,794
Hospitality Tax	2,511,490	
Law Enforcement Grants and Programs	419,365	
Parks Program	55,755	
Accommodations Tax	253,052	
Total restricted net position	<u>\$ 4,209,562</u>	<u>\$ 329,794</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 Annual Comprehensive Financial Report (ACFR) which includes financial statements and required supplementary information. A copy of the separately issued ACFR 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 ACFR.

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, 2022

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 July 1, 2021, employees participating in the SCRS were required to contribute 9.00% of all earnable compensation. The employer contribution rate for SCRS was 16.56%. Included in the total SCRS employer contribution rate is a base retirement contribution of 16.41% and 0.15% contribution rate for the incidental death program. The City's contributions for the years ended June 30, 2022, 2021 and 2020 were \$1,226,553, \$1,071,546, and \$1,092,865, respectively, and equaled the base required retirement contribution rate 16.56% for 2022, 15.56% for 2021, and 15.56% for 2020.

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.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

Note 10. Pension Plan (continued)

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, 2021, employees participating in the PORS were required to contribute 9.75% of all earnable compensation. The employer contribution rate for PORS was 19.24%. Included in the total PORS employer contribution rate is a base retirement contribution of 18.84% and .20% for the incidental death program and .20% for the accidental death program. The City's contributions for the years ended June 30, 2022, 2021 and 2020 were \$845,838, \$793,267, and \$795,474, respectively, and equaled the base required retirement contribution rate 19.24% for 2022, 18.24% for 2021, and 17.24% for 2020.

The amounts paid by the City for pension, incidental death benefit program, and accidental death program contributions are reported as employer contribution expenditures within the applicable functional expenditure categories to which the related salaries are charged.

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

At June 30, 2022, the City reported \$13,985,102 and \$7,683,651 for its proportionate share of the net pension liabilities of SCRS and PORS, respectively. The net pension liability of the defined benefit pension plan was determined based on the July 1, 2021 actuarial valuations, using membership data as of July 1, 2020, projected forward to June 30, 2021, and financial information of the pension trust funds as of June 30, 2021, 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, 2022, the City's SCRS proportion was 0.064622% and its PORS proportion was 0.29864%. The City recognized pension expense in the amount of \$(3,499,822) and \$644,342 for SCRS and PORS, respectively.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

Note 10. Pension Plan (continued)

At June 30, 2022 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	\$ 238,220	\$ 261,391
Assumption changes	765,499	548,034
Differences between employer contributions and proportionate share	186,316	959,330
Contributions made from measurement date to June 30, 2022	1,226,553	845,838
Total deferred outflows of resources	2,416,588	2,614,593
Deferred Inflows of Resources		
Differences between expected and actual experience	18,875	23,930
Net difference between project and actual investment earnings	2,031,521	1,722,639
Differences between employer contributions and proportionate share	608,602	-
Total deferred inflows of resources	2,658,998	1,746,569
Net deferred outflows/(inflows)	\$ (242,410)	\$ 868,024

Deferred outflows of \$1,226,553 and \$845,838 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, 2023. 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>
2023	\$ 535,434	\$ (556,467)	\$ (21,033)
2024	51,605	(175,958)	(124,353)
2025	121,756	103,900	225,656
2026	760,168	606,339	1,366,507
	<u>\$ 1,468,963</u>	<u>\$ (22,186)</u>	<u>\$ 1,446,777</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

Note 10. Pension Plan (continued)

The total pension liabilities in the July 1, 2021 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	7.00%	7.00%
Projected Salary Increases	3.0% to 11.0%	3.5% to 10.5%
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 2020 Public Retirees of South Carolina Mortality table (2020 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 2020. Assumption used in the determination of the June 30, 2021, SCRS and PORS valuations are as follows:

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Males multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Males multiplied by 107%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30-year capital market assumptions. The long-term expected rate of returns represented 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 2021 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 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

Note 10. Pension Plan (continued)

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

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.00%	6.87%	3.16%
Bonds	26.00%	0.27%	0.07%
Private Equity	9.00%	9.68%	0.87%
Privatized Debt	7.00%	5.47%	0.39%
Real Assets	12.00%		
Real Estate	9.00%	6.01%	0.54%
Infrastructure	3.00%	5.08%	0.15%
Total Expected Return	100.00%		5.18%
Inflation for Actuarial Purposes			2.25%
			7.43%

The discount rate used to measure the total pension liability (TPL) was 7.00 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 7.00 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 (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

Plan	Decrease 6.00%	Rate 7.00%	Increase 8.00%
SCRS	\$ 18,318,742	\$ 13,985,101	\$ 10,382,950
PORS	11,147,994	7,683,651	4,845,823
	<u>\$ 29,466,736</u>	<u>\$ 21,668,752</u>	<u>\$ 15,228,773</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

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 custodial fund in these statements.

Note 12. Risk Management

On July 1, 2011, the city began coverage in the South Carolina Public Employee Benefit Authority (PEBA), which is a state funded insurance benefit program administrated by Blue Cross / Blue Shield of South Carolina. This program is available to employees of the state, higher education institutions, public school districts and participating local subdivisions. The General Assembly passed legislation extending voluntary participation in PEBA to eligible local subdivisions. To be eligible to participate, the local subdivisions must fall within one of the categories, which include municipalities, established by statute (Section 1-11-720 of the S.C. Code of Laws, as amended). PEBA offers health, dental, vision, life, and long term disability. The City pays employee health (standard), basic dental, required life and long term disability.

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, 2022 are as follows:

	<u>Inter-fund Receivables</u>	<u>Inter-fund Payables</u>
General Fund	\$ 55,123	
Hospitality Tax Fund	39,197	
Proprietary Fund: Water and Sewer		\$ 94,320
Totals	<u>\$ 94,320</u>	<u>\$ 94,320</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

Note 13. Inter-fund Receivables, Payables And Transfers (continued)

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, 2022 are as follows:

<u>Transfer Out</u>	<u>Transfer In</u> <u>General Fund</u>
Special Revenue Fund: Hospitality Tax	\$ 950,000
Proprietary Fund: Water and Sewer	3,120,000
	<u>\$ 4,070,000</u>

The transfer of \$3,120,000 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.

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, 2022, 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, 2022. 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 is a great compliment to the Riverwalk Park and is providing much needed public parking for the entire River District. The City has committed \$5,500,000 to this project these last couple of years. The City is also in the final stages of completing a new enabling park, Carraway Park, which is a world class park for children of all abilities to play together, that should be online soon. Through water and sewer revenue bond funding, the City is engaged in many water and sewer infrastructure upgrade projects throughout the entire system. The City is also in construction of various capital projects at the Lake Murray Water Treatment Facility.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

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, 2016, 2018, 2020 Bonds

The City covenants and agrees that it will, at times, prescribe and maintain and thereafter collect rates and charges for the services and facilities furnished by the System which, together with other income, are reasonably expected to yield annual net earnings in the current fiscal year equal to at least one hundred twenty percent (120%) of the total annual principal and interest requirements for all series of bonds outstanding in such fiscal year. However, the document for the Series 2005 Bonds provides a test that, when applied, could be more restrictive. The City is in compliance with this covenant.

Note 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, 2021, 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	203
	<u>225</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

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

B. Net OPEB Liability

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. The City's net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020.

Actuarial assumptions

The total OPEB liability in the December 31, 2020 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% - 9.50%
PORS	3.50% - 10.50%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	4.75%
Municipal Bond Index Rate	
Prior Measurement Date	2.12%
Measurement Date	2.06%
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	7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031
Medicare	5.25% for 2021 decreasing to an ultimate rate of 4.50% by 2025

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

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

B. Net OPEB Liability (continued)

Actuarial assumptions (continued)

Mortality rates were based on the PUB-2010 Mortality Table for Employees with a 135% multiplier to better reflect anticipated experience and provide a margin for future improvements.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study adopted by SCRS and PORS.

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>	<u>Expected Arithmetic Real Rate of Return</u>
US Government Agency	57.50%	4.50%
US Govt MBS/CMO/CMBS	40.00%	5.25%
Cash and Short Duration (Net)	2.50%	2.50%
Total	<u>100.00%</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 December 31, 2020. In addition to the actuarial methods and assumptions of the December 31, 2020 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 protection years, total payroll was assumed to increase annually using the payroll growth assumption
- Active employees do not explicitly contribute to the Plan.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

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

B. Net OPEB Liability (continued)

Discount Rate (continued)

- 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.

Changes in the Net OPEB Liability

	<u>Increase (Decrease)</u>		
	<u>Total OPEB</u>	<u>Plan</u>	
	<u>Liability</u>	<u>Fiduciary</u>	<u>Net OPEB</u>
	<u>(a)</u>	<u>Net Position</u>	<u>Liability</u>
		<u>(b)</u>	<u>(a) - (b)</u>
Balance at December 31, 2020	<u>\$ 3,592,548</u>	<u>\$ 2,231,090</u>	<u>\$ 1,361,458</u>
Changes for the year:			
Service cost	86,590		86,590
Interest on TOL and cash flows	165,986		165,986
Differences between expected and actual experience	(550,218)		(550,218)
Changes of assumption or other inputs	(15,258)		(15,258)
Contributions - employer		207,451	(207,451)
Net investment income		(55,052)	55,052
Benefit payments and implicit subsidy credit	(198,485)	(198,485)	-
Plan administrative expenses		(6,438)	6,438
Net changes	<u>(511,385)</u>	<u>(52,524)</u>	<u>(458,861)</u>
Balance at December 31, 2021	<u>\$ 3,081,163</u>	<u>\$ 2,178,566</u>	<u>\$ 902,597</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

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

B. Net OPEB Liability (continued)

**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:

	<u>1% Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
Net OPEB liability	\$ 622,954	\$ 902,597	\$ 1,221,191

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-poin lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (3.75%)</u>	<u>Current Discount Rate (4.75%)</u>	<u>1% Increase (5.75%)</u>
Net OPEB liability	\$ 1,139,639	\$ 902,597	\$ 685,139

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$96,670. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 46,272	\$ 855,691
Changes of assumptions or other inputs	110,981	13,490
Net difference between projected and actual earnings on OPEB plan investments	125,545	-
Total	<u>\$ 282,798</u>	<u>\$ 869,181</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

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

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

Deferred outflows of \$0, 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, 2023. 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:

2022	\$ (58,154)
2023	(70,592)
2024	(68,949)
2025	(64,792)
2026	(102,381)
Thereafter	(221,518)
Total	<u><u>\$ (586,386)</u></u>

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	\$ 38,849,449
Less, accumulated depreciation	<u>(13,893,722)</u>

Net amount reported **\$24,955,727**

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.

\$ (105,493)

Net amount reported **\$ (105,493)**

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	\$ (15,629,492)
Deferred outflows from pensions	3,990,128
Deferred inflows from pensions	<u>(3,020,905)</u>

Net amount reported **\$(14,660,269)**

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

Note 19. Reconciliation of Government – Wide Fund Financial Statements (continued)

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

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	\$ (566,972)
Deferred outflows from OPEB	185,058
Deferred inflows from OPEB	<u>(591,426)</u>

Net amount reported **\$(973,340)**

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	\$ 400,357
Bonds and Capital leases payable	(9,401,860)
Compensated absences	<u>(412,245)</u>

Net amount reported **\$(9,413,748)**

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	\$ 2,820,519
Depreciation expense	<u>(930,479)</u>

Net amount reported **\$ 1,890,040**

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

Property taxes	<u>\$ 23,149</u>
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Net amount reported **\$ 23,149**

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

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)

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	\$ (29,672)
Change in Accrued interest expense	<u>16,818</u>

Net amount reported	<u>\$ (12,854)</u>
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The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal payments – Bonds	\$ 1,289,000
Principal payments – Capital Leases	<u>197,817</u>

Net amount reported	<u>\$ 1,486,817</u>
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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 overall change in net pension liability, deferred outflows and deferred inflows decreased in the current fiscal year.

Net Pension Liability decreased	\$ 3,180,355
Deferred outflows from pensions decreased	(1,136,631)
Deferred inflows from pensions increased	<u>(2,365,019)</u>

Net amount reported	<u>\$ (321,295)</u>
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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 overall change in net OPEB liability, deferred outflows and deferred inflows decreased in the current fiscal year.

Net OPEB Liability decreased	\$ 318,393
Deferred outflows from OPEB increased	54,015
Deferred inflows from OPEB increased	<u>(305,328)</u>

Net amount reported	<u>\$ 67,080</u>
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CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

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)

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.

\$ (8,326)

Note 20. Subsequent Events

The City has evaluated all events subsequent to the basic financial statements for the year ended June 30, 2022 through January 18, 2023, which is the date the financial statements were available for issue. In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the City's operations at this time. Future potential impacts are unknown.

Note 21. New GASB Pronouncements

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 96, Subscription-based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Required Supplementary Information

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

Schedule 1

South Carolina Retirement System	2014	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability	0.066843%	0.066843%	0.066216%	0.070317%	0.070317%	0.073653%	0.064762%	0.063623%	0.064622%
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	\$ 14,787,805	\$ 16,256,712	\$ 13,985,101
City's covered payroll	\$ 6,145,082	\$ 6,145,082	\$ 6,275,436	\$ 6,186,941	\$ 6,679,388	\$ 7,064,832	\$ 6,838,675	\$ 7,091,920	\$ 6,953,576
City's proportionate share of the net pension liability as a percentage of its covered payroll	195.10%	187.28%	200.12%	255.85%	236.99%	233.60%	216.24%	229.23%	201.12%
Plan fiduciary net position as a percentage of the total liability	56.39%	59.92%	56.99%	53.30%	53.30%	54.10%	54.40%	50.70%	60.70%
South Carolina Police Officers Retirement System	2014	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability	0.196980%	0.196980%	0.194510%	0.190240%	0.190240%	0.192450%	0.274430%	0.295170%	0.298640%
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	\$ 7,865,098	\$ 9,788,368	\$ 7,683,651
City's covered payroll	\$ 2,455,989	\$ 2,455,989	\$ 2,484,382	\$ 2,520,072	\$ 2,455,074	\$ 2,475,177	\$ 3,970,356	\$ 4,458,935	\$ 4,446,564
City's proportionate share of the net pension liability as a percentage of its covered payroll	166.26%	153.64%	170.64%	206.80%	212.28%	220.32%	198.10%	219.52%	172.80%
Plan fiduciary net position as a percentage of the total liability	62.98%	67.55%	64.57%	60.90%	60.90%	61.73%	62.69%	58.80%	70.40%

* - 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 nine years of information is available.

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

Schedule 2

South Carolina Retirement System

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contributions	\$ 642,161	\$ 677,745	\$ 705,930	\$ 828,912	\$ 947,394	\$ 985,453	\$ 1,092,865	\$ 1,071,546	\$ 1,226,553
Contributions in relation to the contractually required contribution	(642,161)	(677,745)	(705,930)	(828,912)	(947,394)	(985,453)	(1,092,865)	(1,071,546)	(1,226,553)
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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	\$ 7,091,920	\$ 6,953,576	\$ 7,474,424
Contributions as a percentage of covered payroll	10.45%	10.80%	11.41%	12.41%	13.41%	14.41%	15.41%	15.41%	16.41%

South Carolina Police Officers Retirement System

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contributions	\$ 305,525	\$ 323,218	\$ 348,778	\$ 364,333	\$ 392,068	\$ 668,608	\$ 795,474	\$ 793,267	\$ 845,838
Contributions in relation to the contractually required contribution	(305,525)	(323,218)	(348,778)	(364,333)	(392,068)	(668,608)	(795,474)	(793,267)	(845,838)
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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	\$ 4,458,935	\$ 4,446,564	\$ 4,489,586
Contributions as a percentage of covered payroll	12.44%	13.01%	13.84%	14.84%	15.84%	16.84%	17.84%	17.84%	18.84%

* - 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 nine years of information is available.

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

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service cost	\$ 94,710	\$ 97,767	\$ 100,923	\$ 83,885	\$ 86,590
Interest	163,396	171,380	176,117	164,040	165,986
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	97,917	(8,918)	(520,739)	(18,401)	(550,218)
Changes of assumptions or other inputs	-	-	165,292	-	(15,258)
Benefit payments and implicit study credit	(226,571)	(148,386)	(172,933)	(178,821)	(198,485)
Net change in Total OPEB Liability	129,452	111,843	(251,340)	50,703	(511,385)
Total OPEB Liability - beginning	3,551,890	3,681,342	3,793,185	3,541,845	3,592,548
Total OPEB Liability - ending (a)	3,681,342	3,793,185	3,541,845	3,592,548	3,081,163
Plan Fiduciary Net Position					
Contributions - employer	\$ 319,299	\$ 224,576	\$ 230,183	\$ 202,745	\$ 207,451
Net investment income	47,918	26,606	101,297	120,504	(55,052)
Benefit payments	(226,571)	(148,386)	(172,933)	(178,821)	(198,485)
Administrative expense	(16,488)	-	(5,116)	(1,000)	(6,438)
Net change in plan fiduciary net position	124,158	102,796	153,431	143,428	(52,524)
Plan fiduciary net position - beginning	1,707,277	1,831,435	1,934,231	2,087,662	2,231,090
Plan fiduciary net position - ending (b)	\$ 1,831,435	\$ 1,934,231	\$ 2,087,662	\$ 2,231,090	\$ 2,178,566
Net OPEB Liability - ending (a) - (b)	<u>\$ 1,849,907</u>	<u>\$ 1,858,954</u>	<u>\$ 1,454,183</u>	<u>\$ 1,361,458</u>	<u>\$ 902,597</u>
 Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	 49.75%	 50.99%	 58.94%	 62.10%	 70.71%
Covered payroll	\$ 8,929,276	\$ 8,929,276	\$ 9,849,574	\$ 9,849,574	\$ 9,968,423
Total OPEB Liability as a percentage of covered payroll	20.72%	20.82%	14.76%	13.82%	9.05%

* - 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 five years subsequent to fiscal year 2017 have information available.

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

Schedule 4

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially Determined Employer Contributions (ADEC)	\$ 221,485	\$ 215,579	\$ 201,150	\$ 186,663	\$ 160,745
Contributions in relation to the ADEC	<u>319,299</u>	<u>224,576</u>	<u>230,183</u>	<u>202,745</u>	<u>207,451</u>
Annual contribution deficiency (excess)	<u>\$ (97,814)</u>	<u>\$ (8,997)</u>	<u>\$ (29,033)</u>	<u>\$ (16,082)</u>	<u>\$ (46,706)</u>
Covered payroll*	\$ 8,929,276	\$ 8,929,276	\$ 9,849,574	\$ 9,849,574	\$ 9,968,423
Actual contributions as a percentage of covered payroll	3.58%	2.52%	2.34%	2.06%	2.08%

* - 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, 2022 AND 2021

<u>ASSETS</u>	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
Cash	\$ 13,001,278	\$ 10,604,362
Receivables (Net of Allowance for Uncollectibles)		
Property Taxes - Delinquent	461,946	415,761
State	194,952	157,206
Municipal Governments	374,437	696,680
Grants	92,881	25,948
Rehabilitation Loans	32,645	32,645
Other	182,074	174,567
Prepaid Charges	723,677	956,102
Due from Other Funds	55,123	161,024
Restricted Cash and Equivalents	7,370,187	3,857,594
<u>TOTAL ASSETS</u>	<u>\$ 22,489,200</u>	<u>\$ 17,081,889</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,476,603	\$ 1,372,103
Payroll Withholding	3,308	6,080
Accrued Salaries	-	346,808
Accrued Vacation Pay	317,719	329,239
<u>TOTAL LIABILITIES</u>	<u>2,797,630</u>	<u>2,054,230</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenue - property taxes	400,357	377,208
Unavailable revenue - deferred grant revenue	4,491,239	-
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>4,891,596</u>	<u>377,208</u>
<u>FUND BALANCE</u>		
Nonspendable	723,677	956,102
Restricted	2,881,275	3,857,594
Unassigned	11,195,022	9,836,755
<u>TOTAL FUND BALANCE</u>	<u>14,799,974</u>	<u>14,650,451</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES,</u> <u>AND FUND BALANCE</u>	<u>\$ 22,489,200</u>	<u>\$ 17,081,889</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEARS ENDED JUNE 30, 2022 AND 2021

	June 30, 2022	June 30, 2021
<u>REVENUES</u>		
Property Taxes	\$ 7,029,079	\$ 6,652,612
Franchise Fees, Licenses, and Permits	6,586,817	5,879,136
Fines and Forfeitures	128,797	94,354
Interest	11,923	44,156
Intergovernmental	734,446	627,002
Charges For Services	1,000,512	1,002,608
Grant Proceeds	143,951	482,972
Police Program Income	64,679	124,596
Other Revenues	229,060	287,509
<u>TOTAL REVENUES</u>	<u>15,929,264</u>	<u>15,194,945</u>
<u>EXPENDITURES</u>		
Current		
General Government	1,895,018	1,969,602
Community and Economic Development	658,401	578,628
Public Safety	10,826,251	9,039,120
Public Services	3,218,235	2,204,267
General Services	1,515,281	1,392,929
Capital Outlay		
Public Safety	247,933	-
Public Safety	247,933	706,947
Debt Service		
Principal	1,100,817	1,063,148
Interest	168,913	181,193
<u>TOTAL EXPENDITURES</u>	<u>19,878,782</u>	<u>17,135,834</u>
<u>EXCESS OF EXPENDITURES OVER/(UNDER) REVENUES</u>	<u>(3,949,518)</u>	<u>(1,940,889)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In	4,070,000	3,980,000
Sale of Capital Assets	29,041	38,458
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>4,099,041</u>	<u>4,018,458</u>
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</u>	<u>149,523</u>	<u>2,077,569</u>
<u>FUND BALANCE - July 1</u>	<u>14,650,451</u>	<u>12,572,882</u>
<u>FUND BALANCE - June 30</u>	<u>\$ 14,799,974</u>	<u>\$ 14,650,451</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEARS ENDED JUNE 30, 2022 AND 2021

	June 30, 2022			June 30, 2021		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property Taxes	\$ 7,005,000	\$ 7,029,079	\$ 24,079	\$ 5,770,000	\$ 6,652,612	\$ 882,612
Licenses and Permits	6,574,000	6,586,817	12,817	5,217,000	5,879,136	662,136
Fines and Forfeitures	105,000	128,797	23,797	105,000	94,354	(10,646)
Interest	15,000	11,923	(3,077)	40,000	44,156	4,156
Intergovernmental	727,600	734,446	6,846	547,600	627,002	79,402
Charges for Services	1,000,000	1,000,512	512	950,000	1,002,608	52,608
Grant Proceeds	148,300	143,951	(4,349)	127,900	482,972	355,072
Police Program Income	66,000	64,679	(1,321)	81,100	124,596	43,496
Other Revenues	229,000	229,060	60	392,000	287,509	(104,491)
TOTAL REVENUES	15,869,900	15,929,264	59,364	13,230,600	15,194,945	1,964,345
EXPENDITURES						
General Government	2,155,700	1,895,018	260,682	2,202,850	1,969,602	233,248
Community and Economic Development	687,300	658,401	28,899	654,250	578,628	75,622
Public Safety	10,977,600	10,826,251	151,349	9,359,700	9,039,120	320,580
Public Services	3,311,000	3,217,367	93,633	2,265,600	2,204,267	61,333
General Services	1,543,600	1,516,149	27,451	1,492,800	1,392,929	99,871
Capital Outlay						
General Government	-	247,933	(247,933)	-	-	-
Public Safety	-	247,933	(247,933)	-	706,947	(706,947)
Debt Service						
Principal	1,100,900	1,100,817	83	1,063,300	1,063,148	152
Interest	168,900	168,913	(13)	181,500	181,193	307
TOTAL EXPENDITURES	19,945,000	19,878,782	66,218	17,220,000	17,135,834	84,166
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,075,100)	(3,949,518)	125,582	(3,989,400)	(1,940,889)	2,048,511
OTHER FINANCING SOURCES/(USES)						
Transfers In	4,070,000	4,070,000	-	3,980,000	3,980,000	-
Sale of Capital Assets	5,100	29,041	23,941	9,400	38,458	29,058
TOTAL OTHER FINANCING SOURCES/(USES)	4,075,100	4,099,041	23,941	3,989,400	4,018,458	29,058
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ -	149,523	\$ 149,523	\$ -	2,077,569	\$ 2,077,569
FUND BALANCE - July 1		14,650,451			12,572,882	
FUND BALANCE - June 30		\$ 14,799,974			\$ 14,650,451	

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	Budget	Actual	Variance Favorable (Unfavorable)	2021 Actual
<u>GENERAL GOVERNMENT</u>				
<u>LEGISLATIVE (MAYOR & COUNCIL)</u>				
Personnel Services	\$ 102,200	\$ 103,062	\$ (862)	\$ 98,482
Other Services and Charges	60,500	39,006	21,494	21,983
<u>TOTALS</u>	162,700	142,068	20,632	120,465
<u>ADMINISTRATIVE</u>				
Personnel Services	1,239,600	1,242,377	(2,777)	1,139,089
Supplies	11,200	22,452	(11,252)	22,909
Other Services and Charges	581,150	522,770	58,380	621,117
Capital Outlay	161,050	461,217	(300,167)	66,022
Debt Service - Principal	903,000	903,000	-	849,000
Debt Service - Interest	156,500	156,442	58	164,815
<u>TOTALS</u>	3,052,500	3,308,258	(255,758)	2,862,952
<u>TOTAL GENERAL GOVERNMENT</u>	3,215,200	3,450,326	(235,126)	2,983,417
<u>COMMUNITY DEVELOPMENT</u>				
<u>INSPECTIONS / CODES COMPLIANCE</u>				
Personnel Services	377,100	348,673	28,427	408,136
Supplies	15,000	7,546	7,454	8,149
Other Services and Charges	103,600	118,152	(14,552)	29,657
Capital Outlay	9,100	5,833	3,267	28,695
<u>TOTAL COMMUNITY DEVELOPMENT</u>	504,800	480,204	24,596	474,637
<u>ECONOMIC DEVELOPMENT</u>				
Personnel Services	72,240	71,987	253	70,253
Supplies	1,400	1,376	24	107
Other Services and Charges	106,860	102,925	3,935	33,630
Capital Outlay	2,000	1,909	91	-
<u>TOTAL ECONOMIC DEVELOPMENT</u>	182,500	178,197	4,303	103,990
<u>TOTAL COMMUNITY & ECONOMIC DEVELOPMENT</u>	687,300	658,401	28,899	578,627
<u>PUBLIC SAFETY</u>				
<u>POLICE DEPARTMENT</u>				
<u>ADMINISTRATION</u>				
Personnel Services	3,654,610	3,482,331	172,279	3,478,590
Supplies	51,590	62,026	(10,436)	40,366
Other Services and Charges	955,840	949,583	6,257	687,028
Capital Outlay	773,660	1,022,460	(248,800)	152,249
Debt Service - Principal	58,400	58,436	(36)	57,378
Debt Service - Interest	4,000	3,973	27	5,031
<u>TOTALS</u>	5,498,100	5,578,809	(80,709)	4,420,642

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2021 Actual</u>
<u>PUBLIC SAFETY (CONTINUED)</u>				
<u>DETECTIVES</u>				
Personnel Services	1,169,700	1,022,760	146,940	1,114,334
Supplies	8,100	6,656	1,444	4,856
Other Services and Charges	96,500	84,539	11,961	68,583
Capital Outlay	437,400	437,866	(466)	-
<u>TOTALS</u>	1,711,700	1,551,821	159,879	1,187,773
<u>DISPATCH - 911 CALL CENTER</u>				
Personnel Services	288,000	276,893	11,107	271,540
Supplies	10,200	16,945	(6,745)	511
Other Services and Charges	32,500	25,348	7,152	27,445
Capital Outlay	1,000	1,819	(819)	4,420
<u>TOTALS</u>	331,700	321,005	10,695	303,916
<u>COURT ADMINISTRATION</u>				
Personnel Services	291,950	292,749	(799)	280,732
Supplies	4,250	4,455	(205)	2,338
Other Services and Charges	67,300	57,656	9,644	38,810
Capital Outlay	3,500	-	3,500	900
<u>TOTALS</u>	367,000	354,860	12,140	322,780
<u>TOTAL POLICE DEPARTMENT</u>	7,908,500	7,806,495	102,005	6,235,111
<u>FIRE DEPARTMENT</u>				
Personnel Services	2,506,380	2,492,880	13,500	2,360,739
Supplies	115,050	106,108	8,942	71,148
Other Services and Charges	394,070	366,928	27,142	410,465
Capital Outlay	116,000	116,249	(249)	731,013
Debt Service - Principal	16,000	15,987	13	15,699
Debt Service - Interest	1,000	1,035	(35)	1,323
<u>TOTALS</u>	3,148,500	3,099,187	49,313	3,590,387
<u>TOTAL PUBLIC SAFETY</u>	11,057,000	10,905,682	151,318	9,825,498

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	Budget	Actual	Variance Favorable (Unfavorable)	2021 Actual
<u>PUBLIC SERVICES</u>				
STREET DEPARTMENT				
Personnel Services	149,515	149,178	337	136,303
Supplies	1,700	1,242	458	263
Other Services and Charges	282,485	271,468	11,017	280,046
Capital Outlay	206,000	205,579	421	-
Debt Service - Principal	5,100	5,059	41	4,968
Debt Service - Interest	300	283	17	374
<u>TOTALS</u>	645,100	632,809	12,291	421,954
SANITATION DEPARTMENT				
Personnel Services	1,303,700	1,258,174	45,526	1,273,420
Supplies	65,700	62,830	2,870	54,033
Other Services and Charges	547,200	513,857	33,343	388,547
Capital Outlay	756,500	755,907	593	71,655
Debt Service - Principal	110,800	110,746	54	118,700
Debt Service - Interest	6,700	6,756	(56)	8,921
<u>TOTALS</u>	2,790,600	2,708,270	82,330	1,915,276
<u>TOTAL PUBLIC SERVICES</u>	3,435,700	3,341,079	94,621	2,337,230
<u>DIVISION OF GENERAL SERVICES</u>				
MAINTENANCE SHOP				
Personnel Services	272,100	268,885	3,215	249,321
Supplies	5,750	5,245	505	5,689
Other Services and Charges	39,400	38,765	635	31,415
Capital Outlay	4,050	2,367	1,683	16,773
<u>TOTALS</u>	321,300	315,262	6,038	303,198
PARKS AND RECREATION				
Personnel Services	817,400	781,886	35,514	799,939
Supplies	58,800	64,653	(5,853)	46,800
Other Service and Charges	258,800	263,797	(4,997)	228,068
Capital Outlay	85,500	89,683	(4,183)	14,925
Debt Service - Principal	7,600	7,589	11	17,403
Debt Service - Interest	400	424	(24)	729
<u>TOTALS</u>	1,228,500	1,208,032	20,468	1,107,864
<u>TOTAL GENERAL SERVICES</u>	1,549,800	1,523,294	26,506	1,411,062
<u>GRAND TOTAL</u>	\$ 19,945,000	\$ 19,878,782	\$ 66,218	\$ 17,135,834

SCHEDULE B-1

CITY OF WEST COLUMBIA, SOUTH CAROLINA
HOSPITALITY TAX FUND
BALANCE SHEET
AS OF JUNE 30, 2022
(WTH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
<u>ASSETS</u>		
Receivables (Net)	\$ 227,917	\$ 210,564
Due from General Fund	39,197	-
Restricted Cash and Equivalents	<u>2,511,490</u>	<u>1,752,981</u>
<u>TOTAL ASSETS</u>	<u>\$ 2,778,604</u>	<u>\$ 1,963,545</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 4,671	\$ 520
Due to General Fund	-	110,358
Unearned Revenue - Current	<u>125,534</u>	<u>-</u>
<u>TOTAL LIABILITIES</u>	<u>130,205</u>	<u>110,878</u>
<u>FUND BALANCE</u>		
Restricted	<u>2,648,399</u>	<u>1,852,667</u>
<u>TOTAL FUND BALANCE</u>	<u>2,648,399</u>	<u>1,852,667</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 2,778,604</u>	<u>\$ 1,963,545</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
HOSPITALITY TAX FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
<u>REVENUES</u>		
Hospitality Tax	\$ 2,520,238	\$ 2,031,290
Grant Proceeds	25,650	-
Interest	3,707	3,334
	<hr/>	<hr/>
<u>TOTAL REVENUES</u>	<u>2,549,595</u>	<u>2,034,624</u>
<u>EXPENDITURES</u>		
Current		
Tourism Related	194,744	80,555
Capital Outlay		
Tourism Related	150,645	125,801
Debt Service		
Principal	386,000	377,000
Interest	72,474	81,642
	<hr/>	<hr/>
<u>TOTAL EXPENDITURES</u>	<u>803,863</u>	<u>664,998</u>
<u>EXCESS OF EXPENDITURES OVER REVENUES</u>	<u>1,745,732</u>	<u>1,369,626</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers (Out)	(950,000)	(900,000)
	<hr/>	<hr/>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>(950,000)</u>	<u>(900,000)</u>
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES</u> <u>OVER EXPENDITURES AND OTHER FINANCING USES</u>	<u>795,732</u>	<u>469,626</u>
<u>FUND BALANCE - July 1</u>	<u>1,852,667</u>	<u>1,383,041</u>
<u>FUND BALANCE - June 30</u>	<u>\$ 2,648,399</u>	<u>\$ 1,852,667</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, 2022 AND 2021

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 15,856,150	\$ 12,990,453
Accounts Receivable	4,568,238	5,511,699
Prepaid Charges	5,512	88,774
Notes Receivable - Municipal Government	523,454	523,454
Restricted Cash and Cash Equivalents	17,377,265	17,853,760
<u>TOTAL CURRENT ASSETS</u>	<u>38,330,619</u>	<u>36,968,140</u>
<u>NONCURRENT ASSETS</u>		
Noncurrent Receivable - Municipal Government	1,371,028	1,855,336
CAPITAL ASSETS		
Water Plant, Lines, and Sewer System	104,171,508	101,813,183
Less: Accumulated Depreciation	(46,985,144)	(44,131,418)
Construction in Progress	1,131,545	1,931,530
<u>TOTAL CAPITAL ASSETS (NET OF</u>		
<u>ACCUMULATED DEPRECIATION)</u>	<u>58,317,909</u>	<u>59,613,295</u>
<u>TOTAL NONCURRENT ASSETS</u>	<u>59,688,937</u>	<u>61,468,631</u>
<u>TOTAL ASSETS</u>	<u>98,019,556</u>	<u>98,436,771</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension Plan	1,041,053	1,183,823
OPEB Plan	97,740	73,909
<u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u>	<u>1,138,793</u>	<u>1,257,732</u>
<u>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</u>	<u>99,158,349</u>	<u>99,694,503</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2022 AND 2021

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
(Payable from Current Assets)		
Accounts Payable	2,016,961	1,440,164
Customer Deposits	793,931	743,289
Accrued Payroll and Vacation Pay	173,877	343,116
Capital Lease Obligation	72,641	71,339
Unearned Revenue	629,144	629,144
Due to Other Funds	94,320	50,666
(Payable from Restricted Assets)		
Revenue Bonds Payable	2,849,720	2,793,685
Accrued Interest Payable	91,570	97,283
<u>TOTAL CURRENT LIABILITIES</u>	<u>6,722,164</u>	<u>6,168,686</u>
LONG-TERM LIABILITIES		
Accrued Vacation Pay - Due After One Year	186,587	207,429
Capital Lease Obligation - Due After One Year	129,927	202,568
Revenue Bonds - Due After One Year	36,366,161	39,215,880
Unearned Revenue - Due After One Year	10,732,171	11,361,315
Net Pension Liability	6,039,260	7,235,233
Net OPEB Liability	335,625	476,093
<u>TOTAL LONG-TERM LIABILITIES</u>	<u>53,789,731</u>	<u>58,698,518</u>
<u>TOTAL LIABILITIES</u>	<u>60,511,895</u>	<u>64,867,204</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Plan	1,384,662	614,680
OPEB Plan	277,755	143,050
<u>TOTAL DEFERRED INFLOW OF RESOURCES</u>	<u>1,662,417</u>	<u>757,730</u>
<u>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</u>	<u>62,174,312</u>	<u>65,624,934</u>
<u>NET POSITION</u>		
Net Investment In Capital Assets	35,946,932	34,843,981
Restricted		
Debt Service	329,794	339,702
Unrestricted	707,311	(1,114,114)
<u>TOTAL NET POSITION</u>	<u>\$ 36,984,037</u>	<u>\$ 34,069,569</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, 2022 AND 2021

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 21,223,637	\$ 21,520,481
<u>TOTAL OPERATING REVENUES</u>	<u>21,223,637</u>	<u>21,520,481</u>
<u>OPERATING EXPENSES</u>		
Personnel Services	5,290,726	5,607,461
Material and Supplies	1,636,223	1,227,694
Contractual Services	2,092,297	2,285,329
Utilities	1,085,514	1,014,253
Repairs and Maintenance	886,312	764,852
Depreciation	2,853,726	2,704,451
Other Operating Expenses	315,109	256,479
<u>TOTAL OPERATING EXPENSES</u>	<u>14,159,907</u>	<u>13,860,519</u>
<u>OPERATING INCOME</u>	<u>7,063,730</u>	<u>7,659,962</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	132,674	261,104
Interest and Amortization Expense	(1,166,074)	(1,242,031)
Gain (Loss) on Sale of Capital Assets	-	12,571
<u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u>	<u>(1,033,400)</u>	<u>(968,356)</u>
<u>NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</u>	<u>6,030,330</u>	<u>6,691,606</u>
<u>CAPITAL CONTRIBUTIONS</u>		
Grant Proceeds	4,138	1,800
<u>NET INCOME BEFORE TRANSFERS</u>	<u>6,034,468</u>	<u>6,693,406</u>
<u>TRANSFERS IN/(OUT)</u>		
General Fund	(3,120,000)	(3,080,000)
<u>CHANGE IN NET POSITION</u>	<u>2,914,468</u>	<u>3,613,406</u>
<u>NET POSITION - July 1</u>	<u>34,069,569</u>	<u>30,456,163</u>
<u>NET POSITION - June 30</u>	<u>\$ 36,984,037</u>	<u>\$ 34,069,569</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
<u>Cash Flows From Operating Activities</u>		
Cash Received From Customers	\$ 21,588,596	\$ 19,992,648
Cash Paid to Suppliers	(5,311,742)	(5,045,542)
Cash Paid to Employees	(5,793,622)	(5,346,220)
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Net Cash Provided by Operating Activities	10,483,232	9,600,886
	<hr/>	<hr/>
<u>Cash Flows from Non-Capital Financing Activities</u>		
Transfers Out	(3,120,000)	(3,080,000)
	<hr/>	<hr/>
Net Cash Used in Non-Capital Financing Activities	(3,120,000)	(3,080,000)
	<hr/>	<hr/>
<u>Cash Flows From Capital and Related Financing Activities</u>		
Principal Paid on Capital Debt	(2,865,023)	(2,845,750)
Interest Paid on Capital Debt	(1,171,787)	(1,250,989)
Acquisition of Capital Assets	(1,558,340)	(3,219,131)
Payments Received from Municipal Governments	484,308	475,885
Proceeds from Capital Grants	4,138	1,800
Proceeds from the Sale of Capital Assets	-	12,571
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Net Cash Provided (Used) in Capital and Related Financing Activities	(5,106,704)	(6,825,614)
	<hr/>	<hr/>
<u>Cash Flows From Investing Activities</u>		
Interest on Investments	132,674	261,104
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Net Cash Provided by Investing Activities	132,674	261,104
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Net Increase (Decrease) in Cash and and Cash Equivalents	2,389,202	(43,624)
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<u>Cash and Cash Equivalents - July 1</u>	30,844,213	30,887,837
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<u>Cash and Cash Equivalents - June 30</u>	\$ 33,233,415	\$ 30,844,213
	<hr/> <hr/>	<hr/> <hr/>
 <u>Cash</u>	 \$ 15,856,150	 \$ 12,990,453
 <u>Restricted Cash and Cash Equivalents</u>	 17,377,265	 17,853,760
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<u>Total Cash and Cash Equivalents</u>	\$ 33,233,415	\$ 30,844,213
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CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER
YEARS ENDED JUNE 30, 2022 AND 2021

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

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
<u>Operating Income</u>	<u>\$ 7,063,730</u>	<u>\$ 7,659,962</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	2,853,726	2,704,451
(Increase) Decrease in		
Accounts Receivable	943,461	(935,334)
Prepaid Charges	83,262	(82,699)
Due from Other Funds	-	653,988
Deferred Outflow of Resources	118,939	(304,841)
Increase (Decrease) in		
Accounts Payable	576,797	(118,890)
Unearned Revenue	(629,144)	(629,144)
Customer Deposits	50,642	36,645
Accrued Expenses	(190,081)	(3,623)
Due to Other Funds	43,654	50,666
Net Pension Liability	(1,195,973)	779,478
Net OPEB Liability	(140,468)	(28,385)
Deferred Inflow of Resources	904,687	(181,388)
Total Adjustments	<u>3,419,502</u>	<u>1,940,924</u>
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 10,483,232</u>	<u>\$ 9,600,886</u>

FIDUCIARY FUNDS

Custodial funds are used to account for assets held by the government as a trustee 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
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2022

	<u>FIREMAN'S FUND</u>	<u>NARCOTIC FUND</u>	<u>TOTAL CUSTODIAL FUNDS</u>
<u>ASSETS</u>			
Cash and cash equivalents	<u>\$ 40,826</u>	<u>\$ 41,626</u>	<u>\$ 82,452</u>
Total assets	<u>40,826</u>	<u>41,626</u>	<u>82,452</u>
<u>LIABILITIES</u>			
Due to fireman's organization	<u>40,826</u>	<u>-</u>	<u>40,826</u>
Due to narcotics programs	<u>-</u>	<u>41,626</u>	<u>41,626</u>
Total liabilities	<u>40,826</u>	<u>41,626</u>	<u>82,452</u>
<u>NET POSITION</u>			
Restricted for individuals, organizations and other governments	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022

	<u>FIREMAN'S FUND</u>	<u>NARCOTIC FUND</u>	<u>TOTAL CUSTODIAL FUNDS</u>
<u>ADDITIONS</u>			
Fireman's funds	\$ 44,085	\$ -	\$ 44,085
Narcotic funds seized	-	10,395	10,395
Total additions	44,085	10,395	54,480
<u>DEDUCTIONS</u>			
Fireman's funds disbursed	44,085	-	44,085
Narcotics funds disbursed	-	10,395	10,395
Total deductions	44,085	10,395	54,480
Change in fiduciary net position	-	-	-
Net position, beginning of year	-	-	-
Net position, end of year	\$ -	\$ -	\$ -

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**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, 2022 AND 2021

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
<u>CAPITAL ASSETS</u>		
Land	\$ 3,852,943	\$ 3,852,943
Construction in Process	9,614,980	9,374,226
Buildings and Improvements	11,977,511	11,582,866
Vehicles and Equipment	13,404,015	11,401,821
<u>TOTAL CAPITAL ASSETS</u>	<u>\$ 38,849,449</u>	<u>\$ 36,211,856</u>
<u>INVESTMENT IN CAPITAL ASSETS</u>		
<u>BY SOURCE</u>		
General Fund	33,359,695	30,832,187
Special Revenue Fund - Hospitality Tax	5,489,754	5,379,669
<u>TOTAL INVESTMENT IN CAPITAL ASSETS</u>	<u>\$ 38,849,449</u>	<u>\$ 36,211,856</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2022

	Land, CIP, Buildings and Fixtures	Vehicles and Equipment	Total
<u>FUNCTION AND ACTIVITIES</u>			
GENERAL GOVERNMENT	\$ 7,436,473	\$ 333,171	\$ 7,769,644
COMMUNITY DEVELOPMENT	6,226,264	65,212	6,291,476
PUBLIC SAFETY			
Police	247,933	5,334,175	5,582,108
Fire	1,630,648	3,221,864	4,852,512
TOTAL PUBLIC SAFETY	1,878,581	8,556,039	10,434,620
PUBLIC SERVICES			
Street	-	770,772	770,772
Sanitation	76,419	2,619,987	2,696,406
TOTAL PUBLIC SERVICES	76,419	3,390,760	3,467,178
GENERAL SERVICES			
General Services	87,329	-	87,329
Maintenance Shop	103,008	240,396	343,404
Parks and Recreation	4,157,379	808,666	4,966,045
TOTAL GENERAL SERVICES	4,347,716	1,049,062	5,396,778
TOURISM RELATED	5,479,982	9,771	5,489,753
<u>TOTAL CAPITAL ASSETS</u>	<u>\$ 25,445,434</u>	<u>\$ 13,404,015</u>	<u>\$ 38,849,449</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>FUNCTION AND ACTIVITY</u>	Capital Assets June 30, 2021	Additions	Deletions	Capital Assets June 30, 2022
GENERAL GOVERNMENT	\$ 7,542,511	\$ 247,933	\$ 20,800	\$ 7,769,644
COMMUNITY DEVELOPMENT	6,291,476	-	-	6,291,476
PUBLIC SAFETY				
Police	4,329,194	1,389,950	137,036	5,582,108
Fire	4,859,801	-	7,289	4,852,512
TOTAL PUBLIC SAFETY	9,188,995	1,389,950	144,325	10,434,620
PUBLIC SERVICES				
Street	566,360	204,412	-	770,772
Sanitation	1,945,302	751,104	-	2,696,406
TOTAL PUBLIC SERVICES	2,511,662	955,516	-	3,467,178
GENERAL SERVICES				
General Services	87,329	-	-	87,329
Maintenance Shop	361,204	-	17,800	343,404
Parks and Recreation	4,849,010	476,751	359,716	4,966,045
TOTAL GENERAL SERVICES	5,297,542	476,751	377,516	5,396,778
TOURISM RELATED	5,379,669	110,084	-	5,489,753
<u>TOTAL CAPITAL ASSETS</u>	<u>\$ 36,211,855</u>	<u>\$ 3,180,234</u>	<u>\$ 542,641</u>	<u>\$ 38,849,449</u>

VICTIM'S RIGHTS ASSISTANCE

CITY OF WEST COLUMBIA
SCHEDULE OF COURT FINES, FEES, ASSESSMENTS AND SURCHARGES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total Court Fines, Assessments, and Surcharges

Court fines, assessments, and surcharges collected	\$ 283,352
Court fines, assessments, and surcharges remitted to State Treasurer	<u>(153,541)</u>
Total Court fines, assessments, and surcharges retained by City of West Columbia	<u><u>\$ 129,811</u></u>

Surcharges and Assessments retained for Victims' Services

Surcharges collected and retained	\$ 6,753
Assessments retained	<u>13,311</u>
Total surcharges and assessments retained for victims' services	<u><u>\$ 20,064</u></u>

Victims' Services Collected

Carryforward from previous year - beginning balance	\$ -
Victims' Service Revenue	
Victims' service fines retained by the City	-
Victims' service assessments retained by the City	13,311
Victims' service surcharges retained by the City	6,753
General funds allocated to victims' service fund	<u>82,129</u>
Total funds allocated to victims' service fund + beginning balance (A)	<u><u>102,193</u></u>
Expenditures for Victims' Service Program	
Operating expenditures	\$ 102,193
General funds received from victims' service fund	<u>-</u>
Total expenditures from victims' service fund/program (B)	<u><u>102,193</u></u>
Total victims' service funds retained by the City (A-B)	<u>-</u>
Carryforward funds - end of year	<u><u>\$ -</u></u>

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

Contents	Page
Financial Trends	108
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	114
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	
Debt Capacity	118
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	123
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	125
These schedules contain service and infrastructure data to help the reader Understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	

Table 1

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net investment in capital assets	\$ 7,594,825	\$ 7,754,760	\$ 7,226,074	\$ 7,630,796	\$ 6,833,900	\$ 9,890,265	\$ 12,303,667	\$ 12,312,722	\$ 13,940,326	\$ 16,737,067
Restricted	121,554	143,948	196,449	465,836	1,626,871	2,093,588	2,725,992	2,724,559	3,855,586	4,209,562
Unrestricted	<u>4,238,749</u>	<u>4,367,132</u>	<u>(6,370,468)</u>	<u>(5,252,945)</u>	<u>(5,413,419)</u>	<u>(5,714,087)</u>	<u>(6,261,667)</u>	<u>(4,756,107)</u>	<u>(4,614,528)</u>	<u>(3,695,379)</u>
Total Governmental Activities Net Position	<u>\$ 11,955,128</u>	<u>\$ 12,265,840</u>	<u>\$ 1,052,055</u>	<u>\$ 2,843,687</u>	<u>\$ 3,047,352</u>	<u>\$ 6,269,766</u>	<u>\$ 8,767,992</u>	<u>\$ 10,281,174</u>	<u>\$ 13,181,384</u>	<u>\$ 17,251,250</u>
Business-Type Activities										
Net investment in capital assets	\$ 24,500,510	\$ 25,210,043	\$ 25,731,877	\$ 25,948,977	\$ 26,803,984	\$ 29,645,047	\$ 30,838,875	\$ 33,200,931	\$ 34,843,981	\$ 35,946,932
Restricted	2,770,192	2,593,418	11,284,796	4,603,590	2,481,791	529,962	496,284	338,437	339,702	329,794
Unrestricted	<u>(5,637,529)</u>	<u>(5,921,368)</u>	<u>(18,185,198)</u>	<u>(11,586,573)</u>	<u>(7,651,434)</u>	<u>(5,912,901)</u>	<u>(4,145,409)</u>	<u>(3,083,205)</u>	<u>(1,114,114)</u>	<u>707,311</u>
Total Business-Type Activities Net Position	<u>\$ 21,633,173</u>	<u>\$ 21,882,093</u>	<u>\$ 18,831,475</u>	<u>\$ 18,965,994</u>	<u>\$ 21,634,341</u>	<u>\$ 24,262,108</u>	<u>\$ 27,189,750</u>	<u>\$ 30,456,163</u>	<u>\$ 34,069,569</u>	<u>\$ 36,984,037</u>
Primary Government										
Net investment in capital assets	\$ 32,095,335	\$ 32,964,803	\$ 32,957,951	\$ 33,579,773	\$ 33,637,884	\$ 39,535,312	\$ 43,142,542	\$ 45,513,653	\$ 48,784,307	\$ 52,683,999
Restricted	2,891,746	2,737,366	11,481,245	5,069,426	4,108,662	2,623,550	3,222,276	3,062,996	4,195,288	4,539,356
Unrestricted	<u>(1,398,780)</u>	<u>(1,554,236)</u>	<u>(24,555,666)</u>	<u>(16,839,518)</u>	<u>(13,064,853)</u>	<u>(11,626,988)</u>	<u>(10,407,076)</u>	<u>(7,839,312)</u>	<u>(5,728,642)</u>	<u>(2,988,068)</u>
Total Primary Governmental Net Position	<u>\$ 33,588,301</u>	<u>\$ 34,147,933</u>	<u>\$ 19,883,530</u>	<u>\$ 21,809,681</u>	<u>\$ 24,681,693</u>	<u>\$ 30,531,874</u>	<u>\$ 35,957,742</u>	<u>\$ 40,737,337</u>	<u>\$ 47,250,953</u>	<u>\$ 54,235,287</u>

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 1,656,211	\$ 1,346,552	\$ 1,715,597	\$ 1,271,502	\$ 1,869,396	\$ 2,171,290	\$ 2,719,820	\$ 2,212,236	\$ 2,117,695	\$ 1,981,435
Community & economic development	377,098	346,572	344,200	309,105	504,766	358,149	522,091	498,789	586,830	638,244
Public safety	7,256,373	7,275,636	7,158,809	7,054,030	8,918,738	7,144,296	8,459,804	10,007,570	10,488,682	10,560,268
Public services	1,708,734	1,800,762	1,778,287	1,688,882	2,526,198	1,805,330	2,223,485	2,295,139	2,289,587	2,345,081
General services	1,047,600	1,078,525	1,118,290	787,763	1,563,549	741,498	1,384,034	1,515,113	1,573,771	1,522,308
Tourism Related	-	-	-	-	34,204	253,695	198,026	212,425	191,163	300,953
Interest on Long-Term Debt	196,505	130,510	110,897	92,341	211,697	241,334	339,378	322,509	254,996	224,569
Total governmental activities expenses	12,242,521	11,978,557	12,226,080	11,203,623	15,628,548	12,715,592	15,846,638	17,063,781	17,502,724	17,572,858
Business-type activities:										
Water & sewer utility	8,633,742	8,540,261	8,935,396	10,894,406	12,521,055	11,361,508	13,324,511	14,428,178	15,102,550	15,325,981
Total business-type activities expenses	8,633,742	8,540,261	8,935,396	10,894,406	12,521,055	11,361,508	13,324,511	14,428,178	15,102,550	15,325,981
Total primary government expenses	<u>\$ 20,876,263</u>	<u>\$ 20,518,818</u>	<u>\$ 21,161,476</u>	<u>\$ 22,098,029</u>	<u>\$ 28,149,603</u>	<u>\$ 24,077,100</u>	<u>\$ 29,171,149</u>	<u>\$ 31,491,959</u>	<u>\$ 32,605,274</u>	<u>\$ 32,898,839</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 4,080,037	\$ 4,760,461	\$ 5,114,678	\$ 5,210,461	\$ 5,818,318	\$ 5,150,862	\$ 5,572,811	\$ 5,446,686	\$ 5,879,136	\$ 6,586,817
Public safety	314,430	173,004	184,943	159,905	159,296	1,103,635	1,098,510	1,091,492	1,096,962	1,129,309
Operating grants and contributions	377,865	10,459	53,609	177,395	867,856	123,001	83,623	272,301	607,568	166,436
Capital grants and contributions	481,603	37,797	245,866	-	-	789,309	522,070	158,899	-	67,846
Total governmental activities program revenues	5,253,935	4,981,721	5,599,096	5,547,761	6,845,470	7,166,807	7,277,014	6,969,378	7,583,666	7,950,408
Business-type activities:										
Charges for services:										
Water & sewer utility	10,814,210	11,036,602	12,413,206	13,229,678	17,299,814	16,514,282	18,857,064	19,402,214	21,520,481	21,223,637
Operating grants and contributions	-	-	-	-	-	25,755	-	-	-	-
Capital contributions and grants	202,491	183,856	-	-	385,458	513,397	152,614	904,475	1,800	4,138
Total business-type activities program revenues	11,016,701	11,220,458	12,413,206	13,229,678	17,685,272	17,053,434	19,009,678	20,306,689	21,522,281	21,227,775
Total primary government program revenues	<u>\$ 16,270,636</u>	<u>\$ 16,202,179</u>	<u>\$ 18,012,302</u>	<u>\$ 18,777,439</u>	<u>\$ 24,530,742</u>	<u>\$ 24,220,241</u>	<u>\$ 26,286,692</u>	<u>\$ 27,276,067</u>	<u>\$ 29,105,947</u>	<u>\$ 29,178,183</u>
Net (expense)/revenue										
Governmental activities	(6,988,586)	(6,996,836)	(6,626,984)	(5,655,862)	(8,783,078)	(5,548,785)	(8,569,624)	(10,094,403)	(9,919,058)	(9,622,450)
Business-type activities	2,382,959	2,680,197	3,477,810	2,335,272	5,164,217	5,691,926	5,685,167	5,878,511	6,419,731	5,901,794
Total primary government net expense	<u>\$ (4,605,627)</u>	<u>\$ (4,316,639)</u>	<u>\$ (3,149,174)</u>	<u>\$ (3,320,590)</u>	<u>\$ (3,618,861)</u>	<u>\$ 143,141</u>	<u>\$ (2,884,457)</u>	<u>\$ (4,215,892)</u>	<u>\$ (3,499,327)</u>	<u>\$ (3,720,656)</u>

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenue and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 4,006,034	\$ 4,124,188	\$ 4,193,861	\$ 4,451,419	\$ 4,370,273	\$ 4,969,306	\$ 5,526,625	\$ 5,920,947	\$ 6,707,519	\$ 7,052,228
Hospitality taxes	-	-	-	-	1,173,643	1,472,558	1,729,406	1,740,942	2,031,290	2,520,238
Gain on sale of capital asset	52,569	(41,384)	(924,125)	27,031	2,230	58,821	48,052	29,245	38,458	20,714
Intergovernmental	468,226	478,509	475,734	493,555	541,234	545,466	560,036	552,397	627,002	734,446
Investment earnings	162	164	41	57	5,022	5,204	54,645	80,435	47,490	15,630
Miscellaneous	476,311	201,949	156,903	175,432	268,341	165,606	269,086	343,619	287,509	229,060
Transfers	2,562,766	2,544,122	2,283,000	2,300,000	2,626,000	2,677,000	2,880,000	2,940,000	3,080,000	3,120,000
Total governmental activities	<u>7,566,068</u>	<u>7,307,548</u>	<u>6,185,414</u>	<u>7,447,494</u>	<u>8,986,743</u>	<u>9,893,961</u>	<u>11,067,850</u>	<u>11,607,585</u>	<u>12,819,268</u>	<u>13,692,316</u>
Business-type activities:										
Gain / (Loss) on sale of capital asset	-	-	1,778	-	2,767	78,857	(109,591)	16,937	12,571	-
Investment earnings	173,361	112,845	105,668	99,247	127,363	120,882	232,066	310,965	261,104	132,674
Transfers	(2,562,766)	(2,544,122)	(2,283,000)	(2,300,000)	(2,626,000)	(2,677,000)	(2,880,000)	(2,940,000)	(3,080,000)	(3,120,000)
Total Business-type activities	<u>(2,389,405)</u>	<u>(2,431,277)</u>	<u>(2,175,554)</u>	<u>(2,200,753)</u>	<u>(2,495,870)</u>	<u>(2,477,261)</u>	<u>(2,757,525)</u>	<u>(2,612,098)</u>	<u>(2,806,325)</u>	<u>(2,987,326)</u>
Total primary government	<u>\$ 5,176,663</u>	<u>\$ 4,876,271</u>	<u>\$ 4,009,860</u>	<u>\$ 5,246,741</u>	<u>\$ 6,490,873</u>	<u>\$ 7,416,700</u>	<u>\$ 8,310,325</u>	<u>\$ 8,995,487</u>	<u>\$ 10,012,943</u>	<u>\$ 10,704,990</u>
Change in Net Position										
Governmental activities	\$ 73,376	\$ 310,712	\$ (441,570)	\$ 1,791,632	\$ 3,330,881	\$ 1,110,883	\$ 2,498,226	\$ 1,513,182	\$ 2,900,210	\$ 4,069,866
Business-type activities	238,269	248,920	1,302,256	134,519	(160,598)	2,686,956	2,927,642	3,266,413	3,613,406	2,914,468
Total primary government	<u>\$ 311,645</u>	<u>\$ 559,632</u>	<u>\$ 860,686</u>	<u>\$ 1,926,151</u>	<u>\$ 3,170,283</u>	<u>\$ 3,797,839</u>	<u>\$ 5,425,868</u>	<u>\$ 4,779,595</u>	<u>\$ 6,513,616</u>	<u>\$ 6,984,334</u>

Table 3

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise & Business License Tax</u>	<u>Accommodations Tax</u>	<u>State Shared Revenue Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Hospitality Tax</u>	<u>Total</u>
2013	\$ 4,006,034	\$ 3,304,246	\$ 72,173	\$ 378,377	\$ 10,050		\$ 7,770,880
2014	4,124,188	3,943,850	80,594	380,239	9,150		8,538,021
2015	4,193,861	4,118,823	74,968	383,090	9,550		8,780,292
2016	4,451,419	4,272,928	92,789	383,090	5,400		9,205,626
2017	4,370,273	4,800,125	124,720	398,839	24,150	\$ 1,173,643	10,891,750
2018	4,969,306	5,024,307	134,246	393,545	20,650	1,472,558	12,014,612
2019	5,526,625	5,413,011	144,656	397,705	22,200	1,729,406	13,233,603
2020	5,920,947	5,298,227	124,288	410,363	20,950	1,740,942	13,515,717
2021	6,707,519	5,654,813	128,566	480,761	21,750	2,031,290	15,024,699
2022	7,052,228	6,351,515	254,057	462,713	19,700	2,520,238	16,660,450

Table 4

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Governmental Funds</u>										
General Fund										
Restricted	\$ 121,554	\$ 143,948	\$ 196,449	\$ 465,836	\$ 5,704,013	\$ 2,457,292	\$ 4,423,044	\$ 3,303,617	\$ 3,857,594	\$ 2,881,275
Nonspendable	19,439	20,779	100	2,863	13,437	19,807	246,441	797,555	956,102	723,677
Unassigned	<u>4,396,007</u>	<u>4,508,614</u>	<u>4,640,117</u>	<u>5,187,980</u>	<u>7,254,229</u>	<u>6,952,936</u>	<u>6,961,348</u>	<u>8,471,710</u>	<u>9,836,755</u>	<u>11,195,022</u>
Total general fund	<u>4,537,000</u>	<u>4,673,341</u>	<u>4,836,666</u>	<u>5,656,679</u>	<u>12,971,679</u>	<u>9,430,035</u>	<u>11,630,833</u>	<u>12,572,882</u>	<u>14,650,451</u>	<u>\$ 14,799,974</u>
Hospitality Tax Fund										
Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>799,439</u>	<u>5,195,220</u>	<u>2,545,410</u>	<u>1,383,041</u>	<u>1,852,667</u>	<u>2,648,399</u>
Total hospitality tax fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>799,439</u>	<u>5,195,220</u>	<u>2,545,410</u>	<u>1,383,041</u>	<u>1,852,667</u>	<u>2,648,399</u>
Total Governmental Funds	<u><u>\$ 4,537,000</u></u>	<u><u>\$ 4,673,341</u></u>	<u><u>\$ 4,836,666</u></u>	<u><u>\$ 5,656,679</u></u>	<u><u>\$ 13,771,118</u></u>	<u><u>\$ 14,625,255</u></u>	<u><u>\$ 14,176,243</u></u>	<u><u>\$ 13,955,923</u></u>	<u><u>\$ 16,503,118</u></u>	<u><u>\$ 17,448,373</u></u>

Table 5

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Property taxes	\$ 4,049,721	\$ 4,101,037	\$ 4,167,660	\$ 4,413,888	\$ 4,338,397	\$ 4,963,119	\$ 5,475,411	\$ 5,901,500	\$ 6,652,612	\$ 7,029,079
Franchise fees, licenses and permits	3,371,652	4,028,076	4,262,892	4,346,796	4,955,572	5,150,862	5,572,811	5,446,686	5,879,136	6,586,817
Intergovernmental	468,226	478,509	475,734	493,555	541,234	545,466	560,036	552,397	627,002	734,446
Charges for services	708,385	732,385	851,786	863,665	862,746	964,941	975,011	993,991	1,002,608	1,000,512
Fines and forfeitures	276,023	161,744	169,025	153,866	159,296	138,694	123,499	97,501	94,354	128,797
Investment earnings	162	164	41	57	5,022	5,204	54,645	80,435	47,490	15,630
Grant proceeds	859,468	48,256	299,475	177,395	789,490	814,690	532,573	342,839	482,972	169,601
Police program	38,407	11,260	15,918	6,039	78,366	97,620	73,121	88,361	124,596	64,679
Hospitality tax	-	-	-	-	1,173,643	1,472,558	1,729,406	1,740,942	2,031,290	2,520,238
Other revenues	476,311	201,949	156,903	175,432	268,341	165,606	269,086	343,619	287,509	229,060
Total revenues	10,248,355	9,763,380	10,399,434	10,630,693	13,172,107	14,318,760	15,365,599	15,588,271	17,229,569	18,478,859
Expenditures										
General government	1,510,249	1,206,552	1,539,918	1,191,866	3,010,611	2,463,722	1,957,268	2,047,048	1,969,602	1,895,018
Public safety	6,860,122	7,100,438	7,037,456	7,019,681	7,690,492	7,907,957	8,959,056	8,824,263	9,039,120	10,826,251
Public services	1,559,523	1,741,512	1,765,063	1,734,673	2,388,898	2,008,161	2,136,167	2,096,135	2,204,267	3,218,235
General services	940,515	993,229	1,103,814	813,252	1,435,496	1,760,849	1,383,732	1,344,080	1,392,929	1,515,281
Community and economic development	375,206	341,838	530,722	341,290	390,385	410,951	490,241	487,647	578,628	658,401
Tourism related	-	-	-	-	34,204	486,801	198,026	201,595	80,555	194,744
Capital Outlay										
General government	-	-	-	-	-	-	1,028,356	12,500	-	247,933
Community and economic development	-	-	-	-	-	4,483,163	1,016,837	485,331	-	-
Public services	-	-	-	-	-	-	395,897	44,611	-	-
Public safety	-	-	-	-	-	-	-	-	706,947	247,933
Tourism related	-	-	-	-	-	-	3,380,140	1,551,433	125,801	150,645
Debt Service										
Principal	961,063	1,035,340	1,025,846	1,047,572	2,073,181	961,559	1,686,599	5,055,077	1,440,148	1,486,817
Interest	226,124	137,670	115,863	97,573	119,614	217,281	293,579	359,154	262,835	241,387
Total expenditures	12,432,802	12,556,579	13,118,682	12,245,907	17,142,881	20,700,444	22,925,898	22,508,874	17,800,832	20,682,645
Excess of revenues over (under) expenditures	(2,184,447)	(2,793,199)	(2,719,248)	(1,615,214)	(3,970,774)	(6,381,684)	(7,560,299)	(6,920,603)	(571,263)	(2,203,786)
Other financing sources (uses)										
Transfers in	2,562,766	2,544,122	2,283,000	2,300,000	2,626,000	2,677,000	2,880,000	2,940,000	3,080,000	3,120,000
Bonds issued	-	3,327,000	-	-	6,049,000	4,000,000	4,000,000	3,729,000	-	-
Payments to bond agent	-	(3,327,000)	-	-	-	-	-	-	-	-
Capital leases	-	247,350	300,000	96,250	870,000	500,000	-	-	-	-
Sale of capital assets	55,400	138,068	299,573	38,977	2,540,213	58,821	231,287	31,283	38,458	29,041
Total other financing sources (uses)	2,618,166	2,929,540	2,882,573	2,435,227	12,085,213	7,235,821	7,111,287	6,700,283	3,118,458	3,149,041
Net change in fund balances	\$ 433,719	\$ 136,341	\$ 163,325	\$ 820,013	\$ 8,114,439	\$ 854,137	\$ (449,012)	\$ (220,320)	\$ 2,547,195	\$ 945,255
Debt service as a percentage of noncapital expenditures	9.75%	9.73%	9.26%	9.48%	14.70%	8.42%	12.51%	26.78%	10.14%	9.68%

Table 6

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

Fiscal Year Ended June 30	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					
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%
2020	2019	23,442,440	40,079,610	8,228,920	10,042,300	552,130	81,241,140	6.5397	1,481,585,738	5.48%
2021	2020	25,179,910	46,036,830	8,394,410	10,639,860	527,510	89,723,500	6.5397	1,632,993,179	5.49%
2022	2021	25,775,780	47,789,860	8,906,810	11,536,530	1,480,970	92,528,010	6.5397	1,685,106,238	5.49%

Source: Lexington County Auditor

Table 7

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				
		Operating Millage	Debt	Total	Operating Millage	Debt	Total	Operating Millage	Debt	Total	Special Districts	
			Service Millage	City Millage		Service Millage	County Millage		Service Millage	School Millage		
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	7.310	0.370	7.680	14.646	7.950	22.596	2.234	39.050
2020	2019	5.880	0.660	6.540	7.449	0.350	7.799	15.072	7.950	23.022	2.116	39.477
2021	2020	5.880	0.660	6.540	7.209	0.350	7.559	15.072	7.950	23.022	2.010	39.131
2022	2021	5.880	0.660	6.540	7.209	0.250	7.459	15.490	7.950	23.440	2.003	39.442

Source: Lexington County Auditor

Table 8

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

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Dominion Energy South Carolina	3,748,500	1	4.05%	1,589,010	1	2.80%
WECO River District LLC	1,749,840	2	1.89%			
Abberly Village at W/C	1,641,600	3	1.77%	1,386,240	2	
Spectrum Southeast LLC	1,275,920	4	1.38%			
500 Alexander LLC	1,306,260	5	1.41%			0.00%
Wal-Mart Real Estate Business	875,040	6	0.95%	716,810	5	1.26%
ECA Buligo West Side Partners	817,310	7	0.88%			
Riverbanks Retreat LLC	756,080	8	0.82%			
Southeastern Freight Lines	697,020	9	0.75%			
2136 Sunset Blvd LLC	687,900	10	0.74%			
House of Raeford Farms, Inc.				819,150	4	1.44%
Campus Investors HSRE_SC				1,171,760	3	2.06%
Westside Meshekoff Family LP				569,360	6	1.00%
Bell South Telecommunications				361,600	10	0.64%
Sun, Inc				509,430	7	0.90%
Capital Hospitality LLC				407,150	8	0.72%
Granby Oaks Association				365,020	9	0.64%
Total Principal Taxpayers	<u>13,555,470</u>		<u>14.65%</u>	<u>7,895,530</u>		<u>11.45%</u>
City-wide Assessed Valuation	<u>92,528,010</u>		<u>100.00%</u>	<u>56,833,180</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 Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2013	2012	4,073,260	3,909,046	96.0%	151,106	4,060,152	99.7%
2014	2013	4,173,417	4,005,054	96.0%	150,660	4,155,714	99.6%
2015	2014	4,259,395	4,079,968	95.8%	157,478	4,237,446	99.5%
2016	2015	4,510,743	4,333,793	96.1%	150,424	4,484,217	99.4%
2017	2016	4,598,776	4,408,237	95.9%	158,621	4,566,858	99.3%
2018	2017	5,235,104	5,046,516	96.4%	153,217	5,199,732	99.3%
2019	2018	5,812,257	5,573,729	95.9%	180,888	5,754,617	99.0%
2020	2019	6,304,131	6,063,642	96.2%	167,416	6,231,058	98.8%
2021	2020	7,443,445	7,154,953	96.1%	194,260	7,349,214	98.7%
2022	2021	7,864,867	7,557,669	96.1%	-	7,557,669	96.1%

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			
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
2020	3,729,000	3,292,000	4,414,000	893,825	44,725,570	403,653	57,458,048	10.90%	3,192
2021	3,336,000	2,915,000	3,958,000	679,677	42,009,565	273,907	53,172,149	9.35%	2,945
2022	2,947,000	2,529,000	3,444,000	481,860	39,215,881	202,568	48,820,309	8.88%	2,727

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>
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
2020	3,729,000	67,535	3,661,465	0.25%	203
2021	3,336,000	184,686	3,151,314	0.19%	175
2022	2,947,000	335,197	2,611,803	0.15%	146

City of West Columbia, South Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Lexington County	\$ 17,225,000	6.24%	\$ 1,074,840
School District No. 2	209,645,000	27.05%	56,708,973
Lexington County Recreation District	17,670,000	8.23%	1,454,241
Riverbanks Park District	12,360,987	6.24%	771,326
Subtotal, overlapping debt			<u>60,009,379</u>
City of West Columbia, South Carolina direct debt			<u>9,401,860</u>
Total direct and overlapping debt			<u><u>69,411,239</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.

Table 13

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 4,654,256	\$ 4,745,948	\$ 4,845,846	\$ 4,952,899	\$ 5,047,406	\$ 5,744,257	\$ 6,086,807	\$ 6,543,462	\$ 7,220,081	\$ 7,520,718
Total net debt applicable to limit	2,068,923	1,804,600	1,530,500	1,246,261	951,508	645,852	3,974,236	3,661,465	3,151,314	2,611,803
Legal debt margin	2,585,333	2,941,348	3,315,346	3,706,638	4,095,898	5,098,405	2,112,571	2,881,997	4,068,767	4,908,915
Total net debt applicable to the limit as a percentage of the debt limit	44.45%	38.02%	31.58%	25.16%	18.85%	11.24%	65.29%	55.96%	43.65%	34.73%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Value	\$92,528,010
Add back: exempt real property	1,480,970
Total assessed value	94,008,980
Debt limit (8%)	7,520,718
Debt applicable to limit:	
General obligation bonds	2,947,000
Less: Amount set aside for repayment general obligation debt	(335,197)
Total net debt applicable to limit	2,611,803
Legal debt margin	\$ 4,908,915

Note: 1. The City of West Columbia issued \$3,729,000 in General Obligation Bonds on April 7, 2020. 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 \$7,520,718 at June 30, 2022, which would be the legal debt limit.

Table 14

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Revenues	\$ 10,814,210	\$ 11,036,602	\$ 12,413,206	\$ 13,229,677	\$ 17,299,814	\$ 16,514,278	\$ 18,857,064	\$ 19,402,214	\$ 21,520,481	\$ 21,223,637
Less: Deferred Charge Prior Year Adjustment ¹	(435,707)	(435,707)	(435,707)	(517,057)	(524,453)	(524,453)	(524,453)	(524,453)	(524,453)	(524,453)
Plus: Contractual Contribution ²	835,160	819,949	700,103	698,714	705,508	704,210	625,585	362,959	371,194	379,617
Plus: Capacity Payment ³	-	-	-	2,300,000	-	-	-	-	-	-
Plus: Interest Revenue ⁴	173,361	112,845	105,668	99,247	118,897	104,700	146,782	168,958	223,443	106,675
Plus: Sale of Capital Assets	-	-	1,778	-	2,767	78,857	34,688	16,937	12,571	-
Gross Revenues	11,387,024	11,533,689	12,785,048	15,810,581	17,602,533	16,877,592	19,139,666	19,426,615	21,603,236	21,185,476
Total Expenses	7,861,375	7,927,812	8,358,121	10,750,674	11,756,572	10,505,285	12,185,370	13,071,292	13,860,519	14,159,907
Less: Depreciation	(1,653,503)	(1,653,732)	(1,653,191)	(1,984,617)	(2,058,423)	(2,208,134)	(2,453,571)	(2,585,288)	(2,704,451)	(2,853,726)
Operation and Maintenance Expenses ⁵	6,207,872	6,274,080	6,704,930	8,766,057	9,698,149	8,297,151	9,731,799	10,486,004	11,156,068	11,306,181
Net Earnings	5,179,152	5,259,609	6,080,118	7,044,524	7,904,384	8,580,441	9,407,867	8,940,611	10,447,168	9,879,295
<u>Debt Service</u>										
Principal	1,993,044	2,036,930	1,907,311	1,627,123	1,929,070	2,133,828	2,179,414	2,223,775	2,716,005	2,793,685
Interest	701,216	625,217	583,752	407,622	688,216	852,701	1,139,141	1,385,085	1,243,283	1,166,385
Debt Service	2,694,260	2,662,147	2,491,063	2,034,745	2,617,286	2,986,529	3,318,555	3,608,860	3,959,288	3,960,070
Debt Service Coverage	1.92x	1.98x	2.44x	3.46x	3.02x	2.87x	2.83x	2.48x	2.64x	2.49x

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/or 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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Education Level in Years of Formal Schooling</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
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%
2020	17,998	527,251,410	29,295	39.9	14.0	2,689	4.20%
2021	18,056	568,520,824	31,588	42.1	14.0	2,279	3.90%
2022	17,902	550,074,754	30,727	40.2	14.0	3,542	2.90%

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

<u>Employers</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Principal Employers</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Principal Employers</u>
South Eastern Freight Lines	689	1	20.70%			
South Carolina Episcopal Home	675	2	20.28%	236	4	11.55%
House of Raeford Farms	450	3	13.52%	360	2	17.61%
Wal-Mart Stores	325	4	9.76%	522	1	25.54%
Three Rivers Behavioral Health	275	5	8.26%			
NHC Healthcare - Lexington	240	6	7.21%			
City of West Columbia	225	7	6.76%	191	5	9.34%
Lowe's Home Improvement	195	8	5.86%			
Lexington School District 2	130	9	3.91%	247	3	12.08%
Infrastructure Consulting & Engineering, PLLC (ICE)	125	10	3.75%			
Heartland of Lexington				132	6	6.46%
Belcher Staffing Services				105	7	5.14%
U S Postal Service				92	8	4.50%
Bi-Lo LLC				82	9	4.01%
H T Hackney Company				77	10	3.77%
Total	<u>3,329</u>		<u>100.0%</u>	<u>2,044</u>		<u>100.0%</u>

Table 17

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	16	16	17	19	21	21	26	27	28	27
Building Inspectors	3	2	2	2	2	2	2	2	2	1
Code Compliance	2	2	2	3	3	3	3	3	3	4
Community Development	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Officers	53	55	56	54	51	48	50	51	45	50
Civilians	12	11	11	11	11	13	10	9	10	13
Fire										
Firefighters and officers	24	24	24	24	25	25	25	26	25	31
Maintenance - Garage	7	7	7	7	7	6	6	6	6	6
Sanitation (Garbage & Trash)	27	24	24	22	22	22	18	21	19	22
Parks and Recreation	7	7	7	7	10	11	14	14	11	14
Water (Production & Distribution)	36	36	37	37	35	35	34	40	43	45
Sewer Collection	4	4	4	4	4	4	5	6	7	8
Total	192	189	192	191	192	191	194	206	200	222

Source: City of West Columbia Finance Office

Table 18

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function										
Police										
Physical arrests	741	1,179	1,248	1,173	1,184	1,169	1,059	918	942	679
Fire										
Number of calls answered	999	1,038	1,222	1,363	1,836	1,952	2,032	2,322	2,457	3,142
Inspections	1,472	1,597	1,205	1,295	1,884	2,169	1,957	1,254	1,535	1,618
Sanitation										
Refuse collected (tons/day) Lexington Landfill ¹	22	22	22	22	35	35	36	35	37	37
Recyclables collected (tons/day)	2	2	2	2	3	3	6	5	6	6
Culture and Recreation										
Community Center (Times Used)	116	152	118	98	130	110	175	64	108	158
Water										
New connections	116	139	132	109	36	161	142	166	237	111
Water mains breaks	16	27	11	22	26	19	31	25	22	
Water customers	19,321	19,460	19,592	19,701	19,737	19,898	20,040	20,206	20,443	20,554
Water Plant I	3,074	3,123	3,122	3,323	3,363	3,328	3,250	3,467	3,420	3,650
Water Plant II	8,589	8,683	9,029	10,146	10,215	10,743	10,930	11,657	11,820	11,880
Total Average daily consumption (thousands of gallons)	11,663	11,806	12,151	13,469	13,578	14,071	14,180	15,124	15,240	15,530
Wastewater										
Average daily sewage treatment ² (thousands of gallons)	3,095	2,980	3,075	3,081	3,062	2,730	3,065	3,180	3,289	2,917
Sewer customers	11,268	11,334	11,397	11,474	11,510	11,552	11,586	11,604	11,771	11,815
Total sewer customers	11,268	11,334	11,397	11,474	11,510	11,552	11,586	11,604	11,771	11,815

Sources:

¹ Lexington Landfill² City of Columbia waste water treatment plant

Table 19

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	65	59	52	52	54	53	54	50	53	53
Fire stations	1	1	1	1	1	1	1	1	1	1
Responding units	11	9	10	10	9	10	13	11	11	11
Sanitation										
Garbage collection trucks	12	12	12	12	12	12	13	14	11	11
Yard trash collection trucks	7	7	7	7	7	7	7	7	10	10
Highways and streets										
Streetlights ¹	1017	1,262	1,284	1,284	1,333	1,354	1,369	1,437	1,444	1,476
Traffic signals	30	30	30	30	40	41	46	47	49	48
Culture and recreation										
Parks	5	5	5	5	5	5	6	7	8	8
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	255	257	265	270	278	279	281	279	279	279
Fire hydrants	986	986	1003	1010	1041	1023	1043	1082	1057	1054
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	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>
Maximum daily capacity (millions of gallons)	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5
Sewer										
Sanitary sewers (miles)	115	115	118	118	119	119	128	129	128	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	3.99

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

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

PHONE: (803) 739-3090

FAX: (803) 791-0834

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, each major fund, and the aggregate remaining fund information of City of West Columbia, South Carolina (the "City"), as of and for the year ended June 30, 2022, 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 18, 2023.

Report on 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.

Report on Compliance and Other Matters

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

Purpose of this Report

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

The Brittingham Group LLP

West Columbia, South Carolina
January 18, 2023