



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023**

**City of West Columbia
South Carolina**

**CITY OF WEST COLUMBIA
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023**

**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
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INTRODUCTORY SECTION

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December 27, 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, 2023. 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, 2023, 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, 2023 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

Mickey Pringle

Council Members

Trevor Bedell
Jimmy Brooks
George M. Crowe
Joseph D. Dickey, Jr.
Mike Green
Sarah Mattern
David B. Moye

City Administrator

Brian E. Carter,
CM-ICMA, AICP

Deputy

City Administrator

Michelle M. Dickerson,
Esquire

City Treasurer/

Senior Assistant

City Administrator

Justin R. Black, CPA

City Clerk

Crystal Bouknight

(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 requires 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 17,697 as of June 30, 2023. 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 this fiscal year the City issued a new General Obligation bond, Series 2023, for \$1,600,000. This bond covers various infrastructure needs. These needs included improvements to the HVAC system at City Hall. The City also issued a new lease during the year in the amount of \$868,000. This borrowing was to fund multiple vehicle and equipment purchases across many departments within the governmental activities of the City. The City plans to issue new revenue bonds within the next fiscal year to fund a multitude of water and sewer infrastructure projects. These projects include a 13.5 MGD expansion of the City's Lake Murray Water Treatment Facility. Short- and long-term plans are updated periodically, which dictates the need for future indebtedness.

The Congaree and Saluda Rivers have always 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 include 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 to meet 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 4.25 percent. The government’s investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the government, its agent or a financial institution’s trust department in the government’s name. It is the policy of the City of West Columbia to hold investments to maturity.

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

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, 2022. This was the 32nd 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 annual comprehensive 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,



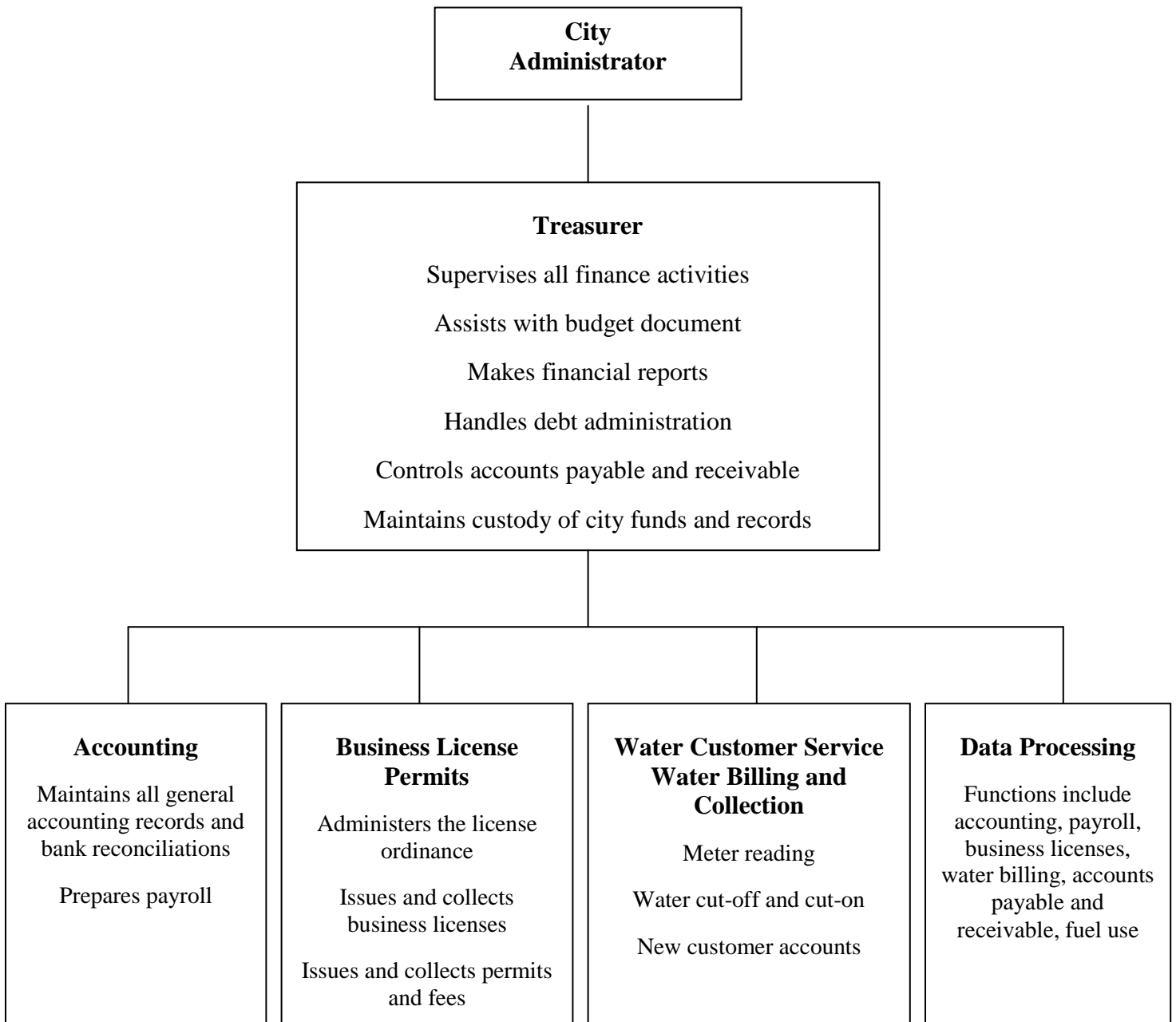
Justin R. Black, CPA
Senior Assistant City Administrator
& City Treasurer



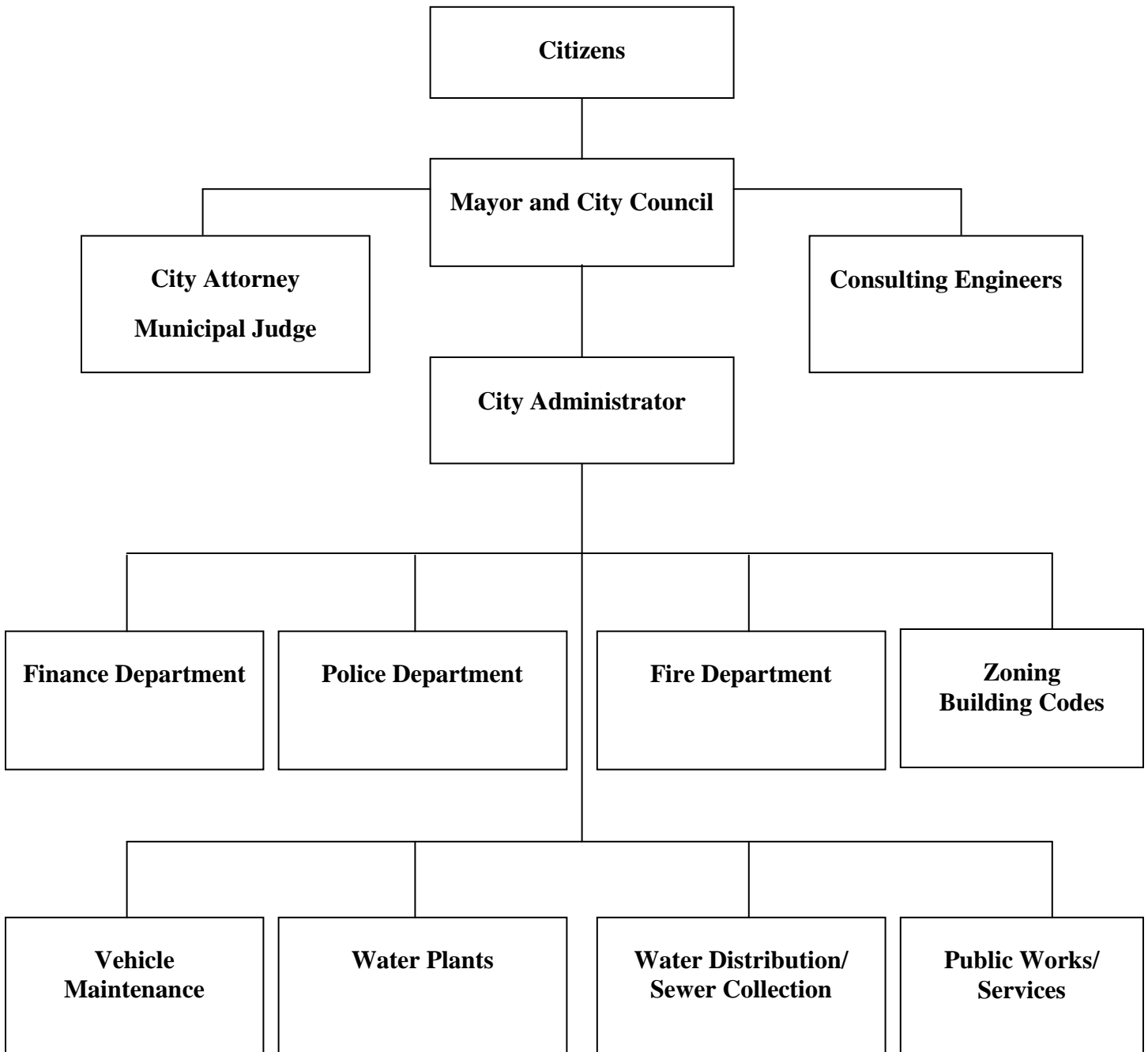
Brian E. Carter, CM-ICMA, AICP
City Administrator

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

Micky Pringle, Mayor Pro-Tempore

**R. Trevor Bedell
Jimmy Brooks
George M. Crowe
Joseph D. Dickey, Jr.
Mike Green
Sarah Mattern
David Moye**

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
Tara J. Greenwood, Assistant City Administrator of Development
Jamie D. Hook, Assistant City Administrator of Public Operations**



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, 2022

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, 2023, 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, 2023, 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 December 27, 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

West Columbia, South Carolina

December 27, 2023

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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, 2023. 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, 2023, by \$63,715,678 (net position). The City's total net position increased \$9,480,391 with an increase of \$5,545,135 from governmental activities and an increase of \$3,935,256 resulting from business-type activities.
- The City's total assets increased \$19,974,824 over the prior year. This is mainly due to an increase in unrestricted and restricted cash. The City has received its second allotment of ARPA funding and a large grant which accounts for the large increase in restricted cash. The City's construction in progress has also increased significantly with many ongoing projects.
- The City's total liabilities increased \$13,769,113 from the prior year. This is mostly attributable to the significant increase in the City's net pension liability, although the City also had significant increases in unearned revenues from ARPA and other grant funds received.
- For the fiscal year ending June 30, 2023, 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 \$21,780,851, an increase of \$4,332,478 from the previous fiscal year. Of this amount, \$13,009,124 is unassigned.
- The General Fund reported actual revenues of \$2,773,127 over budget and expenditures over budgeted appropriations by \$380,673. General Fund expenditures include \$1,440,096 in capital outlay for projects funded by bond proceeds, as well as \$1,664,910 in debt service.
- The City's total long-term debt increased by \$846,202 for the current fiscal year. The two main reason for the increase of the City's overall outstanding long-term debt is the issuance of a new General Obligation bond, the issuance of a new lease, and a significant increase 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 2022-2023. 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 nineteenth 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 \$63,715,678 at the close of the most recent fiscal year. The City's increase in net position for this fiscal year amounts to \$9,480,391. This increase is a result of an increase in total assets of \$19,974,824 resulting from mainly more cash and additions to capital assets over current year depreciation. Also, total liabilities increased \$113,769,113 mainly due to increased unearned grant revenue and a significant increase to the City's net pension liability. Overall deferred outflows decreased by \$679,042 with deferred inflows decreasing 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	
	2023	2022	2023	2022	2023	2022
Current assets and other	\$39,666,661	\$25,267,804	\$35,111,833	\$39,607,327	\$74,778,494	\$64,875,131
Capital assets, net	26,895,514	24,955,727	66,449,583	58,317,909	93,345,097	83,273,636
Total assets	66,562,175	50,223,531	101,561,416	97,925,236	168,123,591	148,148,767
Deferred outflows	3,459,347	4,175,186	1,175,590	1,138,793	4,634,937	5,313,979
Total assets and deferred outflows	70,021,522	54,398,717	102,737,006	99,064,029	172,758,528	153,462,746
Long-term liabilities	26,875,807	24,488,137	52,546,436	53,789,731	79,422,243	78,277,868
Other liabilities	19,372,650	9,046,999	8,926,931	6,627,844	28,299,581	15,674,843
Total liabilities	46,248,457	33,535,136	61,473,367	60,417,575	107,721,824	93,952,711
Deferred inflows	976,680	3,612,331	344,346	1,662,417	1,321,026	5,274,748
Total liabilities and deferred inflows	47,225,137	37,147,467	61,817,713	62,079,992	109,042,850	99,227,459
Net Position						
Net Investment in capital assets	19,613,891	16,737,067	42,212,727	35,946,932	61,826,618	52,683,999
Restricted	5,923,959	4,209,562	378,214	329,794	6,302,173	4,539,356
Unrestricted	(2,741,465)	(3,695,379)	(1,671,648)	707,311	(4,413,113)	(2,988,068)
Total net position	\$22,796,385	\$17,251,250	\$40,919,293	\$36,984,037	\$63,715,678	\$54,235,287

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 a \$3,238,055 increase in total expenses from the prior year. The increase is mainly attributable to increased costs due to inflation, debt service, and personnel costs. Business-type activities experienced roughly a thirteen percent increase in total revenues from the prior year. This increase is mainly attributed to more amounts received from contract customers and the increase in water and sewer rates from the prior fiscal year. Total business-type expenses increased by \$1,517,165 over the prior year. This is mainly due to an increase in materials and supplies resulting from inflationary pricing throughout the fiscal year and personnel costs.

Government-wide Financial Analysis (continued)

City of West Columbia's Change in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 8,424,426	\$ 7,716,126	\$22,998,149	\$21,223,637	\$31,422,575	\$28,939,763
Operating grants & contributions	352,246	166,436	-	-	352,246	166,436
Capital grants & contributions	125,655	67,846	466,941	4,138	592,596	71,984
General revenues						
Property taxes	8,335,745	7,052,228	-	-	8,335,745	7,052,228
Hospitality taxes	2,720,007	2,520,238	-	-	2,720,007	2,520,238
Intergovernmental	782,497	734,446	-	-	782,497	734,446
Investment earnings	372,537	15,630	560,319	132,674	932,856	148,304
Other	470,770	249,774	7,993	-	478,763	249,774
Total revenues	21,583,883	18,522,724	24,033,402	21,360,449	45,617,285	39,883,173
Expenses						
General Government	2,822,103	1,981,435	-	-	2,822,103	1,981,435
Community Development	625,935	638,244	-	-	625,935	638,244
Public Safety	10,653,890	10,560,268	-	-	10,653,890	10,560,268
Public Services	2,595,643	2,345,081	-	-	2,595,643	2,345,081
General Services	1,540,466	1,522,308	-	-	1,540,466	1,522,308
Tourism Related	816,647	300,953	-	-	816,647	300,953
Interest on Long-term Debt	239,064	224,569	-	-	239,064	224,569
Water & Sewer Utility	-	-	16,843,146	15,325,981	16,843,146	15,325,981
Total expenses	19,293,748	17,572,858	16,843,146	15,325,981	36,136,894	32,898,839
Excess (deficiency) before transfers	2,290,135	949,866	7,190,256	6,034,468	9,480,391	6,984,334
Transfers	3,255,000	3,120,000	(3,255,000)	(3,120,000)	-	-
Increase (decrease) in net position	5,545,135	4,069,866	3,935,256	2,914,468	9,480,391	6,984,334
Net Position - July 1	17,251,250	13,181,384	36,984,037	34,069,569	54,235,287	47,250,953
Net Position - June 30	\$22,796,385	\$17,251,250	\$40,919,293	\$36,984,037	\$63,715,678	\$54,235,287

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, 2023, the City of West Columbia governmental funds reported combined fund balances of \$21,780,851, an increase of \$4,332,478 from the prior year. Nearly sixty percent (60%) 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 \$691,988 and \$8,079,739 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, 2023, the total fund balance in the general fund was \$18,846,487. The General Fund balance increased by \$4,046,513 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 8% 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 increased operational costs and some larger ongoing project costs for general government, public safety, and general services.

In addition to the General Fund the City's other major governmental fund is the Hospitality Tax Fund. This fund was created in fiscal year 2016-2017. The ending hospitality tax fund balance was \$2,934,364, 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, 2023, total net position of the Water and Sewer Utility System amounted to \$40,919,293 as compared to a balance of \$36,984,037 at June 30, 2022. The increase in net position of \$3,935,256 for the fiscal year is due mainly to large amounts being paid annually on debt service and significant capital costs associated with ongoing projects.

General Fund Highlights

A budget to actual statement is provided for the General Fund. Columns for both the original budget adopted for fiscal year 2023 as well as the final budget are presented. Quarterly budget amendments and supplemental appropriations were approved during the 2022-2023 budget year. There was an overall decrease of \$7,000 between the original budget and the final amended budget.

The General Fund prior year revenues of \$15,929,264 before other financing sources and achieved current year revenues of \$18,601,727, or \$2,672,463 more. This is mainly due to increased property tax assessments, franchise, and business license fees. Expenditures in the prior year were \$19,878,782 before other uses with current year expenditures of \$21,388,673. 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 \$5,179,400, but achieved a deficiency of revenue under expenditures before other financing sources and uses of \$2,786,946. The General Fund's budget also included budgeted net transfers in from other funds of \$4,305,000.

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, 2023, amounts to \$93,345,097 (net accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles and equipment. Major capital asset events in the current year included the following (see Note 6):

- The City is nearing the end of construction on a compete HVAC system upgrade to replace a 20-year old system, and is also close to construction on a new evidence facility annex building.
- The City is in the middle of multiple water, sewer, and public capital projects, which accounts for large CIP amount city-wide. A large park projected was finalized during the fiscal year with a couple more park projects nearing completion as well.
- The City is also in the early design and construction stages of a water treatment facility expansion project that will increase capacity by 13.5 MGD.

Capital Assets and Debt Administration (Continued)

City of West Columbia's Capital Assets (Net)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,946,040	\$ 3,852,943	\$ 407,727	\$ 407,727	\$ 4,353,767	\$ 4,260,670
Buildings & equipment	10,666,145	7,314,946	38,388,820	40,209,743	49,054,965	47,524,689
Improvements other than buildings	-	-	13,141,381	13,282,323	13,141,381	13,282,323
Equipment	-	-	2,827,500	2,645,144	2,827,500	2,645,144
Vehicles & equipment	4,451,470	4,172,859	1,038,574	641,427	5,490,044	4,814,286
Construction in progress	7,831,859	9,614,979	10,645,581	1,131,545	18,477,440	10,746,524
Total assets, net	<u>\$26,895,514</u>	<u>\$24,955,727</u>	<u>\$66,449,583</u>	<u>\$58,317,909</u>	<u>\$93,345,097</u>	<u>\$83,273,636</u>

Long-term debt - At the end of the current fiscal year, the City of West Columbia had total bonded debt outstanding of \$8,809,000 consisting of tax increment financing (TIF) bonds, series 2016, hospitality tax (Htax) bond, series 2018, and two general obligation (GO) bonds, Series 2020 and 2023. The TIF bonds outstanding debt are 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 \$36,366,161 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 \$8,092,038, as reflected in Note 8 and Table 13.

City of West Columbia's Outstanding Long-term Debt

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Leases	\$ 1,148,430	\$ 481,860	\$ 129,927	\$ 202,568	\$ 1,278,357	\$ 684,428
Net pension liability	17,466,902	15,629,492	7,004,519	6,039,260	24,471,421	21,668,752
Net OPEB liability	793,269	566,972	435,462	335,625	1,228,731	902,597
Tax increment finance bonds	2,913,000	3,444,000	-	-	2,913,000	3,444,000
General obligation bonds	3,763,000	2,947,000	-	-	3,763,000	2,947,000
Hospitality tax bonds	2,133,000	2,529,000	-	-	2,133,000	2,529,000
Revenue bonds	-	-	36,366,161	39,215,881	36,366,161	39,215,881
Accrued compensated absences	776,602	729,964	398,016	360,464	1,174,618	1,090,428
Total outstanding debt	<u>\$28,994,203</u>	<u>\$26,328,288</u>	<u>\$44,334,085</u>	<u>\$46,153,798</u>	<u>\$73,328,288</u>	<u>\$72,482,086</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, 2023, 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 3.4 percent, which is in line with previous years and has decreased to less than three percent. This compares favorably with the state's rate of 3.1 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 other than increased costs due to inflation. Future potential impacts are unknown.

These factors were taken into account when adopting the general budget for 2023-2024. Amounts available for appropriation in the general fund budget are \$22,430,000, an increase of roughly \$1.4 million from the final 2023 budget of \$21,008,000. It should be noted that the appropriated budget for 2024 includes \$640,000 in budgeted revenues to service a long-term general obligation bonds the City issued in March of 2020 and February of 2023. A debt service millage of 6.6 mils was levied for the 2023-2024 fiscal year in order to service the debt requirements.

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

Budgeted expenditures for 2024 have increased over the actual 2023 expenditures due mainly to increases in operating costs and debt service. The City does not anticipate entering into any major land acquisitions for economic development purposes in fiscal year 2023-2024.

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, 2023

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 14,517,155	\$ 15,502,315	\$ 30,019,470
Receivables, net	1,924,150	5,370,242	7,294,392
Prepaid Charges	691,988	7,240	699,228
Internal Balances, net	(193,030)	193,030	-
Notes Receivable - Municipal Government	-	523,454	523,454
Restricted Cash and Cash Equivalents	22,726,398	12,637,445	35,363,843
Total Current Assets	39,666,661	34,233,726	73,900,387
Non -Current assets:			
Notes Receivable - Municipal Government	-	878,107	878,107
Capital Assets, net:			
Land	3,946,040	407,727	4,353,767
Buildings and Improvements	10,666,145	38,388,820	49,054,965
Improvements Other Than Buildings	-	13,141,381	13,141,381
Vehicles and Equipment	4,451,470	3,866,074	8,317,544
Construction in Progress	7,831,859	10,645,581	18,477,440
Total Non -Current assets	26,895,514	67,327,690	94,223,204
<u>TOTAL ASSETS</u>	66,562,175	101,561,416	168,123,591
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Pension Plan	3,082,459	993,220	4,075,679
OPEB Plan	376,888	182,370	559,258
<u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u>	3,459,347	1,175,590	4,634,937
<u>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</u>	70,021,522	102,737,006	172,758,528
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	2,904,174	4,192,747	7,096,921
Accrued Expenses and Other Liabilities	40,448	22,446	62,894
Accrued Interest Payable	133,039	85,903	218,942
Accrued Compensated Absences	347,280	186,094	533,374
Customer Deposits	-	824,511	824,511
Unearned Revenue	14,176,592	629,144	14,805,736
(Payable from Restricted Assets)			
Leases	317,117	73,967	391,084
Bonds Payable	1,454,000	2,912,119	4,366,119
Total Current Liabilities	19,372,650	8,926,931	28,299,581
Long-Term (Non-Current) Liabilities:			
Leases	831,313	55,960	887,273
Bonds Payable	7,355,000	33,454,042	40,809,042
Unearned Revenue	-	11,384,531	11,384,531
Accrued Compensated Absences	429,322	211,922	641,244
Net Pension Liability	17,466,903	7,004,519	24,471,422
Net OPEB Liability	793,269	435,462	1,228,731
Total Long-Term Liabilities	26,875,807	52,546,436	79,422,243
<u>TOTAL LIABILITIES</u>	46,248,457	61,473,367	107,721,824
<u>DEFERRED INFLOW OF RESOURCES</u>			
Pension Plan	472,293	104,991	577,284
OPEB Plan	504,387	239,355	743,742
<u>TOTAL DEFERRED INFLOW OF RESOURCES</u>	976,680	344,346	1,321,026
<u>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</u>	47,225,137	61,817,713	109,042,850

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
<u>NET POSITION</u>			
Net Investment in Capital Assets	19,613,891	42,212,727	61,826,618
Restricted to:			
Debt Service	1,368,787	378,214	1,747,001
Law Enforcement Grants & Programs	509,672	-	509,672
Accommodations Tax	531,496	-	531,496
Parks Program	59,021	-	59,021
Hospitality Tax	3,454,983	-	3,454,983
Unrestricted	(2,741,465)	(1,671,648)	(4,413,113)
<u>TOTAL NET POSITION</u>	<u>\$ 22,796,385</u>	<u>\$ 40,919,293</u>	<u>\$ 63,715,678</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, 2023

	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
FUNCTIONS AND PROGRAMS							
Governmental activities:							
General Government	\$ 2,822,103	\$ 7,264,520	\$ 5,590	\$ -	\$ 4,448,007	\$ -	\$ 4,448,007
Community & Economic Development	625,935				(625,935)		(625,935)
Public Safety	10,653,890	1,159,906	341,193		(9,152,791)		(9,152,791)
Public Services	2,595,643		463		(2,595,180)		(2,595,180)
General Services	1,540,466		5,000		(1,535,466)		(1,535,466)
Tourism Related	816,647			125,655	(690,992)		(690,992)
Interest on Long-Term Debt	239,064				(239,064)		(239,064)
	19,293,748	8,424,426	352,246	125,655	(10,391,421)		(10,391,421)
Business-type activities:							
Water and sewer utility	16,843,146	22,998,149	-	466,941	-	6,621,944	6,621,944
Total Business-type activities	16,843,146	22,998,149	-	466,941	-	6,621,944	6,621,944
TOTAL FUNCTIONS AND PROGRAMS	\$ 36,136,894	\$ 31,422,575	\$ 352,246	\$ 592,596	(10,391,421)	6,621,944	(3,769,477)
General Revenue and Transfers							
Property Taxes					8,335,745		8,335,745
Hospitality Taxes					2,720,007		2,720,007
Intergovernmental - Unrestricted					782,497		782,497
Gain / (Loss) on sale of capital assets					73,956	7,993	81,949
Investment earnings - Unrestricted					372,537	560,319	932,856
Miscellaneous					396,814		396,814
Transfers					3,255,000	(3,255,000)	-
Total general revenue and transfers					15,936,556	(2,686,688)	13,249,868
Changes in net position					5,545,135	3,935,256	9,480,391
Net Position - July 1					17,251,250	36,984,037	54,235,287
Net Position- June 30					\$ 22,796,385	\$ 40,919,293	\$ 63,715,678

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, 2023

	General Fund	Hospitality Tax Fund	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 14,517,155		\$ 14,517,155
Receivables (Net of Allowance for Uncollectables)			
Property Taxes	445,778		445,778
State	222,376		222,376
Municipal Governments	692,862		692,862
Grants	78,848		78,848
Rehabilitation Loans	32,645		32,645
Hospitality Tax		\$ 241,201	241,201
Other	210,440		210,440
Prepaid Charges	691,988		691,988
Due From Other Funds			-
Restricted assets:			
Cash	19,271,415	3,454,983	22,726,398
<u>TOTAL ASSETS</u>	\$ 36,163,507	\$ 3,696,184	\$ 39,859,691
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,330,457	\$ 573,717	\$ 2,904,174
Due To Other Funds	4,927	188,103	193,030
Accrued Payroll, Taxes, & Vacation Pay	387,728		387,728
<u>TOTAL LIABILITIES</u>	2,723,112	761,820	3,484,932
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Revenue - property taxes	417,316		417,316
Unavailable Revenue - deferred grant revenue	14,176,592		14,176,592
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	14,593,908	-	14,593,908
<u>FUND BALANCES</u>			
Nonspendable	691,988		691,988
Restricted	5,145,375	2,934,364	8,079,739
Unassigned	13,009,124		13,009,124
<u>TOTAL FUND BALANCES</u>	18,846,487	2,934,364	21,780,851
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>	\$ 36,163,507	\$ 3,696,184	

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.

26,895,514

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

(133,039)

The net pension liability and related deferred outflows and deferred inflows do not represent
current financial resources and is not reported in these funds.

(14,856,737)

The net OPEB liability and related deferred outflows and deferred inflows do not represent
current financial resources and is not reported in these funds.

(920,768)

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.

(9,969,436)

Net Position, end of year - Governmental Activities

\$ 22,796,385

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, 2023

	General	Hospitality Tax	Total Governmental Funds
<u>REVENUES</u>			
Property Taxes	\$ 8,318,786		\$ 8,318,786
Franchise Fees, Licenses, and Permits	7,264,520		7,264,520
Fines and Forfeitures	153,246		153,246
Interest	294,168	\$ 78,369	372,537
Intergovernmental	782,497		782,497
Charges For Services	1,006,660		1,006,660
Grant Proceeds	263,998	125,655	389,653
Police Program Income	88,248		88,248
Hospitality Tax		2,720,007	2,720,007
Other Revenues	429,604		429,604
<u>TOTAL REVENUES</u>	18,601,727	2,924,031	21,525,758
<u>EXPENDITURES</u>			
Current			
General Government	2,776,535		2,776,535
Community & Economic Development	864,651		864,651
Public Safety	10,181,456		10,181,456
Public Services	2,888,797		2,888,797
General Services	1,572,228		1,572,228
Tourism Related		646,214	646,214
Capital Outlay			
General Government	1,117,900		1,117,900
Public Safety	191,134		191,134
General Services	131,062		131,062
Tourism Related		482,814	482,814
Debt Service			
Principal	1,516,430	396,000	1,912,430
Interest	148,480	63,038	211,518
<u>TOTAL EXPENDITURES</u>	21,388,673	1,588,066	22,976,739
<u>EXCESS OF EXPENDITURES</u>			
<u>(OVER)/UNDER REVENUES</u>	(2,786,946)	1,335,965	(1,450,981)
<u>OTHER FINANCING SOURCES/(USES)</u>			
Transfers In/(Out)	4,305,000	(1,050,000)	3,255,000
General Obligation Bond Issuance	1,600,000		1,600,000
Lease Issuance	868,000		868,000
Sale of Capital Assets	60,459		60,459
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	6,833,459	(1,050,000)	5,783,459
<u>NET CHANGE IN FUND BALANCES</u>	4,046,513	285,965	4,332,478
<u>FUND BALANCE - July 1</u>	14,799,974	2,648,399	17,448,373
<u>FUND BALANCE - June 30</u>	\$ 18,846,487	\$ 2,934,364	\$ 21,780,851

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, 2023

Net change in fund balances - total governmental funds	\$ 4,332,478
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.	1,959,080
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	16,959
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(44,623)
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.	(555,570)
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.	(196,468)
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.	52,572
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.	(19,293)
Change in Net Position - Governmental Activities (See Note 19)	<u>\$ 5,545,135</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, 2023

	<u>BUDGETED AMOUNTS</u>			Variance with Final Budget Positive (Negative)
<u>REVENUES</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Property Taxes	\$ 7,500,000	\$ 7,500,000	\$ 8,318,786	\$ 818,786
Licenses and Permits	5,977,000	5,977,000	7,264,520	1,287,520
Fines and Forfeits	120,000	120,000	153,246	33,246
Interest	5,000	5,000	294,168	289,168
Intergovernmental	612,600	762,600	782,497	19,897
Charges For Services	1,000,000	1,000,000	1,006,660	6,660
Grant Proceeds	279,000	209,000	263,998	54,998
Police Program Income	66,000	66,000	88,248	22,248
Other Revenues	399,000	189,000	429,604	240,604
<u>TOTAL REVENUES</u>	15,958,600	15,828,600	18,601,727	2,773,127
<u>EXPENDITURES</u>				
Current				
General Government	2,942,100	3,024,100	2,776,535	247,565
Community & Economic Development	894,700	885,700	864,651	21,049
Public Safety	10,948,300	10,919,300	10,181,456	737,844
Public Services	2,906,400	3,121,400	2,888,797	232,603
General Services	2,051,700	1,785,700	1,572,228	213,472
Capital Outlay				
General Government	-	-	1,117,900	(1,117,900)
Public Safety	-	-	191,134	(191,134)
General Services	-	-	131,062	(131,062)
Debt Service				
Principal	1,126,500	1,126,500	1,516,430	(389,930)
Interest	145,300	145,300	148,480	(3,180)
<u>TOTAL EXPENDITURES</u>	21,015,000	21,008,000	21,388,673	(380,673)
<u>EXCESS OF EXPENDITURES OVER REVENUES</u>	(5,056,400)	(5,179,400)	(2,786,946)	2,392,454
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers In	4,305,000	4,305,000	4,305,000	-
General Obligation Bond Issuance			1,600,000	1,600,000
Lease Issuance	745,000	868,000	868,000	-
Sale of Capital Assets	6,400	6,400	60,459	54,059
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	5,056,400	5,179,400	6,833,459	1,654,059
<u>NET CHANGE IN FUND BALANCE</u>	\$ -	\$ -	4,046,513	\$ 4,046,513
<u>FUND BALANCE - July 1</u>			14,799,974	
<u>FUND BALANCE - June 30</u>			\$ 18,846,487	

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, 2023

	<u>Business-Type Activities</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 15,502,315
Accounts Receivable	5,370,242
Prepaid Charges	7,240
Due from Other Funds	193,030
Notes Receivable- Municipal Government	523,454
Restricted Cash and Cash Equivalents	<u>12,637,445</u>
<u>TOTAL CURRENT ASSETS</u>	<u>34,233,726</u>
<u>NONCURRENT ASSETS</u>	
Noncurrent Receivable - Municipal Government	<u>878,107</u>
CAPITAL ASSETS	
Water Plant, Lines, and Sewer System	105,740,233
Less: Accumulated Depreciation	(49,936,231)
Construction in Progress	<u>10,645,581</u>
<u>TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</u>	<u>66,449,583</u>
<u>TOTAL NONCURRENT ASSETS</u>	<u>67,327,690</u>
<u>TOTAL ASSETS</u>	<u>101,561,416</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>	
Pension Plan	993,220
OPEB Plan	<u>182,370</u>
<u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u>	<u>1,175,590</u>
<u>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</u>	<u>102,737,006</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2023

	<u>Business-Type Activities</u>
<u>LIABILITIES</u>	
CURRENT LIABILITIES	
(Payable from Current Assets)	
Accounts Payable	\$ 4,192,747
Customer Deposits	824,511
Accrued Payroll and Vacation Pay	208,540
Lease Obligation	73,967
Unearned Revenue	629,144
(Payable from Restricted Assets)	
Revenue Bonds Payable	2,912,119
Accrued Interest Payable	85,903
	<hr/>
<u>TOTAL CURRENT LIABILITIES</u>	8,926,931
	<hr/>
LONG-TERM LIABILITIES	
Accrued Vacation Pay - Due After One Year	211,922
Lease Obligation - Due After One Year	55,960
Revenue Bonds - Due After One Year	33,454,042
Unearned Revenue - Due After One Year	11,384,531
Net Pension Liability	7,004,519
Net OPEB Liability	435,462
	<hr/>
<u>TOTAL LONG-TERM LIABILITIES</u>	52,546,436
	<hr/>
<u>TOTAL LIABILITIES</u>	61,473,367
	<hr/>
<u>DEFERRED INFLOW OF RESOURCES</u>	
Pension Plan	104,991
OPEB Plan	239,355
	<hr/>
<u>TOTAL DEFERRED INFLOW OF RESOURCES</u>	344,346
	<hr/>
<u>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</u>	61,817,713
	<hr/>
<u>NET POSITION</u>	
Net Investment in Capital Assets	42,212,727
Restricted	
Debt Service	378,214
Unrestricted	(1,671,648)
	<hr/>
<u>TOTAL NET POSITION</u>	\$ 40,919,293
	<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, 2023

	<u>Business-Type Activities</u>
<u>OPERATING REVENUES</u>	
Charges for Service	\$ 22,998,149
<u>TOTAL OPERATING REVENUES</u>	<u>22,998,149</u>
<u>OPERATING EXPENSES</u>	
Personnel Services	5,902,820
Material and Supplies	1,883,445
Contractual Services	2,208,727
Utilities	1,235,591
Repairs and Maintenance	1,198,703
Depreciation	2,969,588
Other Operating Expenses	338,178
<u>TOTAL OPERATING EXPENSES</u>	<u>15,737,052</u>
<u>OPERATING INCOME</u>	<u>7,261,097</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest Revenue	560,319
Interest and Amortization Expense	(1,106,094)
Sale of Capital Assets	7,993
<u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u>	<u>(537,782)</u>
<u>NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</u>	<u>6,723,315</u>
<u>CAPITAL CONTRIBUTIONS</u>	
Grant Proceeds	466,941
<u>NET INCOME (LOSS) BEFORE TRANSFERS</u>	<u>7,190,256</u>
<u>TRANSFERS (OUT)</u>	
General Fund	(3,255,000)
<u>CHANGE IN NET POSITION</u>	<u>3,935,256</u>
<u>NET POSITION - July 1</u>	<u>36,984,037</u>
<u>NET POSITION - June 30</u>	<u>\$ 40,919,293</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, 2023

	<u>Business-Type Activities</u>
<u>Cash Flows From Operating Activities</u>	
Cash Received From Customers	\$ 22,879,085
Cash Paid to Suppliers	(4,977,936)
Cash Paid to Employees	(6,132,594)
	<hr/>
<u>Net Cash Provided by Operating Activities</u>	11,768,555
	<hr/>
<u>Cash Flows From Non-Capital Financing Activities</u>	
Transfers Out	(3,255,000)
	<hr/>
<u>Net Cash Used by Non-Capital Financing Activities</u>	(3,255,000)
	<hr/>
<u>Cash Flows From Capital and Related Financing Activities</u>	
Principal Paid on Capital Debt	(2,922,361)
Interest Paid on Capital Debt	(1,111,761)
Aquisition of Capital Assets	(11,101,262)
Payments Received from Municipal Governments	492,921
Proceeds from Capital Grants	466,941
Proceeds from Sale of Capital Assets	7,993
	<hr/>
<u>Net Cash Used by Capital and Related Financing Activities</u>	(14,167,529)
	<hr/>
<u>Cash Flows From Investing Activities</u>	
Interest on Investments	560,319
	<hr/>
<u>Net Cash Provided by Investing Activities</u>	560,319
	<hr/>
<u>Net Decrease in Cash and Cash Equivalents</u>	(5,093,655)
	<hr/>
<u>Cash and Cash Equivalents - July 1</u>	33,233,415
	<hr/>
<u>Cash and Cash Equivalents - June 30</u>	\$ 28,139,760
	<hr/>
<u>Cash</u>	\$ 15,502,315
	<hr/>
<u>Restricted Cash and Cash Equivalents</u>	12,637,445
	<hr/>
<u>Total Cash and Cash Equivalents</u>	\$ 28,139,760
	<hr/>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER
YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
<u>Operating Income</u>	<u>\$ 7,261,097</u>
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</u>	
Depreciation	2,969,588
(Increase) Decrease in	
Accounts Receivable	(802,004)
Prepaid Charges	(1,728)
Due from Other Funds	(193,030)
Deferred Outflow of Resources	(36,797)
Increase (Decrease) in	
Accounts Payable	2,175,786
Unearned Revenue	652,360
Customer Deposits	30,580
Accrued Expenses	59,998
Due to Other Funds	(94,320)
Net Pension Liability	965,259
Net OPEB Liability	99,837
Deferred Inflow of Resources	(1,318,071)
<u>Total Adjustments</u>	<u>4,507,458</u>
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 11,768,555</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, 2023

	<u>Total Custodial Funds</u>
	<u>\$ 104,027</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	
	<u>\$ 104,027</u>
<u>TOTAL ASSETS</u>	<u>104,027</u>
<u>LIABILITIES</u>	
Due to Fireman's Organization	46,415
Due to Narcotics Programs	<u>57,612</u>
<u>TOTAL LIABILITIES</u>	<u>104,027</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, 2023

	<u>Total Custodial Funds</u>
	<u> </u>
<u>ADDITIONS</u>	
Fireman's funds	\$ 49,907
Narcotic funds seized	<u>15,986</u>
<u>TOTAL ADDITIONS</u>	<u>65,893</u>
<u>DEDUCTIONS</u>	
Fireman's funds disbursed	49,907
Narcotic funds disbursed	<u>15,986</u>
<u>TOTAL DEDUCTIONS</u>	<u>65,893</u>
<u>CHANGE IN NET POSITION</u>	<u>-</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, 2023

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, 2023, 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, 2023

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, 2023

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, 2023

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, 2023, the City Mayor and Council approved the General Fund budget as follows:

<u>Fund</u>	<u>Original Budget</u>	<u>Decrease in Appropriation</u>	<u>Final Budget</u>
General	\$ 21,015,000	(\$ 7,000)	\$ 21,008,000

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, 2023 all commitments lapsed and no encumbrances were recognized.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023, 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, 2023

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, 2023, the City had cash on-hand of \$3,225 and cash deposits in demand, savings, money market and certificate of deposit accounts equal to \$65,373,638. Of the deposit amounts, \$1,250,000 is covered by FDIC insurance, and the balance of \$64,123,638 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, 2023, 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, 2023

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, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2023</u>
Non-Depreciable					
Capital Assets:					
Construction in Process	\$ 9,614,980	\$ 1,619,934		\$(3,403,055)	\$ 7,831,859
Land	3,852,943	93,097			3,946,040
Total Non-Depreciable					
Capital Assets:	<u>13,467,923</u>	<u>1,713,031</u>		<u>(3,403,055)</u>	<u>11,777,899</u>
Depreciable Capital Assets:					
Buildings & Improvements	11,977,511	438,277		3,403,055	15,818,843
Vehicles and Equipment	13,404,016	1,143,463	\$ 479,366		14,068,112
Total Depreciable					
Capital Assets:	<u>25,381,527</u>	<u>1,581,740</u>	<u>479,366</u>	<u>3,403,055</u>	<u>29,886,955</u>
Total Capital Assets:	<u>38,849,449</u>	<u>3,294,771</u>	<u>479,366</u>		<u>41,664,854</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

Note 6. Changes in Capital Assets (continued)

Governmental Activities (continued):

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2023</u>
<u>Less accumulated</u>					
<u>Depreciation for:</u>					
Buildings and Improvements	\$4,662,565	\$ 490,133			\$ 5,152,698
Vehicles and Equipment	9,231,158	845,558	\$ 460,074		9,616,642
Total Accumulated					
Depreciation:	13,893,723	1,335,691	460,074		14,769,340
Governmental Activities					
Capital Assets, Net:	\$24,955,726	\$1,959,080	\$ 19,292		\$ 26,895,514

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

General government	\$ 161,974
Community and economic development	8,723
Public safety	522,641
Public services	237,103
General services	234,818
Tourism related	170,432
Total depreciation expense – governmental activities	\$1,335,691

Business-Type Activities:

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

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2023</u>
Non-Depreciable					
Capital Assets:					
Land	\$ 407,727				\$ 407,727
Construction in Progress	1,131,545	\$ 9,602,306		\$ (88,270)	10,645,581
Total Non-Depreciable					
Capital Assets:	1,539,272	9,602,306		(88,270)	11,053,308
Depreciable Capital Assets					
Buildings	66,300,445	63,701			66,364,146
Improvements Other Than Buildings	30,851,354	380,609		88,270	31,320,233
Equipment	4,823,384	435,798	7,600		5,251,582
Vehicles and Equipment	1,788,597	618,848	10,900		2,396,545
Total Depreciable					
Capital Assets:	103,763,780	1,498,956	18,500	88,270	105,332,506
Total Capital Assets:	105,303,052	11,101,262	18,500		116,385,814

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

Note 6. Changes in Capital Assets (continued)

Business-Type Activities (continued):

	<u>Balance</u>				<u>Balance</u>
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2023</u>
Less accumulated Depreciation for:					
Buildings	\$26,090,702	\$ 1,884,624			\$27,975,326
Improvements Other Than Buildings	17,569,031	609,821			18,178,852
Equipment	2,178,240	253,442	7,600		2,424,082
Vehicles and Equipment	1,147,170	221,701	10,900		1,357,971
Total Accumulated Depreciation:	<u>46,985,143</u>	<u>2,969,588</u>	<u>18,500</u>		<u>49,936,231</u>

Business-Type Activities Capital Assets, Net:	<u>\$58,317,909</u>	<u>\$8,219,944</u>	<u>\$66,449,583</u>
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Depreciation expense was charged to functions/programs in business-type activities as follows:

Water and sewer utility	<u>\$ 2,969,588</u>
Total depreciation expense – business-type activities	<u>\$ 2,969,588</u>

Note 7. Leases

The City is obligated under certain non-cancelable leases accounted for as 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 leases totaled approximately \$873,120 at June 30, 2023 and are reported under the vehicle and equipment asset class. The City entered into a new lease obligation for governmental activities on October 5, 2022, in the amount of \$868,000. The following is a schedule of future minimum lease payments under leases, together with the net value of the minimum lease payments as of June 30, 2023.

<u>Year Ending</u>	<u>Governmental-type</u>	<u>Business-type</u>
<u>June 30</u>	<u>Activities</u>	<u>Activities</u>
2024	\$ 350,995	\$ 76,691
2025	218,017	57,339
2026	141,440	-
2027	141,420	-
2028	141,266	-
2029-2030	281,536	-
Minimum lease payments for all leases	1,274,674	134,030
Less: Amount representing interest at the City's incremental borrowing rate of interest	(126,244)	(4,103)
Present value of minimum lease payments	<u>\$1,148,430</u>	<u>\$ 129,927</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

Note 7. Leases (continued)

A summary of leased assets by capital asset category is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Leased Capital Assets:			
Vehicles and Equipment	\$ 1,830,942	\$ 475,043	\$ 2,305,985
Total Leased Capital Assets	<u>1,830,942</u>	<u>475,043</u>	<u>2,305,985</u>
Less Accumulated Depreciation for:			
Vehicles and Equipment	1,143,012	289,853	1,432,865
Total Accumulated Depreciation:	<u>1,143,012</u>	<u>289,853</u>	<u>1,432,865</u>
Leased Capital Assets, Net:	<u>\$ 687,930</u>	<u>\$ 185,190</u>	<u>\$ 873,120</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.

Governmental Activities:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
Long Term Debt:				
Leases	\$ 481,860	\$ 868,000	\$ 201,430	\$ 1,148,430
Net Pension Liability	15,629,492	1,837,411		17,466,903
Net OPEB Liability	566,972	226,297		793,269
HTax Bond Series 2018	2,529,000		396,000	2,133,000
TIF Bond Series 2016A	1,735,000		298,000	1,437,000
TIF Bond Series 2016B	1,709,000		233,000	1,476,000
GO Bond Series 2020	2,947,000		394,000	2,553,000
GO Bond Series 2023		1,600,000	390,000	1,210,000
Total Payable	<u>\$25,598,324</u>	<u>\$ 4,531,708</u>	<u>\$ 1,912,430</u>	<u>\$ 28,217,602</u>
Compensated Absences	<u>\$ 729,964</u>	<u>\$ 78,309</u>	<u>\$ 31,671</u>	<u>\$ 776,602</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

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

Governmental Activities (continued):

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

		<u>June 30, 2023</u>	
	<u>Interest Rate</u>	<u>Current Portion</u>	<u>Long Term Portion</u>
Leases	1.23 to 3.35%	\$ 317,117	\$ 831,313
HTax Bond, Series 2018	2.48%	406,000	1,727,000
TIF Bond, Series 2016A	3.35%	306,000	1,131,000
TIF Bond, Series 2016B	2.36%	242,000	1,234,000
General Obligation Bond, Series 2020	1.29%	400,000	2,153,000
General Obligation Bond, Series 2023	3.32%	100,000	1,110,000
Compensated Absences		347,280	429,322

On February 7, 2023, the City issued a new long-term General Obligation Bond (GO Bond), Series 2023, in the amount of \$1,600,000 at a rate of 3.32%. On April 7, 2020, the City issued a long-term GO Bond, Series 2020, in the amount of \$3,729,000 to refund the GO Bond, Series 2019, to provide for \$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 issuance amount is \$4,000,000 for 10 years at a rate of 2.48%. The bond is secured by the fee revenue generated through the City 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.

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 \$8,092,038 at June 30, 2023 (Table 13).

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

	<u>Governmental Activities</u>	
<u>Year Ending June 30</u>	<u>Principal Amount</u>	<u>Interest Amount</u>
2024	\$ 1,454,000	\$ 208,951
2025	1,498,000	174,445
2026	1,543,000	138,875
2027	1,591,000	102,466
2028	1,639,000	64,751
2029-2030	1,084,000	40,428
Totals	\$ <u>8,809,000</u>	\$ <u>729,916</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

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

Business-Type Activities:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
Long Term Debt:				
Leases	\$ 202,568		\$ 72,641	\$ 129,927
Net Pension Liability	6,039,260	\$ 965,259		7,004,519
Net OPEB Liability	335,625	99,837		435,462
Revenue Bonds – 2005	2,795,881		722,720	2,073,161
Revenue Bonds – 2016	13,190,000		685,000	12,505,000
Revenue Bonds – 2018	14,685,000		420,000	14,265,000
Revenue Bonds – 2020	8,545,000		1,022,000	7,523,000
Total Payable	<u>\$45,793,334</u>	<u>\$ 1,065,096</u>	<u>\$ 2,922,361</u>	<u>\$ 43,936,069</u>
Compensated Absences:	<u>\$ 360,464</u>	<u>\$ 65,853</u>	<u>\$ 28,301</u>	<u>\$ 398,016</u>

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

	<u>Interest Rate</u>	<u>June 30, 2023</u> <u>Current Portion</u>	<u>Long Term Portion</u>
Leases	1.59% - 1.80%	\$ 73,967	\$ 55,960
Revenue Bonds:			
Series 2005 Issue	2.25%	\$ 739,119	\$ 1,334,042
Series 2016 Issue	2.66%	703,000	11,802,000
Series 2018 Issue	4.04%	435,000	13,830,000
Series 2020 Issue	1.25%	1,035,000	6,488,000
Total Revenue Bonds		<u>\$ 2,912,119</u>	<u>\$33,454,042</u>
Compensated Absences		<u>\$ 186,094</u>	<u>\$ 211,922</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 June 30</u>	<u>Principal Amount</u>	<u>Interest Amount</u>
2024	\$ 2,912,119	\$ 1,049,747
2025	2,980,890	979,569
2026	2,905,152	914,440
2027	2,377,000	859,367
2028	2,436,000	799,925
2029-2033	9,707,000	3,085,405
2034-2038	7,708,000	1,728,781
2039-2043	4,365,000	708,800
2044	975,000	37,813
Totals	<u>\$36,366,161</u>	<u>\$10,163,847</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

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	\$ 26,895,514	\$ 66,449,583
Bond proceeds on deposit	2,675,807	12,259,232
Less: net bonds payable	(8,809,000)	(36,366,161)
Less: leases	(1,148,430)	(129,927)
Total investment in capital assets	<u>\$ 19,613,891</u>	<u>\$ 42,212,727</u>
<u>Restricted:</u>		
Debt Service	\$ 1,368,787	\$ 378,214
Hospitality Tax	3,454,983	
Law Enforcement Grants and Programs	509,672	
Parks Program	59,021	
Accommodations Tax	531,496	
Total restricted net position	<u>\$ 5,923,959</u>	<u>\$ 378,214</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, 2023

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, 2022, employees participating in the SCRS were required to contribute 9.00% of all earnable compensation. The employer contribution rate for SCRS was 17.56%. Included in the total SCRS employer contribution rate is a base retirement contribution of 17.41% and 0.15% contribution rate for the incidental death program. The City's contributions for the years ended June 30, 2023, 2022 and 2021 were \$1,402,698, \$1,226,553, and \$1,071,546, respectively, and equaled the base required retirement contribution rate 17.56% for 2023, 16.56% for 2022, and 15.56% for 2021.

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, 2023

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, 2022, employees participating in the PORS were required to contribute 9.75% of all earnable compensation. The employer contribution rate for PORS was 20.24%. Included in the total PORS employer contribution rate is a base retirement contribution of 19.84% and .20% for the incidental death program and .20% for the accidental death program. The City's contributions for the years ended June 30, 2023, 2022 and 2021 were \$894,534, \$845,838, and \$793,267, respectively, and equaled the base required retirement contribution rate 20.24% for 2023, 19.24% for 2022, and 18.24% for 2021.

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, 2023, the City reported \$15,883,895 and \$8,587,527 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 projected forward to June 30, 2022, and financial information of the pension trust funds as of June 30, 2022, 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, 2023, the City's SCRS proportion was 0.065522% and its PORS proportion was 0.286348%. The City recognized pension expense in the amount of \$540,626 and \$(470,515) for SCRS and PORS, respectively.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

Note 10. Pension Plan (continued)

At June 30, 2023 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	\$ 138,001	\$ 144,081
Assumption changes	509,434	357,598
Net difference between projected and actual investment earnings	24,496	25,932
Differences between employer contributions and proportionate share	266,695	312,210
Contributions made from measurement date to June 30, 2023	1,402,698	894,534
Total deferred outflows of resources	2,341,324	1,734,355
Deferred Inflows of Resources		
Differences between expected and actual experience	69,221	169,761
Differences between employer contributions and proportionate share	75,093	263,209
Total deferred inflows of resources	144,314	432,970
Net deferred outflows/(inflows)	\$ 2,197,010	\$ 1,301,385

Deferred outflows of \$1,402,698 and \$894,534 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, 2024. 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>
2024	\$ 392,640	\$ 362,603	\$ 755,243
2025	320,541	85,410	405,951
2026	(333,111)	(374,956)	(708,067)
2027	414,242	333,794	748,036
	\$ 794,312	\$ 406,851	\$ 1,201,163

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

Note 10. Pension Plan (continued)

The total pension liabilities in the July 1, 2022 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 80% of Scale UMP projected from the year 2020. Assumption used in the determination of the June 30, 2022, 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 20-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 2022 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, 2023

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:

<u>Allocation / Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Public Equity	46.00%	6.79%	3.12%
Bonds	26.00%	-0.35%	-0.09%
Private Equity	9.00%	8.75%	0.79%
Privated Debt	7.00%	6.00%	0.42%
Real Assets	12.00%		
Real Estate	9.00%	4.12%	0.37%
Infrastructure	3.00%	5.88%	0.18%
Total Expected Return	100.00%		4.79%
Inflation for Actuarial Purposes			2.25%
			7.04%

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.

<u>Plan</u>	<u>Decrease 6.00%</u>	<u>Rate 7.00%</u>	<u>Increase 8.00%</u>
SCRS	\$ 20,365,113	\$ 15,883,895	\$ 12,158,344
PORS	11,974,790	8,587,527	5,814,734
	<u>\$ 32,339,903</u>	<u>\$ 24,471,422</u>	<u>\$ 17,973,078</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

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, 2023 are as follows:

	<u>Inter-fund Receivables</u>	<u>Inter-fund Payables</u>
General Fund		\$ 4,927
Hospitality Tax Fund		188,103
Proprietary Fund: Water and Sewer	\$ 193,030	
Totals	<u>\$ 193,030</u>	<u>\$ 193,030</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

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, 2023 are as follows:

<u>Transfer Out</u>	<u>Transfer In</u> <u>General Fund</u>
Special Revenue Fund: Hospitality Tax	\$ 1,050,000
Proprietary Fund: Water and Sewer	<u>3,255,000</u>
	<u>\$ 4,305,000</u>

The transfer of \$3,255,000 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, 2023, 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, 2023. 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 few years. The City is also in the initial stages of designing and constructing a new pedestrian bridge that will connect to the Three Rivers Greenway Riverwalk. This project should be completed within the next couple of years. 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 has also begun construction of a 13.5 MGD expansion at the Lake Murray Water Treatment Facility. This multi-year project will provide additional capacity to the City, Town of Lexington, and Joint Municipal Water & Sewer Commission.

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

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 Annual Comprehensive 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, 2022, 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, 2023

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, 2022, 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	2.06%
Measurement Date	3.72%
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, 2023

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	58.00%	4.00%
US Govt MBS/CMO/CMBS	40.00%	5.60%
Cash and Short Duration (Net)	2.00%	3.90%
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, 2023

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, 2021	<u>\$ 3,081,164</u>	<u>\$ 2,178,567</u>	<u>\$ 902,597</u>
Changes for the year:			
Service cost	60,540		60,540
Interest on TOL and cash flows	141,598		141,598
Differences between expected and actual experience	7,840		7,840
Contributions - employer		202,660	(202,660)
Net investment income		(317,566)	317,566
Benefit payments and implicit subsidy credit	(202,660)	(202,660)	-
Plan administrative expenses		(1,250)	1,250
Net changes	<u>7,318</u>	<u>(318,816)</u>	<u>326,134</u>
Balance at December 31, 2022	<u>\$ 3,088,482</u>	<u>\$ 1,859,751</u>	<u>\$ 1,228,731</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

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:

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Net OPEB liability	\$ 928,661	\$ 1,228,731	\$ 1,570,982

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:

	1% Decrease (3.75%)	Current Dscount Rate (4.75%)	1% Increase (5.75%)
Net OPEB liability	\$ 1,458,910	\$ 1,228,731	\$ 1,017,080

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$126,892. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42,876	\$ 732,016
Changes of assumptions or other inputs	92,876	11,726
Net difference between projected and actual earnings on OPEB plan investments	423,506	-
Total	<u>\$ 559,258</u>	<u>\$ 743,742</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

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, 2024. 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:

2023	\$ 14,519
2024	16,162
2025	20,319
2026	(17,271)
2027	(105,938)
Thereafter	(112,275)
Total	<u>\$ (184,484)</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	\$ 41,664,854
Less, accumulated depreciation	<u>(14,769,340)</u>

Net amount reported **\$26,895,514**

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

\$ (133,039)

Net amount reported **\$ (133,039)**

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	\$ (17,466,903)
Deferred outflows from pensions	3,082,459
Deferred inflows from pensions	<u>(472,293)</u>

Net amount reported **\$(14,856,737)**

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

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	\$ (793,269)
Deferred outflows from OPEB	376,888
Deferred inflows from OPEB	<u>(504,387)</u>

Net amount reported **\$(920,768)**

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	\$ 417,316
Bonds and Leases payable	(9,957,430)
Compensated absences	<u>(429,322)</u>

Net amount reported **\$(9,969,436)**

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	\$ 3,294,771
Depreciation expense	<u>(1,335,691)</u>

Net amount reported **\$ 1,959,080**

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

Property taxes	<u>\$ 16,959</u>
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Net amount reported **\$ 16,959**

CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

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	\$ (17,077)
Change in Accrued interest expense	<u>27,546</u>

Net amount reported	<u><u>\$ (44,623)</u></u>
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The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal and interest consumes current financial resources of governmental funds.

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

General Obligation Bond Proceeds	\$ (1,600,000)
Lease Proceeds	(868,000)
Principal payments – Bonds	1,711,000
Principal payments – Leases	<u>201,430</u>

Net amount reported	<u><u>\$ (555,570)</u></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 increased	\$ (1,837,411)
Deferred outflows from pensions decreased	(907,669)
Deferred inflows from pensions decreased	<u>2,548,612</u>

Net amount reported	<u><u>\$ (196,468)</u></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 increased	\$ (226,297)
Deferred outflows from OPEB increased	191,830
Deferred inflows from OPEB decreased	<u>87,039</u>

Net amount reported	<u><u>\$ 52,572</u></u>
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CITY OF WEST COLUMBIA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

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.

\$ (19,293)

Note 20. Subsequent Events

The City has evaluated all events subsequent to the basic financial statements for the year ended June 30, 2023 through December 27, 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. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, 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 Ten Fiscal Years

South Carolina Retirement System	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability	0.066843%	0.066843%	0.066210%	0.070317%	0.070317%	0.073653%	0.064762%	0.063623%	0.064622%	0.065522%
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	\$ 15,883,895
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	\$ 7,474,424
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%	212.51%
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%	57.10%
South Carolina Police Officers Retirement System	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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%	0.286348%
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	\$ 8,587,527
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	\$ 4,489,586
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%	191.28%
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%	66.40%

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.

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

South Carolina Retirement System

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contributions	\$ 642,161	\$ 677,745	\$ 705,930	\$ 828,912	\$ 947,394	\$ 985,453	\$ 1,092,865	\$ 1,071,546	\$ 1,226,553	\$ 1,402,698
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)	(1,402,698)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 8,056,852
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%	17.41%

South Carolina Police Officers Retirement System

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contributions	\$ 305,525	\$ 323,218	\$ 348,778	\$ 364,333	\$ 392,068	\$ 668,608	\$ 795,474	\$ 793,267	\$ 845,838	\$ 894,534
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)	(894,534)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 4,508,739
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%	19.84%

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.

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

	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service cost	\$ 94,710	\$ 97,767	\$ 100,923	\$ 83,885	\$ 86,590	\$ 60,540
Interest	163,396	171,380	176,117	164,040	165,986	141,598
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	97,917	(8,918)	(520,739)	(18,401)	(550,218)	7,840
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)	(202,660)
Net change in Total OPEB Liability						
Total OPEB Liability - beginning	129,452	111,843	(251,340)	50,703	(511,385)	7,318
Total OPEB Liability - ending (a)	3,551,890	3,681,342	3,793,185	3,541,845	3,592,548	3,081,163
	3,681,342	3,793,185	3,541,845	3,592,548	3,081,163	3,088,481
Plan Fiduciary Net Position						
Contributions - employer	\$ 319,299	\$ 224,576	\$ 230,183	\$ 202,745	\$ 207,451	\$ 202,660
Net investment income	47,918	26,606	101,297	120,504	(55,052)	(317,566)
Benefit payments	(226,571)	(148,386)	(172,933)	(178,821)	(198,485)	(202,660)
Administrative expense	(16,488)	-	(5,116)	(1,000)	(6,438)	(1,250)
Net change in plan fiduciary net position						
Plan fiduciary net position - beginning	124,158	102,796	153,431	143,428	(52,524)	(318,816)
Plan fiduciary net position - ending (b)	1,707,277	1,831,435	1,934,231	2,087,662	2,231,090	2,178,566
	\$ 1,831,435	\$ 1,934,231	\$ 2,087,662	\$ 2,231,090	\$ 2,178,566	\$ 1,859,750
Net OPEB Liability - ending (a) - (b)						
	\$ 1,849,907	\$ 1,858,954	\$ 1,454,183	\$ 1,361,458	\$ 902,597	\$ 1,228,731
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability						
Covered payroll	49.75%	50.99%	58.94%	62.10%	70.71%	60.22%
Total OPEB Liability as a percentage of covered payroll	\$ 8,929,276	\$ 8,929,276	\$ 9,849,574	\$ 9,849,574	\$ 9,968,423	\$ 9,968,423
	20.72%	20.82%	14.76%	13.82%	9.05%	12.33%

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

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

	2018	2019	2020	2021	2022	2023
Actuarially Determined Employer Contributions (ADEC)*	\$ 221,485	\$ 215,579	\$ 201,150	\$ 186,663	\$ 160,745	\$ 134,401
Contributions in relation to the ADEC	319,299	224,576	230,183	202,745	207,451	202,660
Annual contribution deficiency (excess)	\$ (97,814)	\$ (8,997)	\$ (29,033)	\$ (16,082)	\$ (46,706)	\$ (68,259)
Covered payroll	\$ 10,206,864	\$ 10,762,311	\$ 11,463,043	\$ 11,606,885	\$ 12,178,688	\$ 12,789,226
Actual contributions as a percentage of covered payroll	3.13%	2.09%	2.01%	1.75%	1.70%	1.58%

* - 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 six 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, 2023 AND 2022

<u>ASSETS</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Cash	\$ 14,517,155	\$ 13,001,278
Receivables (Net of Allowance for Uncollectibles)		
Property Taxes - Delinquent	445,778	461,946
State	222,376	194,952
Municipal Governments	692,862	374,437
Grants	78,848	92,881
Rehabilitation Loans	32,645	32,645
Other	210,440	182,074
Prepaid Charges	691,988	723,677
Due from Other Funds	-	55,123
Restricted Cash and Equivalents	19,271,415	7,370,187
<u>TOTAL ASSETS</u>	<u>\$ 36,163,507</u>	<u>\$ 22,489,200</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,330,457	\$ 2,476,603
Payroll Withholding	3,041	3,308
Accrued Salaries	37,407	-
Accrued Vacation Pay	347,280	317,719
Due to Other Funds	4,927	-
<u>TOTAL LIABILITIES</u>	<u>2,723,112</u>	<u>2,797,630</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenue - property taxes	417,316	400,357
Unavailable revenue - deferred grant revenue	14,176,592	4,491,239
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>14,593,908</u>	<u>4,891,596</u>
<u>FUND BALANCE</u>		
Nonspendable	691,988	723,677
Restricted	5,145,375	2,881,275
Unassigned	13,009,124	11,195,022
<u>TOTAL FUND BALANCE</u>	<u>18,846,487</u>	<u>14,799,974</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE</u>	<u>\$ 36,163,507</u>	<u>\$ 22,489,200</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEARS ENDED JUNE 30, 2023 AND 2022

	June 30, 2023	June 30, 2022
<u>REVENUES</u>		
Property Taxes	\$ 8,318,786	\$ 7,029,079
Franchise Fees, Licenses, and Permits	7,264,520	6,586,817
Fines and Forfeitures	153,246	128,797
Interest	294,168	11,923
Intergovernmental	782,497	734,446
Charges For Services	1,006,660	1,000,512
Grant Proceeds	263,998	143,951
Police Program Income	88,248	64,679
Other Revenues	429,604	229,060
<u>TOTAL REVENUES</u>	18,601,727	15,929,264
<u>EXPENDITURES</u>		
Current		
General Government	2,776,535	1,895,018
Community and Economic Development	864,651	658,401
Public Safety	10,181,456	10,826,251
Public Services	2,888,797	3,218,235
General Services	1,572,228	1,515,281
Capital Outlay		
General Government	1,117,900	247,933
Public Safety	191,134	247,933
General Services	131,062	-
Debt Service		
Principal	1,516,430	1,100,817
Interest	148,480	168,913
<u>TOTAL EXPENDITURES</u>	21,388,673	19,878,782
<u>EXCESS OF EXPENDITURES OVER/(UNDER) REVENUES</u>	(2,786,946)	(3,949,518)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In	4,305,000	4,070,000
GO Bond Issuance	1,600,000	-
Lease Issuance	868,000	-
Sale of Capital Assets	60,459	29,041
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	6,833,459	4,099,041
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</u>	4,046,513	149,523
<u>FUND BALANCE - July 1</u>	14,799,974	14,650,451
<u>FUND BALANCE - June 30</u>	\$ 18,846,487	\$ 14,799,974

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, 2023 AND 2022

	June 30, 2023			June 30, 2022		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property Taxes	\$ 7,500,000	\$ 8,318,786	\$ 818,786	\$ 7,005,000	\$ 7,029,079	\$ 24,079
Licenses and Permits	5,977,000	7,264,520	1,287,520	6,574,000	6,586,817	12,817
Fines and Forfeitures	120,000	153,246	33,246	105,000	128,797	23,797
Interest	5,000	294,168	289,168	15,000	11,923	(3,077)
Intergovernmental	762,600	782,497	19,897	727,600	734,446	6,846
Charges for Services	1,000,000	1,006,660	6,660	1,000,000	1,000,512	512
Grant Proceeds	31,500	263,998	232,498	148,300	143,951	(4,349)
Police Program Income	66,000	88,248	22,248	66,000	64,679	(1,321)
Other Revenues	366,500	429,604	63,104	229,000	229,060	60
TOTAL REVENUES	15,828,600	18,601,727	2,773,127	15,869,900	15,929,264	59,364
EXPENDITURES						
General Government	3,024,100	2,776,535	247,565	2,155,700	1,895,018	260,682
Community and Economic Development	885,700	864,651	21,049	687,300	658,401	28,899
Public Safety	10,919,300	10,181,456	737,844	10,977,600	10,826,251	151,349
Public Services	3,121,400	2,888,797	232,603	3,311,000	3,217,367	93,633
General Services	1,785,700	1,572,228	213,472	1,543,600	1,516,149	27,451
Capital Outlay	-	1,117,900	(1,117,900)	-	247,933	(247,933)
General Government	-	191,134	(191,134)	-	247,933	(247,933)
Public Safety	-	131,062	(131,062)	-	-	-
General Services	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Principal	1,126,470	1,516,430	(389,960)	1,100,900	1,100,817	83
Interest	145,330	148,480	(3,150)	168,900	168,913	(13)
TOTAL EXPENDITURES	21,008,000	21,388,673	(380,673)	19,945,000	19,878,782	66,218
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,179,400)	(2,786,946)	2,392,454	(4,075,100)	(3,949,518)	125,582
OTHER FINANCING SOURCES/(USES)						
Transfers In	4,305,000	4,305,000	-	4,070,000	4,070,000	-
GO Bond Issuance	-	1,600,000	1,600,000	-	-	-
Lease Issuance	868,000	868,000	-	-	-	-
Sale of Capital Assets	6,400	60,459	54,059	5,100	29,041	23,941
TOTAL OTHER FINANCING SOURCES/(USES)	5,179,400	6,833,459	1,654,059	4,075,100	4,099,041	23,941
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ -	4,046,513	\$ 4,046,513	\$ -	149,523	\$ 149,523
FUND BALANCE - July 1		14,799,974			14,650,451	
FUND BALANCE - June 30		\$ 18,846,487			\$ 14,799,974	

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2022 Actual</u>
<u>GENERAL GOVERNMENT</u>				
<u>LEGISLATIVE (MAYOR & COUNCIL)</u>				
Personnel Services	\$ 117,400	\$ 105,047	\$ 12,353	\$ 103,062
Other Services and Charges	185,500	45,714	139,786	39,006
<u>TOTALS</u>	302,900	150,761	152,139	142,068
<u>ADMINISTRATIVE</u>				
Personnel Services	1,580,400	1,555,259	25,141	1,242,377
Supplies	20,900	22,414	(1,514)	22,452
Other Services and Charges	892,525	825,244	67,281	522,770
Capital Outlay	227,375	1,340,757	(1,113,382)	461,217
Debt Service - Principal	925,000	1,315,000	(390,000)	903,000
Debt Service - Interest	136,500	139,621	(3,121)	156,442
<u>TOTALS</u>	3,782,700	5,198,295	(1,415,595)	3,308,258
<u>TOTAL GENERAL GOVERNMENT</u>	4,085,600	5,349,056	(1,263,456)	3,450,326
<u>COMMUNITY DEVELOPMENT</u>				
<u>INSPECTIONS / CODES COMPLIANCE</u>				
Personnel Services	501,850	500,832	1,018	348,673
Supplies	15,000	12,347	2,653	7,546
Other Services and Charges	86,550	77,248	9,302	118,152
Capital Outlay	79,100	70,979	8,121	5,833
<u>TOTAL COMMUNITY DEVELOPMENT</u>	682,500	661,406	21,094	480,204
<u>ECONOMIC DEVELOPMENT</u>				
Personnel Services	76,800	74,013	2,787	71,987
Supplies	1,400	151	1,249	1,376
Other Services and Charges	124,500	128,597	(4,097)	102,925
Capital Outlay	500	484	16	1,909
<u>TOTAL ECONOMIC DEVELOPMENT</u>	203,200	203,245	(45)	178,197
<u>TOTAL COMMUNITY & ECONOMIC DEVELOPMENT</u>	885,700	864,651	21,049	658,401
<u>PUBLIC SAFETY</u>				
<u>POLICE DEPARTMENT</u>				
<u>ADMINISTRATION</u>				
Personnel Services	4,061,560	3,639,957	421,603	3,482,331
Supplies	60,080	47,661	12,419	62,026
Other Services and Charges	894,730	822,337	72,393	949,583
Capital Outlay	267,630	471,505	(203,875)	1,022,460
Debt Service - Principal	59,520	59,502	18	58,436
Debt Service - Interest	2,880	2,906	(26)	3,973
<u>TOTALS</u>	5,346,400	5,043,868	302,532	5,578,809

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	Budget	Actual	Variance Favorable (Unfavorable)	2022 Actual
<u>PUBLIC SAFETY (CONTINUED)</u>				
<u>DETECTIVES</u>				
Personnel Services	1,310,600	1,224,822	85,778	1,022,760
Supplies	8,300	6,417	1,883	6,656
Other Services and Charges	114,600	110,191	4,409	84,539
Capital Outlay	2,600	2,507	93	437,866
<u>TOTALS</u>	1,436,100	1,343,937	92,163	1,551,821
<u>DISPATCH - 911 CALL CENTER</u>				
Personnel Services	390,100	380,128	9,972	276,893
Supplies	5,200	4,432	768	16,945
Other Services and Charges	32,600	17,753	14,847	25,348
Capital Outlay	1,000	1,757	(757)	1,819
<u>TOTALS</u>	428,900	404,070	24,830	321,005
<u>COURT ADMINISTRATION</u>				
Personnel Services	311,900	306,820	5,080	292,749
Supplies	4,250	2,824	1,426	4,455
Other Services and Charges	67,250	50,149	17,101	57,656
Capital Outlay	3,500	-	3,500	-
<u>TOTALS</u>	386,900	359,793	27,107	354,860
<u>TOTAL POLICE DEPARTMENT</u>	7,598,300	7,151,668	446,632	7,806,495
<u>FIRE DEPARTMENT</u>				
Personnel Services	2,560,900	2,503,085	57,815	2,492,880
Supplies	223,980	218,923	5,057	106,108
Other Services and Charges	477,620	437,434	40,186	366,928
Capital Outlay	120,900	123,889	(2,989)	116,249
Debt Service - Principal	16,300	16,279	21	15,987
Debt Service - Interest	700	744	(44)	1,035
<u>TOTALS</u>	3,400,400	3,300,354	100,046	3,099,187
<u>TOTAL PUBLIC SAFETY</u>	10,998,700	10,452,022	546,678	10,905,682

CITY OF WEST COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	Budget	Actual	Variance Favorable (Unfavorable)	2022 Actual
<u>PUBLIC SERVICES</u>				
STREET DEPARTMENT				
Personnel Services	208,400	193,171	15,229	149,178
Supplies	12,980	17,787	(4,807)	1,242
Other Services and Charges	310,570	295,876	14,694	271,468
Capital Outlay	1,250	5,096	(3,846)	205,579
Debt Service - Principal	5,150	5,152	(2)	5,059
Debt Service - Interest	250	191	59	283
<u>TOTALS</u>	538,600	517,273	21,327	632,809
SANITATION DEPARTMENT				
Personnel Services	1,568,300	1,398,657	169,643	1,258,174
Supplies	75,100	65,779	9,321	62,830
Other Services and Charges	522,300	487,896	34,404	513,857
Capital Outlay	422,500	424,535	(2,035)	755,907
Debt Service - Principal	112,800	112,770	30	110,746
Debt Service - Interest	4,700	4,733	(33)	6,756
<u>TOTALS</u>	2,705,700	2,494,370	211,330	2,708,270
<u>TOTAL PUBLIC SERVICES</u>	3,244,300	3,011,643	232,657	3,341,079
<u>DIVISION OF GENERAL SERVICES</u>				
MAINTENANCE SHOP				
Personnel Services	306,100	289,400	16,700	268,885
Supplies	6,250	6,464	(214)	5,245
Other Services and Charges	45,500	38,445	7,055	38,765
Capital Outlay	257,650	237,174	20,476	2,367
<u>TOTALS</u>	615,500	571,483	44,017	315,262
PARKS AND RECREATION				
Personnel Services	755,100	745,563	9,537	781,886
Supplies	49,800	45,834	3,966	64,653
Other Service and Charges	238,800	214,202	24,598	263,797
Capital Outlay	126,500	126,207	293	89,683
Debt Service - Principal	7,700	7,727	(27)	7,589
Debt Service - Interest	300	285	15	424
<u>TOTALS</u>	1,178,200	1,139,818	38,382	1,208,032
<u>TOTAL GENERAL SERVICES</u>	1,793,700	1,711,301	82,399	1,523,294
<u>GRAND TOTAL</u>	\$ 21,008,000	\$ 21,388,673	\$ (380,673)	\$ 19,878,782

SCHEDULE B-1

CITY OF WEST COLUMBIA, SOUTH CAROLINA
HOSPITALITY TAX FUND
BALANCE SHEET
AS OF JUNE 30, 2023
(WTH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>
<u>ASSETS</u>		
Receivables (Net)	\$ 241,201	\$ 227,917
Due from General Fund	-	39,197
Restricted Cash and Equivalents	<u>3,454,983</u>	<u>2,511,490</u>
<u>TOTAL ASSETS</u>	<u>\$ 3,696,184</u>	<u>\$ 2,778,604</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 573,717	\$ 4,671
Due to General Fund	188,103	-
Unearned Revenue - Current	<u>-</u>	<u>125,534</u>
<u>TOTAL LIABILITIES</u>	<u>761,820</u>	<u>130,205</u>
<u>FUND BALANCE</u>		
Restricted	<u>2,934,364</u>	<u>2,648,399</u>
<u>TOTAL FUND BALANCE</u>	<u>2,934,364</u>	<u>2,648,399</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 3,696,184</u>	<u>\$ 2,778,604</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
HOSPITALITY TAX FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>
<u>REVENUES</u>		
Hospitality Tax	\$ 2,720,007	\$ 2,520,238
Grant Proceeds	125,655	25,650
Interest	<u>78,369</u>	<u>3,707</u>
<u>TOTAL REVENUES</u>	<u>2,924,031</u>	<u>2,549,595</u>
<u>EXPENDITURES</u>		
Current		
Tourism Related	646,214	194,744
Capital Outlay		
Tourism Related	482,814	150,645
Debt Service		
Principal	396,000	386,000
Interest	<u>63,038</u>	<u>72,474</u>
<u>TOTAL EXPENDITURES</u>	<u>1,588,066</u>	<u>803,863</u>
<u>EXCESS OF EXPENDITURES OVER REVENUES</u>	<u>1,335,965</u>	<u>1,745,732</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers (Out)	<u>(1,050,000)</u>	<u>(950,000)</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>(1,050,000)</u>	<u>(950,000)</u>
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES</u> <u>OVER EXPENDITURES AND OTHER FINANCING USES</u>	<u>285,965</u>	<u>795,732</u>
<u>FUND BALANCE - July 1</u>	<u>2,648,399</u>	<u>1,852,667</u>
<u>FUND BALANCE - June 30</u>	<u><u>\$ 2,934,364</u></u>	<u><u>\$ 2,648,399</u></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, 2023 AND 2022

	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 15,502,315	\$ 15,856,150
Accounts Receivable	5,370,242	4,568,238
Prepaid Charges	7,240	5,512
Due from Other Funds	193,030	-
Notes Receivable - Municipal Government	523,454	523,454
Restricted Cash and Cash Equivalents	12,637,445	17,377,265
<u>TOTAL CURRENT ASSETS</u>	<u>34,233,726</u>	<u>38,330,619</u>
NONCURRENT ASSETS		
Noncurrent Receivable - Municipal Government	878,107	1,371,028
CAPITAL ASSETS		
Water Plant, Lines, and Sewer System	105,740,233	104,171,508
Less: Accumulated Depreciation	(49,936,231)	(46,985,144)
Construction in Progress	10,645,581	1,131,545
<u>TOTAL CAPITAL ASSETS (NET OF</u>		
<u>ACCUMULATED DEPRECIATION)</u>	<u>66,449,583</u>	<u>58,317,909</u>
<u>TOTAL NONCURRENT ASSETS</u>	<u>67,327,690</u>	<u>59,688,937</u>
<u>TOTAL ASSETS</u>	<u>101,561,416</u>	<u>98,019,556</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension Plan	993,220	1,041,053
OPEB Plan	182,370	97,740
<u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u>	<u>1,175,590</u>	<u>1,138,793</u>
<u>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</u>	<u>102,737,006</u>	<u>99,158,349</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER
AS OF JUNE 30, 2023 AND 2022

	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
(Payable from Current Assets)		
Accounts Payable	4,192,747	2,016,961
Customer Deposits	824,511	793,931
Accrued Payroll and Vacation Pay	208,540	173,877
Lease Obligation	73,967	72,641
Unearned Revenue	629,144	629,144
Due to Other Funds	-	94,320
(Payable from Restricted Assets)		
Revenue Bonds Payable	2,912,119	2,849,720
Accrued Interest Payable	85,903	91,570
<u>TOTAL CURRENT LIABILITIES</u>	<u>8,926,931</u>	<u>6,722,164</u>
LONG-TERM LIABILITIES		
Accrued Vacation Pay - Due After One Year	211,922	186,587
Lease Obligation - Due After One Year	55,960	129,927
Revenue Bonds - Due After One Year	33,454,042	36,366,161
Unearned Revenue - Due After One Year	11,384,531	10,732,171
Net Pension Liability	7,004,519	6,039,260
Net OPEB Liability	435,462	335,625
<u>TOTAL LONG-TERM LIABILITIES</u>	<u>52,546,436</u>	<u>53,789,731</u>
<u>TOTAL LIABILITIES</u>	<u>61,473,367</u>	<u>60,511,895</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Plan	104,991	1,384,662
OPEB Plan	239,355	277,755
<u>TOTAL DEFERRED INFLOW OF RESOURCES</u>	<u>344,346</u>	<u>1,662,417</u>
<u>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</u>	<u>61,817,713</u>	<u>62,174,312</u>
<u>NET POSITION</u>		
Net Investment In Capital Assets	42,212,727	35,946,932
Restricted		
Debt Service	378,214	329,794
Unrestricted	(1,671,648)	707,311
<u>TOTAL NET POSITION</u>	<u>\$ 40,919,293</u>	<u>\$ 36,984,037</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, 2023 AND 2022

	June 30, 2023	June 30, 2022
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 22,998,149	\$ 21,223,637
<u>TOTAL OPERATING REVENUES</u>	22,998,149	21,223,637
<u>OPERATING EXPENSES</u>		
Personnel Services	5,902,820	5,290,726
Material and Supplies	1,883,445	1,636,223
Contractual Services	2,208,727	2,092,297
Utilities	1,235,591	1,085,514
Repairs and Maintenance	1,198,703	886,312
Depreciation	2,969,588	2,853,726
Other Operating Expenses	338,178	315,109
<u>TOTAL OPERATING EXPENSES</u>	15,737,052	14,159,907
<u>OPERATING INCOME</u>	7,261,097	7,063,730
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	560,319	132,674
Interest and Amortization Expense	(1,106,094)	(1,166,074)
Gain (Loss) on Sale of Capital Assets	7,993	-
<u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u>	(537,782)	(1,033,400)
<u>NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</u>	6,723,315	6,030,330
<u>CAPITAL CONTRIBUTIONS</u>		
Grant Proceeds	466,941	4,138
<u>NET INCOME BEFORE TRANSFERS</u>	7,190,256	6,034,468
<u>TRANSFERS IN/(OUT)</u>		
General Fund	(3,255,000)	(3,120,000)
<u>CHANGE IN NET POSITION</u>	3,935,256	2,914,468
<u>NET POSITION - July 1</u>	36,984,037	34,069,569
<u>NET POSITION - June 30</u>	\$ 40,919,293	\$ 36,984,037

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER
YEARS ENDED JUNE 30, 2023 AND 2022

	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>
<u>Cash Flows From Operating Activities</u>		
Cash Received From Customers	\$ 22,879,085	\$ 21,588,596
Cash Paid to Suppliers	(4,977,936)	(5,311,742)
Cash Paid to Employees	(6,132,594)	(5,793,622)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	11,768,555	10,483,232
	<hr/>	<hr/>
<u>Cash Flows from Non-Capital Financing Activities</u>		
Transfers Out	(3,255,000)	(3,120,000)
	<hr/>	<hr/>
Net Cash Used in Non-Capital Financing Activities	(3,255,000)	(3,120,000)
	<hr/>	<hr/>
<u>Cash Flows From Capital and Related Financing Activities</u>		
Principal Paid on Capital Debt	(2,922,361)	(2,865,023)
Interest Paid on Capital Debt	(1,111,761)	(1,171,787)
Acquisition of Capital Assets	(11,101,262)	(1,558,340)
Payments Received from Municipal Governments	492,921	484,308
Proceeds from Capital Grants	466,941	4,138
Proceeds from the Sale of Capital Assets	7,993	-
	<hr/>	<hr/>
Net Cash Used in Capital and Related Financing Activities	(14,167,529)	(5,106,704)
	<hr/>	<hr/>
<u>Cash Flows From Investing Activities</u>		
Interest on Investments	560,319	132,674
	<hr/>	<hr/>
Net Cash Provided by Investing Activities	560,319	132,674
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and and Cash Equivalents	(5,093,655)	2,389,202
	<hr/>	<hr/>
<u>Cash and Cash Equivalents - July 1</u>	33,233,415	30,844,213
	<hr/>	<hr/>
<u>Cash and Cash Equivalents - June 30</u>	\$ 28,139,760	\$ 33,233,415
	<hr/> <hr/>	<hr/> <hr/>
 <u>Cash</u>	 \$ 15,502,315	 \$ 15,856,150
 <u>Restricted Cash and Cash Equivalents</u>	 12,637,445	 17,377,265
	<hr/>	<hr/>
<u>Total Cash and Cash Equivalents</u>	\$ 28,139,760	\$ 33,233,415
	<hr/> <hr/>	<hr/> <hr/>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER
YEARS ENDED JUNE 30, 2023 AND 2022

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

	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>
<u>Operating Income</u>	<u>\$ 7,261,097</u>	<u>\$ 7,063,730</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	2,969,588	2,853,726
(Increase) Decrease in		
Accounts Receivable	(802,004)	943,461
Prepaid Charges	(1,728)	83,262
Due from Other Funds	(193,030)	-
Deferred Outflow of Resources	(36,797)	118,939
Increase (Decrease) in		
Accounts Payable	2,175,786	576,797
Unearned Revenue	652,360	(629,144)
Customer Deposits	30,580	50,642
Accrued Expenses	59,998	(190,081)
Due to Other Funds	(94,320)	43,654
Net Pension Liability	965,259	(1,195,973)
Net OPEB Liability	99,837	(140,468)
Deferred Inflow of Resources	(1,318,071)	904,687
Total Adjustments	<u>4,507,458</u>	<u>3,419,502</u>
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 11,768,555</u>	<u>\$ 10,483,232</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, 2023

	<u>FIREMAN'S FUND</u>	<u>NARCOTIC FUND</u>	<u>TOTAL CUSTODIAL FUNDS</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 46,415	\$ 57,612	\$ 104,027
Total assets	46,415	57,612	104,027
<u>LIABILITIES</u>			
Due to fireman's organization	46,415	-	46,415
Due to narcotics programs	-	57,612	57,612
Total liabilities	46,415	57,612	104,027
<u>NET POSITION</u>			
Restricted for individuals, organizations and other governments	-	-	-
Total net position	\$ -	\$ -	\$ -

CITY OF WEST COLUMBIA, SOUTH CAROLINA
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2023

	<u>FIREMAN'S FUND</u>	<u>NARCOTIC FUND</u>	<u>TOTAL CUSTODIAL FUNDS</u>
<u>ADDITIONS</u>			
Fireman's funds	\$ 49,907	\$ -	\$ 49,907
Narcotic funds seized	-	15,986	15,986
Total additions	49,907	15,986	65,893
<u>DEDUCTIONS</u>			
Fireman's funds disbursed	49,907	-	49,907
Narcotics funds disbursed	-	15,986	15,986
Total deductions	49,907	15,986	65,893
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, 2023 AND 2022

	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>
<u>CAPITAL ASSETS</u>		
Land	\$ 3,946,040	\$ 3,852,943
Construction in Process	7,831,859	9,614,980
Buildings and Improvements	15,818,843	11,977,511
Vehicles and Equipment	14,068,112	13,404,015
<u>TOTAL CAPITAL ASSETS</u>	<u>\$ 41,664,854</u>	<u>\$ 38,849,449</u>
<u>INVESTMENT IN CAPITAL ASSETS</u>		
<u>BY SOURCE</u>		
General Fund	35,692,286	33,359,695
Special Revenue Fund - Hospitality Tax	5,972,568	5,489,754
<u>TOTAL INVESTMENT IN CAPITAL ASSETS</u>	<u>\$ 41,664,854</u>	<u>\$ 38,849,449</u>

CITY OF WEST COLUMBIA, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2023

	Land, CIP, Buildings and Fixtures	Vehicles and Equipment	Total
<u>FUNCTION AND ACTIVITIES</u>			
GENERAL GOVERNMENT	\$ 8,461,274	\$ 374,823	\$ 8,836,097
COMMUNITY DEVELOPMENT	6,413,555	99,807	6,513,362
PUBLIC SAFETY			
Police	532,165	5,235,870	5,768,035
Fire	1,630,649	3,433,447	5,064,096
TOTAL PUBLIC SAFETY	2,162,814	8,669,317	10,832,131
PUBLIC SERVICES			
Street	-	676,691	676,691
Sanitation	76,418	3,048,138	3,124,556
TOTAL PUBLIC SERVICES	76,418	3,724,829	3,801,247
GENERAL SERVICES			
General Services	87,329	-	87,329
Maintenance Shop	319,714	220,517	540,231
Parks and Recreation	4,157,379	924,511	5,081,890
TOTAL GENERAL SERVICES	4,564,422	1,145,028	5,709,450
TOURISM RELATED	5,918,259	54,308	5,972,567
<u>TOTAL CAPITAL ASSETS</u>	<u>\$ 27,596,742</u>	<u>\$ 14,068,112</u>	<u>\$ 41,664,854</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, 2023

<u>FUNCTION AND ACTIVITY</u>	<u>Capital Assets June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Capital Assets June 30, 2023</u>
GENERAL GOVERNMENT	\$ 7,769,644	\$ 1,074,505	\$ 8,052	\$ 8,836,097
COMMUNITY DEVELOPMENT	6,291,476	221,886	-	6,513,362
PUBLIC SAFETY				
Police	5,582,108	524,326	338,399	5,768,035
Fire	4,852,512	211,584	-	5,064,096
TOTAL PUBLIC SAFETY	10,434,620	735,910	338,399	10,832,131
PUBLIC SERVICES				
Street	770,772	-	94,081	676,691
Sanitation	2,696,406	428,150	-	3,124,556
TOTAL PUBLIC SERVICES	3,467,178	428,150	94,081	3,801,247
GENERAL SERVICES				
General Services	87,329	-	-	87,329
Maintenance Shop	343,404	235,661	38,834	540,231
Parks and Recreation	4,966,045	115,845	-	5,081,890
TOTAL GENERAL SERVICES	5,396,778	351,506	38,834	5,709,450
TOURISM RELATED	5,489,753	3,885,869	3,403,055	5,972,567
<u>TOTAL CAPITAL ASSETS</u>	<u>\$ 38,849,449</u>	<u>\$ 6,697,826</u>	<u>\$ 3,882,421</u>	<u>\$ 41,664,854</u>

VICTIM'S RIGHTS ASSISTANCE

CITY OF WEST COLUMBIA
SCHEDULE OF COURT FINES, FEES, ASSESSMENTS AND SURCHARGES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Court Fines, Assessments, and Surcharges

Court fines, assessments, and surcharges collected	\$ 275,350
Court fines, assessments, and surcharges remitted to State Treasurer	<u>(131,260)</u>
Total Court fines, assessments, and surcharges retained by City of West Columbia	<u><u>\$ 144,090</u></u>

Surcharges and Assessments retained for Victims' Services

Surcharges collected and retained	\$ 6,644
Assessments retained	<u>16,623</u>
Total surcharges and assessments retained for victims' services	<u><u>\$ 23,267</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	16,623
Victims' service surcharges retained by the City	6,644
General funds allocated to victims' service fund	<u>87,301</u>
Total funds allocated to victims' service fund + beginning balance (A)	<u><u>110,568</u></u>
Expenditures for Victims' Service Program	
Operating expenditures	\$ 110,568
General funds received from victims' service fund	<u>-</u>
Total expenditures from victims' service fund/program (B)	<u><u>110,568</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 annual comprehensive 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.	

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fiscal Year										
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 19,613,891
Restricted	143,948	196,449	465,836	1,626,871	2,093,588	2,725,992	2,724,559	3,855,586	4,209,562	5,923,959
Unrestricted	4,367,132	(6,370,468)	(5,252,945)	(5,413,419)	(5,714,087)	(6,261,667)	(4,756,107)	(4,614,528)	(3,695,379)	(2,741,465)
Total Governmental Activities Net Position	\$ 12,265,840	\$ 1,052,055	\$ 2,843,687	\$ 3,047,352	\$ 6,269,766	\$ 8,767,992	\$ 10,281,174	\$ 13,181,384	\$ 17,251,250	\$ 22,796,385
Business-Type Activities										
Net investment in capital assets	\$ 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	\$ 42,212,727
Restricted	2,593,418	11,284,796	4,603,590	2,481,791	529,962	496,284	338,437	339,702	329,794	378,214
Unrestricted	(5,921,368)	(18,185,198)	(11,586,573)	(7,651,434)	(5,912,901)	(4,145,409)	(3,083,205)	(1,114,114)	707,311	(1,671,648)
Total Business-Type Activities Net Position	\$ 21,882,093	\$ 18,831,475	\$ 18,965,994	\$ 21,634,341	\$ 24,262,108	\$ 27,189,750	\$ 30,456,163	\$ 34,069,569	\$ 36,984,037	\$ 40,919,293
Primary Government										
Net investment in capital assets	\$ 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	\$ 61,826,618
Restricted	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	6,302,173
Unrestricted	(1,554,236)	(24,555,666)	(16,839,518)	(13,064,853)	(11,626,988)	(10,407,076)	(7,839,312)	(5,728,642)	(2,988,068)	(4,413,113)
Total Primary Governmental Net Position	\$ 34,147,933	\$ 19,883,530	\$ 21,809,681	\$ 24,681,693	\$ 30,531,874	\$ 35,957,742	\$ 40,737,337	\$ 47,250,953	\$ 54,235,287	\$ 63,715,678

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

Fiscal Year

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 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	\$ 2,822,103
Community & economic development	346,572	344,200	309,105	504,766	358,149	522,091	498,789	586,830	638,244	625,935
Public safety	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	10,653,890
Public services	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	2,595,643
General services	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	1,540,466
Tourism Related	-	-	-	34,204	253,695	198,026	212,425	191,163	300,953	816,647
Interest on Long-Term Debt	130,510	110,897	92,341	211,697	241,334	339,378	322,509	254,996	224,569	239,064
Total governmental activities expenses	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	19,293,748
Business-type activities:										
Water & sewer utility	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	16,843,146
Total business-type activities expenses	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	16,843,146
Total primary government expenses	\$ 20,518,818	\$ 21,161,476	\$ 22,098,029	\$ 28,149,603	\$ 24,077,100	\$ 29,171,149	\$ 31,491,959	\$ 32,605,274	\$ 32,898,839	\$ 36,136,894
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 7,264,520
Public safety	173,004	184,943	159,905	159,296	1,103,635	1,098,510	1,091,492	1,096,962	1,129,309	1,159,906
Operating grants and contributions	10,459	53,609	177,395	867,856	123,001	83,623	272,301	607,568	166,436	352,246
Capital grants and contributions	37,797	245,866	-	-	789,309	522,070	158,899	-	67,846	125,655
Total governmental activities program revenues	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	8,902,327
Business-type activities:										
Charges for services:										
Water & sewer utility	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	22,998,149
Operating grants and contributions	-	-	-	-	25,755	-	-	-	-	-
Capital contributions and grants	183,856	-	-	385,458	513,397	152,614	904,475	1,800	4,138	466,941
Total business-type activities program revenues	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	23,465,090
Total primary government program revenues	\$ 16,202,179	\$ 18,012,302	\$ 18,777,439	\$ 24,530,742	\$ 24,220,241	\$ 26,286,692	\$ 27,276,067	\$ 29,105,947	\$ 29,178,183	\$ 32,367,417
Net (expense)/revenue										
Governmental activities	(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)	(10,391,421)
Business-type activities	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	6,621,944
Total primary government net expense	\$ (4,316,639)	\$ (3,149,174)	\$ (3,320,590)	\$ (3,618,861)	\$ 143,141	\$ (2,884,457)	\$ (4,215,892)	\$ (3,499,327)	\$ (3,720,656)	\$ (3,769,477)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenue and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 8,335,745
Hospitality taxes	-	-	-	1,173,643	1,472,558	1,729,406	1,740,942	2,031,290	2,520,238	2,720,007
Gain on sale of capital asset	(41,384)	(924,125)	27,031	2,230	58,821	48,052	29,245	38,458	20,714	73,956
Intergovernmental	478,509	475,734	493,555	541,234	545,466	560,036	552,397	627,002	734,446	782,497
Investment earnings	164	41	57	5,022	5,204	54,645	80,435	47,490	15,630	372,537
Miscellaneous	201,949	156,903	175,432	268,341	165,606	269,086	343,619	287,509	229,060	396,814
Transfers	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	3,255,000
Total governmental activities	7,307,548	6,185,414	7,447,494	8,986,743	9,893,961	11,067,850	11,607,585	12,819,268	13,692,316	15,936,556
Business-type activities:										
Gain / (Loss) on sale of capital asset	-	1,778	-	2,767	78,857	(109,591)	16,937	12,571	-	7,993
Investment earnings	112,845	105,668	99,247	127,363	120,882	232,066	310,965	261,104	132,674	560,319
Transfers	(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)	(3,255,000)
Total Business-type activities	(2,431,277)	(2,175,554)	(2,200,753)	(2,495,870)	(2,477,261)	(2,757,525)	(2,612,098)	(2,806,325)	(2,987,326)	(2,686,688)
Total primary government	\$ 4,876,271	\$ 4,009,860	\$ 5,246,741	\$ 6,490,873	\$ 7,416,700	\$ 8,310,325	\$ 8,995,487	\$ 10,012,943	\$ 10,704,990	\$ 13,249,868
Change in Net Position										
Governmental activities	\$ 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	\$ 5,545,135
Business-type activities	248,920	1,302,256	134,519	(160,598)	2,686,956	2,927,642	3,266,413	3,613,406	2,914,468	3,935,256
Total primary government	\$ 559,632	\$ 860,686	\$ 1,926,151	\$ 3,170,283	\$ 3,797,839	\$ 5,425,868	\$ 4,779,595	\$ 6,513,616	\$ 6,984,334	\$ 9,480,391

Table 3

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

Fiscal Year	Property Tax	Franchise & Business License		Accommodations		State Shared Revenue		Alcoholic Beverage		Hospitality Tax	Total
		Tax		Tax		Tax		Tax			
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
2023	8,335,745	6,865,208		292,933		471,887		27,700		2,720,007	18,713,480

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Governmental Funds</u>										
General Fund										
Restricted	\$ 143,948	\$ 196,449	\$ 465,836	\$ 5,704,013	\$ 2,457,292	\$ 4,423,044	\$ 3,303,617	\$ 3,857,594	\$ 2,881,275	\$ 5,145,375
Nonspendable	20,779	100	2,863	13,437	19,807	246,441	797,555	956,102	723,677	691,988
Unassigned	4,508,614	4,640,117	5,187,980	7,254,229	6,952,936	6,961,348	8,471,710	9,836,755	11,195,022	13,009,124
Total general fund	4,673,341	4,836,666	5,656,679	12,971,679	9,430,035	11,630,833	12,572,882	14,650,451	14,799,974	\$18,846,487
Hospitality Tax Fund										
Restricted	-	-	-	799,439	5,195,220	2,545,410	1,383,041	1,852,667	2,648,399	2,934,364
Total hospitality tax fund	-	-	-	799,439	5,195,220	2,545,410	1,383,041	1,852,667	2,648,399	2,934,364
Total Governmental Funds	\$ 4,673,341	\$ 4,836,666	\$ 5,656,679	\$ 13,771,118	\$ 14,625,255	\$ 14,176,243	\$ 13,955,923	\$ 16,503,118	\$ 17,448,373	\$21,780,851

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property taxes	\$ 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	\$ 8,318,786
Franchise fees, licenses and permits	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	7,264,520
Intergovernmental	478,509	475,734	493,555	541,234	545,466	560,036	552,397	627,002	734,446	782,497
Charges for services	732,385	851,786	863,665	862,746	964,941	975,011	993,991	1,002,608	1,000,512	1,006,660
Fines and forfeitures	161,744	169,025	153,866	159,296	138,694	123,499	97,501	94,354	128,797	153,246
Investment earnings	164	41	57	5,022	5,204	54,645	80,435	47,490	15,630	372,537
Grant proceeds	48,256	299,475	177,395	789,490	814,690	532,573	342,839	482,972	169,601	389,653
Police program	11,260	15,918	6,039	78,366	97,620	73,121	88,361	124,596	64,679	88,248
Hospitality tax	-	-	-	1,173,643	1,472,558	1,729,406	1,740,942	2,031,290	2,520,238	2,720,007
Other revenues	201,949	156,903	175,432	268,341	165,606	269,086	343,619	287,509	229,060	429,604
Total revenues	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	21,525,758
Expenditures										
General government	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	2,776,535
Public safety	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	10,181,456
Public services	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	2,888,797
General services	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	1,572,228
Community and economic development	341,838	530,722	341,290	390,385	410,951	490,241	487,647	578,628	658,401	864,651
Tourism related	-	-	-	34,204	486,801	198,026	201,595	80,555	194,744	646,214
Capital Outlay	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	1,028,356	12,500	-	247,933	1,117,900
Community and economic development	-	-	-	-	4,483,163	1,016,837	485,331	-	-	-
Public services	-	-	-	-	-	395,897	44,611	-	-	-
Public safety	-	-	-	-	-	-	-	706,947	247,933	191,134
General services	-	-	-	-	-	-	-	-	-	-
Tourism related	-	-	-	-	-	-	1,551,433	125,801	150,645	482,814
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	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	1,912,430
Interest	137,670	115,863	97,573	119,614	217,281	293,579	359,154	262,835	241,387	211,518
Total expenditures	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	22,976,739
Excess of revenues over (under) expenditures	(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)	(1,450,981)
Other financing sources (uses)										
Transfers in	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	3,255,000
Bonds issued	3,327,000	-	-	6,049,000	4,000,000	4,000,000	3,729,000	-	-	1,600,000
Payments to bond agent	(3,327,000)	-	-	-	-	-	-	-	-	-
Leases issued	247,350	300,000	96,250	870,000	500,000	-	-	-	-	868,000
Sale of capital assets	138,068	299,573	38,977	2,540,213	58,821	231,287	31,283	38,458	29,041	60,459
Total other financing sources (uses)	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	5,783,459
Net change in fund balances	\$ 136,341	\$ 163,325	\$ 820,013	\$ 8,114,439	\$ 854,137	\$ (449,012)	\$ (220,320)	\$ 2,547,195	\$ 945,255	\$ 4,332,478
Debt service as a percentage of noncapital expenditures	9.73%	9.26%	9.48%	14.70%	8.42%	12.51%	26.78%	10.14%	9.68%	10.79%

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					
2014	2013	18,259,320	27,955,530	6,295,020	6,814,480	895,080	58,429,270	61.879	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	61.879	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	61.879	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	61.879	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	61.879	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	65.379	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	65.379	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	65.379	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	65.379	1,685,106,238	5.49%
2023	2022	27,178,210	50,837,180	10,869,500	12,265,590	1,309,270	99,841,210	72.841	1,812,245,821	5.51%

Source: Lexington County Auditor

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

Fiscal Year	Tax Year	Overlapping Rates											Total Direct & Overlapping Rates
		City of West Columbia			Lexington County			School District					
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Special Districts		
2014	2013	55.279	6.600	61.879	72.730	4.000	76.730	146.460	29.750	176.210	22.500	337.319	
2015	2014	55.279	6.600	61.879	72.730	4.450	77.180	146.460	29.750	176.210	24.000	339.269	
2016	2015	55.279	6.600	61.879	72.870	4.100	76.970	146.460	79.500	225.960	22.440	387.249	
2017	2016	55.279	6.600	61.879	73.200	4.100	77.300	146.460	79.500	225.960	22.660	387.799	
2018	2017	55.279	6.600	61.879	72.250	3.400	75.650	146.460	79.500	225.960	22.540	386.029	
2019	2018	58.797	6.600	65.397	73.100	3.700	76.800	146.460	79.500	225.960	22.340	390.497	
2020	2019	58.797	6.600	65.397	74.490	3.500	77.990	150.720	79.500	230.220	21.160	394.767	
2021	2020	58.797	6.600	65.397	72.092	3.500	75.592	150.720	79.500	230.220	20.100	391.309	
2022	2021	58.797	6.600	65.397	72.092	2.500	74.592	154.900	79.500	234.400	20.030	394.419	
2023	2022	66.241	6.600	72.841	72.092	2.500	74.592	162.900	79.500	242.400	20.030	409.863	

Source: Lexington County Auditor

Table 8

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

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Dominion Energy South Carolina	4,411,320	1	4.42%	1,796,750	1	3.03%
Spectrum Southeast LLC	1,695,390	2	1.70%	857,950	5	
WECO River District LLC	1,749,840	3	1.75%			
Abberly Village at W/C	1,641,600	4	1.64%	1,248,000	2	
TPG CTC USC LLC	1,306,260	5	1.31%			0.00%
800 State Street (SC) Owner LLC	1,147,500	6	1.15%			
Riverbanks Retreat LLC	1,080,950	7	1.08%			
Wal-Mart Real Estate Business	875,040	8	0.88%	1,040,170	4	1.75%
ECA Buligo West Side Partners	817,310	9	0.82%			
Southeastern Freight Lines	697,020	10	0.70%			
House of Raeford Farms, Inc.				689,370	6	1.16%
Campus Investors HSRE_SC				1,167,060	3	1.97%
Westside Meshekoff Family LP				569,360	7	0.96%
Sun, Inc				457,890	8	0.77%
Capital Hospitality LLC				385,260	9	0.65%
Granby Oaks Association				365,020	10	0.62%
Total Principal Taxpayers	15,422,230		15.45%	8,576,830		10.91%
City-wide Assessed Valuation	99,841,210		100.00%	59,324,350		100.00%

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

Fiscal Year Ended June 30	Tax Year	Total Tax Levy	Collected within the		Collections in Subsequent Fiscal Years	Total Collections to Date	
			Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
			Amount				
2014	2013	\$ 4,173,235	\$ 4,005,054	96.0%	\$ 150,677	\$ 4,155,731	99.6%
2015	2014	4,259,047	4,079,968	95.8%	157,927	4,237,894	99.5%
2016	2015	4,510,513	4,333,793	96.1%	150,430	4,484,223	99.4%
2017	2016	4,598,267	4,408,237	95.9%	158,694	4,566,931	99.3%
2018	2017	5,234,398	5,046,516	96.4%	153,465	5,199,981	99.3%
2019	2018	5,793,834	5,573,729	96.2%	177,844	5,751,572	99.3%
2020	2019	6,264,493	6,063,642	96.8%	151,325	6,214,966	99.2%
2021	2020	7,423,635	7,154,953	96.4%	190,660	7,345,613	98.9%
2022	2021	7,839,848	7,557,669	96.4%	218,380	7,776,049	99.2%
2023	2022	9,211,141	8,911,496	96.7%	-	8,911,496	96.7%

Source: Lexington County Treasurer's Office tax records

Table 10

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government ¹	Percentage of Personal Income ²	Per Capita ²
	General Obligation Bonds	Hospitality Tax Revenue Bond	Tax Increment		Water/Sewer		Leases				
			Finance Bonds		Bonds						
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		
2023	3,763,000	2,133,000	2,913,000	1,148,430	36,366,161	129,927	46,453,518	8.24%	2,625		

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>
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
2023	3,763,000	124,482	3,638,518	0.20%	206

City of West Columbia, South Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

<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	6.37%	\$ 1,097,233
School District No. 2	202,510,000	27.47%	55,629,497
Lexington County Recreation District	16,460,000	8.39%	1,380,994
Riverbanks Park District	11,517,735	6.37%	733,680
Subtotal, overlapping debt			<u>58,841,403</u>
City of West Columbia, South Carolina direct debt			<u>9,957,430</u>
Total direct and overlapping debt			<u><u>68,798,833</u></u>

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

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

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 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	\$ 8,092,038
Total net debt applicable to limit	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	3,638,518
Legal debt margin	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	4,453,520
Total net debt applicable to the limit as a percentage of the debt limit	38.02%	31.58%	25.16%	18.85%	11.24%	65.29%	55.96%	43.65%	34.73%	44.96%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed Value	\$99,841,210
Add back: exempt real property	1,309,270
Total assessed value	101,150,480
Debt limit (8%)	8,092,038
Debt applicable to limit:	
General obligation bonds	3,763,000
Less: Amount set aside for repayment	
general obligation debt	(124,482)
Total net debt applicable to limit	3,638,518
Legal debt margin	\$ 4,453,520

Note: 1. The City of West Columbia issued \$1,600,000 in General Obligation Bonds on February 7, 2023. As authorized by an ordinance dated December 6, 2022, the City is able to issue General Obligation Bonds not to exceed their legal limit. 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 \$8,092,0358 at June 30, 2023, which would be the legal debt limit.

City of West Columbia, South Carolina

Pledged-Revenue Coverage
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating Revenues	\$ 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	\$ 22,998,149
Less: Deferred Charge Prior Year Adjustment ¹	(435,707)	(435,707)	(517,057)	(524,453)	(524,453)	(524,453)	(524,453)	(524,453)	(524,453)	(524,453)
Plus: Contractual Contribution ²	819,949	700,103	698,714	705,508	704,210	625,585	362,959	371,194	379,617	388,230
Plus: Capacity Payment ³	-	-	2,300,000	-	-	-	-	-	-	1,281,505
Plus: Interest Revenue ⁴	112,845	105,668	99,247	118,897	104,700	146,782	168,958	223,443	106,675	377,685
Plus: Sale of Capital Assets	-	1,778	-	2,767	78,857	34,688	16,937	12,571	-	7,993
Gross Revenues	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	24,529,109
Total Expenses	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	15,737,052
Less: Depreciation	(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)	(2,969,588)
Operation and Maintenance Expenses ⁵	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	12,767,464
Net Earnings	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	11,761,645
Debt Service										
Principal	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	2,849,720
Interest	625,217	583,752	407,622	688,216	852,701	1,139,141	1,385,085	1,243,283	1,166,385	1,107,664
Debt Service	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	3,957,384
Debt Service Coverage	1.98x	2.44x	3.46x	3.02x	2.87x	2.83x	2.48x	2.64x	2.49x	2.97x

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 Town and/or Joint Commission and for the purchase of additional capacity in the Lake Murray Water Treatment Facility

⁴ Net of interest on bond proceeds

⁵ Net of depreciation

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

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

Table 15

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Level in Years of			School Enrollment	Unemployment Rate
					Formal Schooling				
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%
2023	17,697	564,091,875	31,875	39.2	14.0			3,755	3.40%

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>2023</u>			<u>2014</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 Carolina Episcopal Home	714	1	17.14%	410	3	15.14%
South Eastern Freight Lines	699	2	16.78%			
Lexington School District 2	677	3	16.25%	218	4	8.05%
House of Raeford Farms	550	4	13.20%	875	1	32.31%
Wal-Mart Stores	369	5	8.86%	552	2	20.38%
Three Rivers Behavioral Health	350	6	8.40%			
NHC Healthcare - Lexington	256	7	6.14%			
City of West Columbia	240	8	5.76%	193	5	7.13%
Lowe's Home Improvement	179	9	4.30%			
Infrastructure Consulting & Engineering, PLLC (ICE)	132	10	3.17%			
Heartland of Lexington				125	6	4.62%
U S Postal Service				96	7	3.55%
Bi-Lo LLC				87	8	3.21%
Chick-Fil-A				78	9	2.88%
H T Hackney Company				74	10	2.73%
Total	<u>4,166</u>		<u>100.0%</u>	<u>2,708</u>		<u>100.0%</u>

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

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	16	17	19	21	21	26	27	28	27	31
Building Inspectors	2	2	2	2	2	2	2	2	1	3
Code Compliance	2	2	3	3	3	3	3	3	4	3
Community Development	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Officers	55	56	54	51	48	50	51	45	50	48
Civilians	11	11	11	11	13	10	9	10	13	11
Fire										
Firefighters and officers	24	24	24	25	25	25	26	25	31	25
Streets	-	-	-	-	-	-	-	-	-	2
Maintenance - Garage	7	7	7	7	6	6	6	6	6	7
Sanitation (Garbage & Trash)	24	24	22	22	22	18	21	19	22	19
Parks and Recreation	7	7	7	10	11	14	14	11	14	13
Water (Production & Distribution)	36	37	37	35	35	34	40	43	45	46
Sewer Collection	4	4	4	4	4	5	6	7	8	6
Total	189	192	191	192	191	194	206	200	222	215

Source: City of West Columbia Finance Office

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

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Physical arrests	1,179	1,248	1,173	1,184	1,169	1,059	918	942	679	873
Fire										
Number of calls answered	1,038	1,222	1,363	1,836	1,952	2,032	2,322	2,457	3,142	3,505
Inspections	1,597	1,205	1,295	1,884	2,169	1,957	1,254	1,535	1,618	1,816
Sanitation										
Refuse collected (tons/day) Lexington Landfill ¹	22	22	22	35	35	36	35	37	37	46
Recyclables collected (tons/day)	2	2	2	3	3	6	5	6	6	7
Culture and Recreation										
Community Center (Times Used)	152	118	98	130	110	175	64	108	158	157
Water										
New connections	139	132	109	36	161	142	166	237	111	76
Water mains breaks	27	11	22	26	19	31	25	22	33	44
Water customers	19,460	19,592	19,701	19,737	19,898	20,040	20,206	20,443	20,554	20,630
Water Plant I	3,123	3,122	3,323	3,363	3,328	3,250	3,467	3,420	3,650	3,747
Water Plant II	8,683	9,029	10,146	10,215	10,743	10,930	11,657	11,820	11,880	11,278
Total Average daily consumption (thousands of gallons)	11,806	12,151	13,469	13,578	14,071	14,180	15,124	15,240	15,530	15,025
Wastewater										
Average daily sewage treatment ² (thousands of gallons)	2,980	3,075	3,081	3,062	2,730	3,065	3,180	3,289	2,917	2,868
Sewer customers	11,334	11,397	11,474	11,510	11,552	11,586	11,604	11,771	11,815	11,842
Total sewer customers	11,334	11,397	11,474	11,510	11,552	11,586	11,604	11,771	11,815	11,842

Sources:

¹ Lexington Landfill² City of Columbia waste water treatment plant

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

Fiscal Year

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	59	52	52	54	53	54	50	53	53	47
Fire stations	1	1	1	1	1	1	1	1	1	1
Responding units	9	10	10	9	10	13	11	11	11	9
Sanitation										
Garbage collection trucks	12	12	12	12	12	13	14	11	11	12
Yard trash collection trucks	7	7	7	7	7	7	7	10	10	10
Highways and streets										
Streetlights ¹	1,262	1,284	1,284	1,333	1,354	1,369	1,437	1,444	1,476	1,536
Traffic signals	30	30	30	40	41	46	47	49	48	48
Culture and recreation										
Parks	5	5	5	5	5	6	7	8	8	8
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	257	265	270	278	279	281	279	279	279	287
Fire hydrants	986	1003	1010	1041	1023	1043	1082	1057	1054	1125
Water Plant I	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Water Plant II	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
Maximum daily capacity (millions of gallons)	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	118	118	119	119	128	129	128	128	133
Maximum daily treatment capacity ² (millions of gallons)	3.27	3.27	3.27	3.27	3.27	3.27	3.27	3.27	3.99	3.99

Sources:

¹ South Carolina Electric & Gas Company

² 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 27, 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
December 27, 2023