

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

CITY OF COLUMBIA, SOUTH CAROLINA

FISCAL YEAR ENDED JUNE 30, 2017

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2017**

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INTRODUCTORY SECTION



We Are Columbia

January 24, 2018

The Honorable Stephen K. Benjamin, Mayor
The Honorable Members of the Columbia City Council
The Citizens of the City of Columbia

Ladies and Gentlemen:

We are pleased to present the Comprehensive Annual Financial Report ("CAFR") of the City of Columbia, South Carolina (the "City") for the fiscal year ended June 30, 2017. South Carolina law requires that all local governments publish a complete set of audited financial statements, presented in conformity with generally accepted accounting principles in the United States of America ("GAAP"). The law further requires that these financial statements be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR has been prepared by the City in accordance with these principles and standards. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management Discussion & Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. We believe that the data, as presented, is accurate in all material respects, presents fairly the City's financial position and results of operations, as measured by the financial activity of its various funds. To provide a reasonable basis for making these representations, the City has designed an internal control framework that is designed both to protect the City's assets from theft, loss, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements that are in conformance with GAAP. The City's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert, to the best of our knowledge and belief, that the CAFR is complete and reliable in all material respects.

The City's financial statements have been audited by WebsterRogers LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2017, are free of material misstatement. The independent audit involves 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 auditors rendered an unmodified opinion that the City's financial statements for the year ended June 30, 2017, are presented fairly and in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the needs of federal grantor agencies. The Single Audit was performed in compliance with the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Uniform Guidance governing Single Audit engagements requires the independent

Teresa Wilson • City Manager
1737 Main Street • P.O. Box 147 • Columbia, South Carolina 29217
Office: 803.545.3026 • Fax: 803.545.3051 • Email: tbwilson@columbiasc.net

auditor to report not only on the fair presentation of financial statements, but also on the audited entity's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available on the City's website.

This report, other historical audited financial statements, other historical unaudited financial information, and operating budgets may also be accessed via the internet at www.columbiasc.net.

City of Columbia Overview

The City, incorporated in 1786, is located 13 miles northwest of South Carolina's geographic center. The City currently occupies a land area of approximately 135 square miles with a population estimated at approximately 134,300 in the City and approximately 817,500 within the metropolitan statistical area according to the 2016 United States Census estimates. Columbia is also combined with the Newberry and Orangeburg micropolitan areas to form the Columbia-Orangeburg-Newberry Combined Statistical area which has approximately 938,000 people according to the 2016 Census estimates and is the second-largest combined statistical area in South Carolina. Columbia is considered the primary city of the Midlands region of South Carolina. The vision of the City is to build a world-class city. The mission of the City is to provide bold leadership and exemplary services to advance the quality of life for everyone.

The City has a council-manager form of government. The mayor and city council are elected every four years with no term limits. Elections are held in November of odd numbered years. City council consists of the mayor and six members. Four members are elected from council districts, and two members are elected at-large. City council is responsible for making policies and enacting laws, rules, and regulations in order to provide for future community and economic growth in addition to providing the necessary support for the orderly and efficient operations of city services. The Council and Mayor are elected on a non-partisan basis. City Council oversees the city manager who is the chief executive officer of the City and oversees the day-to-day operations of the City. The City Manager is responsible for carrying out policies and ordinances and directs the daily operations of the City through Manager-appointed department directors.

Primary City Functions

The City provides a full range of municipal services including police and fire protection, the maintenance of streets and other infrastructure, recreational activities and cultural events, land use and building regulations, water and wastewater treatment, storm-water operations, parking operations, and economic development. The City accounts for water and wastewater operations, parking operations and storm-water operations separately within the reporting entity, and attempts to recover the costs of these functions through user charges. The City is self-insured for workers' compensation, parts of the medical and dental plan, and general claims liabilities. The City pays for such claims as they become due. The City engages an external party to provide an estimate of its liabilities related to these self-insured expenses.

Budget Process

South Carolina law requires that the City adopt, by ordinance, a balanced budget. The preparation of the budget is the responsibility of the City Manager who has a duty to present a budget that reflects the priorities set by City Council. The City's budget process begins in November for the forthcoming year which runs from July 1st to June 30th. In November, the departments begin to prepare operational plans. In December, budget preparation materials are distributed to the departments. In February, budgets are submitted and reviewed by City staff. The budget review continues through March. In April, budgets are presented to council. In May, public hearings on the budget are held. In June, first and second reading of the budget is held. Appropriations for capital projects are adopted by the City Council primarily on an individual basis when the project is initially approved. Budget-to-actual comparisons are provided in this report for the general fund. This comparison is presented as required supplementary information.

Teresa Wilson • City Manager
1737 Main Street • P.O. Box 147 • Columbia, South Carolina 29217
Office: 803.545.3026 • Fax: 803.545.3051 • Email: tbwilson@columbiasc.net

Economic Development

Columbia is one of the fastest growing metro areas in the Southeast. The City is home to state government, six major universities including the University of South Carolina (with over 30,000 students in its city center campus (USC)), and the nation's largest Army training facility.

The City's economy, once dependent primarily on textile manufacturing, is now home to advanced manufacturing, healthcare, technology, shared services, logistics, and energy companies. Apartment and student housing are the main forces behind the resurgence of the Main Street area.

During fiscal year 2017, the Columbia Empowerment Zone, Inc., in partnership with the City of Columbia, launched the Vacant Abandoned Building Incentive Program. This program provides forgivable loans to small businesses as a way to incentivize reuse through purchase or renovation of abandoned commercial buildings. As a result of this and other programs, the Columbia Empowerment Zone, Inc. received a Bronze award for Excellence in Innovation for Economic Development from the International Economic Development Council during September 2016.

Local Economy

The City is the economic engine of a growing region of South Carolina. The City is the major municipality of Richland and Lexington counties and accounts for a significant portion of the population of the two county area. Substantial concentrations of employers in government, manufacturing, education, finance, and health care provide high paying jobs and a relatively reliable tax revenue base. The vitality of these industries, combined with the increased interest in living in urban centers, will continue to support the City's revenue base.

The City continues to promote the downtown area by taking an active role in public-private partnerships and business recruitment and retention. Downtown Columbia is the premier business center in the Midlands region.

The City is home to two airports. Columbia Metropolitan Airport enplaned approximately 491,700 passengers during fiscal year 2017. Columbia Owens Downtown Airport primarily serves private, business, and military flights.

Columbia is also home to the main campus of the University of South Carolina as well as other colleges and universities.

Hurricane Mathew

During Hurricane Mathew, the Columbia Fire Department responded to over 260 calls for service and deployed swift water rescue teams to other parts of the state.

Quality of Life

During fiscal year 2017, City Council unveiled a strategic plan to improve the overall quality of life in the city. This strategic plan, known as City Council's Vision Statement, describes City Council's vision what the ideal state for citizens, businesses, students, and tourists will be in the future. This statement acts as a detailed roadmap that has distinct directions from one destination to the next.

The Vision Statement consists of seven different focus areas and a set of five goals as desired future states that City Council hopes to achieve by 2036. A council member has been assigned to each focus area and that council member will act as the lead spokesperson that will work on communicating/implementing the objectives of that focus area.

The focus areas are:

1. Attracting and retaining talent;
2. Planning together;
3. Connecting the community;
4. Empowering the residents of Columbia;
5. Creating economic prosperity and creating endless possibilities;
6. Enhancing the City's neighborhoods;
7. Leading the way in innovative and high quality municipal services.

Within these seven focus areas the City has five major goals:

1. Grow opportunities for entrepreneurship, business development, and a skilled workforce to achieve a healthy economy;
2. Connect the City's neighborhoods and business districts through cohesive land use, infrastructure development, and transportation planning;
3. Foster a healthy quality of life focusing on safety, culture, and recreation;
4. Collaborate and partner with entities within the Midlands region to become the state's prime destination for resident's visitors and businesses;
5. Provide high quality municipal services efficiently, effectively, and responsibly.

In November 2016, the Columbia Police Department was awarded the Santee Cooper Excellence in Law Enforcement Award. This award acknowledges the hard work and dedication while recognizing the efforts, innovative service, efficiency, and results of the department.

During June 2017, Owens Field Park opened. The park includes a Miracle League Field, inclusive playground, ball fields, new trails, vehicular circulations modifications, and storm management improvements. The Miracle League field is a custom-designed, rubberized turf field that allows children with mental and physical disabilities the opportunity to safely play baseball.

Renovations were also made to Greenview Park, Roy Lynch Park, Vista Greenway, Sims Park and Drew Wellness Center during fiscal year 2017.

Major Initiatives and Financial Planning

The total 2017-2018 operating budget and capital budgets are based on the City of Columbia's Vision Statement. Through the budget process, City Council has established the following priorities for the 2017-2018 fiscal year.

The City's fiscal year 2018 general fund budget is approximately \$142,680,400, which is an increase of approximately \$3,800,000 (3.8%) from the fiscal year 2017 budget. The 2018 general fund budget contains a two property tax millage increase that is expected to increase property tax revenues by approximately \$1,300,000. The City expects higher assessed values and new construction to play a part in achieving the increase. Revenue from business licenses and permits are expected to grow approximately \$1,000,000 (2.8%) as the City's economy continues to expand in fiscal year 2018.

Teresa Wilson • City Manager
1737 Main Street • P.O. Box 147 • Columbia, South Carolina 29217
Office: 803.545.3026 • Fax: 803.545.3051 • Email: tbwilson@columbiasc.net

The City projects an increase in water and sewer revenues of approximately \$9,700,000 (6.8%). Approximately \$6,300,000 of this increase is expected to be generated from the 4.75% increase in water and sewer fees with the balance being achieved from customer account growth, usage, and contracted rate collections. This additional revenue will provide the funds necessary to support the additional debt service needed to support the anticipated issuance of debt needed to support the \$120,000,000 capital improvement program. This capital improvement program will focus on the Cleanwater 2020 Initiatives, the phased in implementation of the Advanced Metering Infrastructure/Automatic Meter Reading program, and programs to improve overall water quality. The City anticipates opening a new water and wastewater maintenance facility in August 2017 and pursuing LEED green building Silver Certification.

A budgeted increase in stormwater fees of approximately \$5,395,100 (74.6%) is expected to help fund a multi-year \$93,000,000 comprehensive capital improvement program. This capital improvement program will address the city-wide flooding and stormwater quality.

The City anticipates increased health care costs and retirement costs in all funds. The City plans to provide cost of living salary increases to all employees and to begin the step based pay increase related to the Public Safety Retention Program in fiscal year 2018. New and/or expanded general fund programs in fiscal year 2018 include:

- Greenway operations – Saluda and Vista greenways;
- Gateway / Major corridor maintenance;
- Walk / Bike initiatives;
- Comprehensive plan.

Awards and Acknowledgements

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 Columbia, South Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to GFOA to determine the eligibility for another certificate.

The preparation of this CAFR represents the culmination of numerous efforts by many City employees. We would like to express our sincere appreciation to the City's finance staff and the City's other operating and supporting departments for making this report possible.

This CAFR reflects our ongoing commitment to the citizens of Columbia, the Columbia City Council, and all interested readers of this report to provide information in conformance with the highest standards of financial reporting.

Respectfully submitted,



Teresa B. Wilson
City Manager



Jeffery M. Palen
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Columbia
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morill

Executive Director/CEO

**CITY OF COLUMBIA, SOUTH CAROLINA
CITY LEADERS
As of June 30, 2017**

Mayor

Stephen K. Benjamin

Council Members

District 1
District 2
District 3
District 4
At Large
At Large

Sam Davis
Edward McDowell, Jr.
Moe Baddourah
Daniel Rickenmann
Tameika Isaac-Devine
Howard E. Duvall, Jr.

City Manager

Teresa Wilson

Assistant City Managers

Senior Assistant City Manager for Public Safety
Assistant City Manager for Operations
Assistant City Manager Finance & Economic Svc/CFO

S. Allison Baker
Melissa Gentry-Smith, P.E
Jeff Palen

Department Directors

Budget and Program Management Office
City Attorney
Community Development
Municipal Court
Planning and Development Services
Economic Development
Emergency Communications
Finance
Fire
General Services
Human Resources
Information Technology
Office of Business Opportunities
Parks and Recreation
Parking
Police
Procurement & Contracts
Public Relations
Public Works
Utilities & Engineering

Melisa Caughman
Teresa Knox
Gloria Saeed
Judge Dana Turner
Krista Hampton
Ryan Coleman, CEcD
Kimberly Gathers
Jan Alonso, CGFO
Aubrey Jenkins
David Knoche
Pamela Benjamin, CPM
Terence Murchison, PMP
Tina Herbert
Randy Davis
Linda "Elle" Matney
William "Skip" Holbrook
Sandra Wright, CPPB
Leshia Utsey
Robert Anderson
Joseph Jaco, P.E.

Development Corporation Directors

Columbia Development Corp.
Columbia Housing/TN Development Corp.
Eau Claire Development Corp.

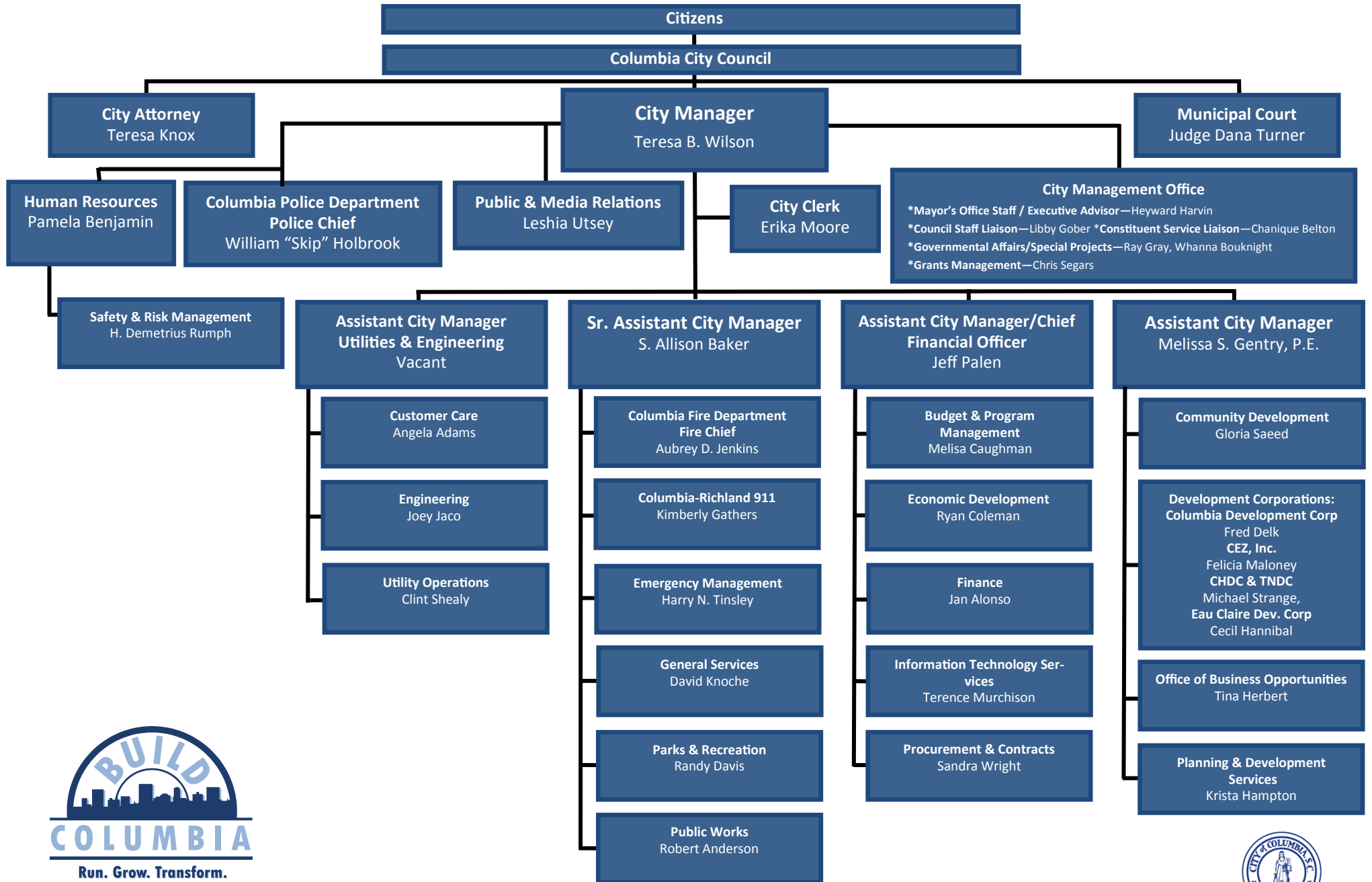
Fred Delk
Michael Strange
Cecil Hannibal

Other Directors

Columbia Empowerment Zone, Inc.
Midlands Authority for Conventions, Sports, and Tourism

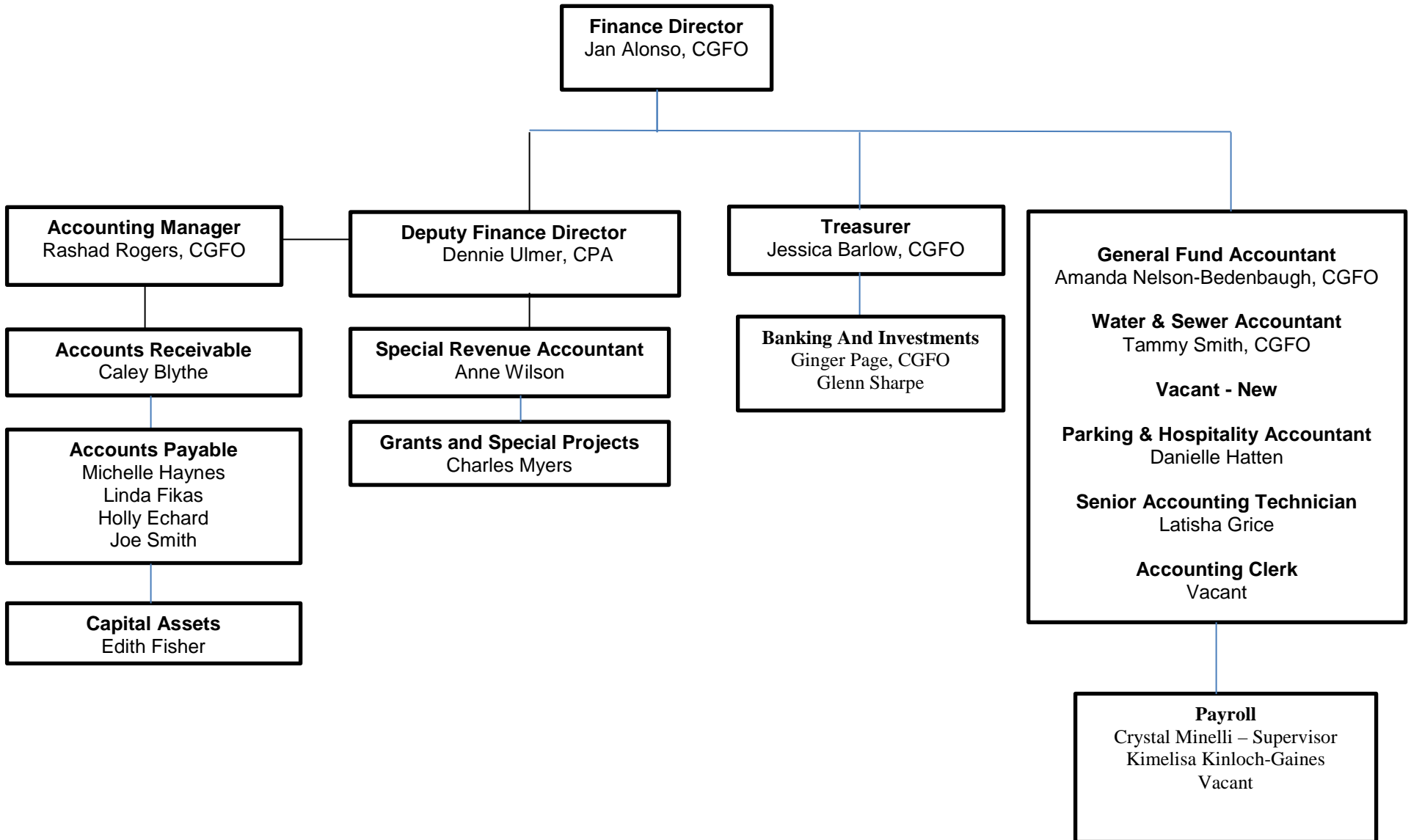
Felicia Maloney
Bill Ellen

CITY OF COLUMBIA
2017 Organizational Chart



**CITY OF COLUMBIA, SOUTH CAROLINA
Finance Department
Organizational Chart**

As of June 30, 2017



FINANCIAL SECTION

Independent Auditors' Report

The Honorable Stephen K. Benjamin, Mayor
and Members of City Council
City of Columbia, South Carolina
Columbia, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the City of Columbia (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Midlands Authority for Conventions, Sports, and Tourism, a discretely presented component unit of the City, which represent 51.89%, 57.89%, and 77.39%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Midlands Authority for Convention, Sports and Tourism is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2017, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Members

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Members

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An independently owned member
RSM US Alliance



1301 Gervais Street
Suite 480
Columbia, SC 29201
803-312-0001 Fax 803-255-8886
www.websterrogers.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis; Budgetary Comparison Schedule – General Fund; Schedules of Funding Progress and Employer Contributions – Other Postemployment Benefits; Schedule of the City's Contributions; and Schedule of the City's Proportionate Share of the Net Pension Liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, supplementary information to the financial statements, and the statistical section, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The Schedule of Fines, Assessments and Surcharges listed in the Table of Contents under Supplementary Information is presented for purposes of additional analysis as required by the State of South Carolina and is not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules and supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements and schedules and supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Columbia, South Carolina
January 23, 2018

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2017

As management of the City of Columbia (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended June 30, 2017, as part of the overall Comprehensive Annual Financial Report (CAFR). This overview compares the year ended June 30, 2017, with the year ended June 30, 2016. The Management's Discussion and Analysis is intended to highlight significant transactions, events, and conditions, and readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, which can be found on the pages indicated in the table of contents of this report. This discussion and analysis is intended to provide a broad overview using a short-term and long-term analysis of the City's activities based on information presented in the financial report and fiscal policies that have been adopted by City Council (the "Council"). The intent of this discussion and analysis is to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activities, (c) identify changes in the City's financial position, (d) identify significant deviations from the approved general fund budget, and (e) highlight significant issues in the individual funds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which 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.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of 2017 by \$740,699,911. This amount represents the City's net position. Of this amount, \$99,524,299 in unrestricted net position may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$13,858,627 (\$6,007,492 from governmental activities and \$7,851,135 from business-type activities) as total revenues of \$359,284,193 exceeded total expenses of \$345,425,566. This increase in net position for the current year is approximately \$3,499,500 less than the prior year. This \$3,499,500 decrease is the net of an increase of approximately \$5,021,000 increase in the governmental activities and an offsetting decrease of approximately \$8,520,500 in business-type activities. While water and sewer fees increased approximately \$3,715,900 due to a rate increase, this increase was offset by a \$5,895,112 decrease in grant revenue and an increase in expenses of approximately \$5,203,400. The decrease in grant revenue is due to a decrease in the amount of approved project worksheets by the Federal Emergency Management Agency (FEMA) during fiscal year 2017. The increase in operating expenses is due to the continued spending on costs to bring the City's water and sewer system to the standards of the Clean Water 2020 program and spending on costs to repair the damages incurred to the water and sewer system by Hurricane Matthew as well as the heavy rains. Parking revenues increased approximately \$885,000 as the economy overall and the development of the downtown area specifically continued to improve during fiscal year 2017. Parking expenses increased only slightly during the fiscal year due to installing upgraded technology in an effort to improve operating efficiency. As a result of the damages caused by Hurricane Matthew and the heavy rains, City management, based on the criteria in GASBS 42, made the determination the Hydro-electric plant had been impaired. As a result of the impairment, the City recorded an impairment loss of approximately \$1,500,000 to the facility. Stormwater revenue increased approximately \$115,900 due to a slight increase in usage during fiscal year 2017. However, like the water and sewer system, this increase in revenue was negated by an increase in operating costs of approximately \$969,100 due primarily to increased costs to repair the damage caused by Hurricane Matthew and the heavy rains. The main sources of increased revenue from the governmental activities came from an increase of approximately \$2,794,100 in Local Option Sales Tax revenue due to City Council granting additional property tax relief to the citizens of Columbia, an increase of approximately \$1,071,400 in business privilege license revenue as downtown businesses continued to improve during the current fiscal year, approximately \$450,000 in promotional revenue related to the multi-purpose entertainment venue, and \$2,592,856 lump sum payment from the University of South Carolina's Foundation in settlement of a future revenue obligation. The City also incurred an \$8,100,000 capital lease obligation during fiscal

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year 2017. The proceeds from this lease will be used to fund capital asset purchases. The increase in revenues is offset by the increased costs incurred by the City related to increased wage expense, health care costs, retirement costs, and other personnel costs in an effort to attract and retain the best possible talent. Public safety and public works costs increased during the fiscal year as the City replaced a significant portion of its patrol cars, trash and recycling vehicles, firefighting vehicles and equipment, and upgraded related technology equipment in an effort to make Columbia a cleaner and safer place for its citizens.

- As of June 30, 2017, the City's governmental funds reported combined ending fund balances of \$64,812,800. The unrestricted General Fund balance (i.e., committed, assigned, and unassigned) of \$24,337,769 is available for spending at the City's discretion and represents approximately 15.60% of the General Fund's actual expenditures and transfers out for the year ended June 30, 2017.
- The City's total capital assets were \$1,202,689,381 as of June 30, 2017, increasing \$69,888,522 (6.17%). This increase was the result of additions of \$18,843,417 in governmental activities and \$109,660,756 in business-type activities offset by depreciation expense and net disposals of \$16,089,380 in governmental activities and \$42,526,272 in business-type activities.
- The City's long-term debt at June 30, 2017, totaled \$648,518,596, a net increase of \$50,828,628 or 8.50% from the balance at June 30, 2016, of \$597,689,968. This net increase was the result of \$181,194,830 in principal payments, \$4,551,011 in premium amortization, and the issuance of \$1,460,000 in Hospitality Fee Pledge Revenue Bonds, and \$8,100,000 in capital lease obligations in the general fund. The water and sewer facilities fund issued \$227,014,470 (including premiums of \$16,979,470) of revenue bonds.
- As of June 30, 2017, the City's General Obligation bonds were rated AA+ by Standard and Poor's and AA1 by Moody's. The City's Water and Sewer Facilities revenue bonds were rated AA+ by Standard and Poor's and AA1 by Moody's. The City's Parking Facilities revenue bonds were rated BBB+ by Standard and Poor's and A2 by Moody's.

Using This Annual Report

This discussion and analysis is intended to serve as an introduction to the City of Columbia's financial statements. This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on the pages identified in the table of contents) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 33. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government. In addition to the financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the City of Columbia.

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 government-wide financial statements provide both short-term and long-term information regarding the overall financial position of the City.

The Statement of Net Position presents information on all of the City's assets, liabilities, deferred outflows, and deferred inflows with the difference between all of the items 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

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change occurs regardless of the related timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused annual leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are designed to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, finance, community development and planning, public safety, parks and recreation, public services, general services, and community promotions. Governmental activities are financed primarily through property taxes, business licenses and permits, intergovernmental revenues, and federal and state grants.

The business-type activities of the City include Water and Sewer, Parking, Stormwater, Hydro-electric, Redevelopment Programs, and Parks and Recreation Camps. These activities are financed in whole or in part primarily through fees charged to external parties for goods and services.

The government-wide statements include not only the City itself (known as the primary government), but also the legally separate Public Facilities Corporation; Columbia Parking Facilities Corporation; Columbia Development Corporation; Columbia Housing Development Corporation; Eau Claire Development Corporation; Midlands Authority for Conventions, Sports and Tourism; TN Development Corporation; and the Columbia Empowerment Zone, Inc., for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself, except for the Public Facilities Corporation and the Columbia Parking Facilities Corporation, whose statements are blended with the primary government.

The government-wide financial statements can be found following this section of the 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Our analysis of the City's major funds begins on page 25. The fund financial statements beginning on page 33 provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council established many other funds to help it control and manage for particular purposes or to show it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's three kinds of funds – governmental, proprietary, and fiduciary – use different accounting approaches.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide 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 the City's near-term financing requirements. Most of the City's basic services are reported in governmental funds which focus on how money flows into and out of these funds and the balances that are left at year-end that are nonspendable, restricted, committed, assigned, or unassigned. These classifications of fund balance show the nature and extent of constraints placed on the City's fund balances by law, creditors, and City Council. Unassigned fund balance is available for spending for any purpose. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental funds present a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. 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 the governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. We describe the relationship (or differences) between governmental activities (reported in the statement of net

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position and the statement of activities) and governmental funds in reconciliations following the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances.

The City utilizes five generic governmental fund types (see Section I Note B in the Notes to the Financial Statements). The City maintains 17 individual governmental funds within these generic fund types. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund and the county services fund which are considered to be major funds. Data from the 15 other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these 15 nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided as Required Supplementary Information for the general fund to demonstrate compliance with this budget. The governmental funds financial statements immediately follow the government-wide financial statements.

The City has a formal fund balance policy applicable to governmental funds. The policy defines fund balance categories consistent with Governmental Accounting Standards Board Statement 54, sets spending priority within the categories, and established the authority to commit or assign balances. For a full discussion of the City's fund balance policy, please refer to the Notes to the Financial Statements, Section I. F. Fund Balances.

Proprietary Funds – The City maintains two different types of proprietary funds - Enterprise Funds and Internal Service Funds.

Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the business-type activities of the Water and Sewer system, the Parking system, the Stormwater system, the Hydro-electric plant, the Redevelopment Programs, and the Parks and Recreation camps.

An internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the maintenance and operation of its fleet of vehicles, its risk management function, and its support services. Because these services benefit both governmental activities and business-type functions, the net position and change in net position have been allocated between governmental activities and business-type activities in the government-wide financial statements.

Enterprise funds provide the same type of information as the business type activities in the government-wide financial statements. The City maintains six enterprise type funds. The proprietary fund financial statements provide separate information for the water and sewer facilities system and the parking facilities system which are considered to be major funds of the City. Data from the other four funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor business-type funds is provided in the form of combining statements elsewhere in this report. Conversely, all three internal service funds are combined into a single aggregated position in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. Because the internal service funds predominately benefit governmental rather than business-type activities, the internal service funds have been included within the governmental activities in the government-wide statements. The proprietary fund financial statements follow the governmental fund financial statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Trust funds are used to account for resources received and held by the City as trustee. The accounting for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements follow the proprietary funds statements.

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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 can be found following the basic financial statements.

Other Information - In addition to the basic financial statements, this report also contains certain required supplementary information concerning the City's progress in funding its obligation to provide other postemployment benefits to its retired employees, a general fund budgetary comparison schedule to demonstrate compliance with the budget, the City's contributions to the state retirement system, and the City's proportionate share of the net pension liability of the state retirement system. Required supplementary information can be found following the notes in this report. The combining and individual fund statements, referred to earlier in connection with the nonmajor governmental and proprietary funds, are presented immediately following the required supplementary information.

Financial Analysis – Government-wide Statements

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceed liabilities and deferred inflows by \$740,699,911 as of June 30, 2017. The City's overall financial position improved, and net position increased by \$13,858,627 during the year ended June 30, 2017. This overall increase of \$13,858,627 is a decrease from the prior year. This overall decrease is the net result of a \$5,020,969 increase in governmental activities and an \$8,520,485 decrease in the business activities. The increase in the governmental activities is primarily a result of a decrease in property tax revenues, an increase in Local Option Sales Tax revenue, business license revenue, franchise fees, and a one-time settlement of a future revenue obligation, along with increases in salaries, health care costs, retirement costs, and clean-up costs related to Hurricane Matthew.

The decrease in overall business activities change in net position is due primarily to the Water and Sewer Facilities fund. The change in net position for the Water and Sewer Facilities Fund decreased approximately \$3,529,000 during the current fiscal year when compared to the prior year. This year to year decrease was the result of approximately \$5,296,200 in increased water and sewer fees due to a rate increase that went into effect during the current fiscal year, offset by approximately \$852,000 decrease in sewer plant expansion fees due to a one-time payment received in the prior fiscal year, capital contributions decreased by approximately \$2,461,500 due to a settlement received from West Columbia in the prior year, and unrealized gain on investments decreased by approximately \$1,701,202. This overall decrease in revenues of approximately \$2,481,100 in conjunction with increased personnel costs, hurricane related repair costs, and increased depreciation expense of approximately \$2,000,000 on completed water and sewer projects related to the consent decree resulted in a change in net position decrease of approximately \$3,529,000 from the prior year. The consent decree requires the City to make significant repairs and upgrades to the sewer system to prevent sanitary sewer overflows. The decrease in hydro-electric plant change in net position resulted from management's determination that the plant was impaired during the current fiscal year and recording an impairment cost in accordance with the criteria in GASBS 42. The results of the Parking Facilities Fund reported an increase in parking fees of approximately \$1,000,000 due to the continued development of the downtown and Vista areas. This increase in fees was offset by a decrease in investment income. The expenses were similar to the prior year as there was no significant change in operations. The Stormwater Facilities fund reported a decrease in the change in net position from the prior year, even with the slight increase in consumption during the current year. The increase in revenues from the rate increase was offset by the increased costs due to the disruption of normal operations and clean-up costs resulting from the damages to the system caused by Hurricane Matthew and heavy rains.

In the governmental activities, the decrease in collections from property taxes resulted primarily from the increased local option sales tax credit property owners were given on their property tax bills. This action was the primary reason for the increase in Local Option Sales Tax revenue increasing and property tax revenue decreasing. Economic conditions continued to improve which resulted in an increase in the collection of accommodation taxes and hospitality taxes. More revenue was reported in the County Services Fund due to

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the City renegotiating the fire services contract with Richland County during the current year. Expenditures decreased approximately 3.5% due mainly to a decrease in health insurance costs and transfers out.

Table 1 summarizes the major categories of assets, deferred outflows, liabilities, deferred inflows, and net position for governmental activities, business type activities, and the City as a whole.

Table 1
City of Columbia
Statement of Net Position
As of June 30, 2017 and June 30, 2016

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2017	As of June 30, 2016	As of June 30, 2017	As of June 30, 2016	As of June 30, 2017	As of June 30, 2016
Current and other assets	\$ 175,846,735	\$ 179,641,940	\$ 288,953,889	\$ 302,926,961	\$ 464,800,624	\$ 482,568,901
Capital assets, net of depreciation	258,619,176	255,865,137	944,070,205	876,935,722	1,202,689,381	1,132,800,859
Total assets	434,465,911	435,507,077	1,233,024,094	1,179,862,683	1,667,490,005	1,615,369,760
Deferred outflows of resources	29,772,326	14,647,638	62,431,360	49,736,752	92,203,686	64,384,390
Total assets and deferred outflows of resources	464,238,237	450,154,715	1,295,455,454	1,229,599,435	1,759,693,691	1,679,754,150
Long-term liabilities outstanding	312,116,153	305,168,329	630,342,375	568,628,250	942,458,528	873,796,579
Other liabilities	33,850,264	30,785,030	37,237,556	40,687,029	71,087,820	71,472,059
Total liabilities	345,966,417	335,953,359	667,579,931	609,315,279	1,013,546,348	945,268,638
Deferred inflow of resources	4,862,300	6,799,328	585,132	844,912	5,447,432	7,644,240
Net position						
Net investment in capital assets	172,110,861	163,832,021	443,267,179	401,468,909	615,378,040	565,300,930
Restricted	24,545,435	25,024,625	1,252,137	9,404,442	25,797,572	34,429,067
Unrestricted	(83,246,776)	(81,454,618)	182,771,075	208,565,893	99,524,299	127,111,275
Total net position	\$ 113,409,520	\$ 107,402,028	\$ 627,290,391	\$ 619,439,244	\$ 740,699,911	\$ 726,841,272

As of June 30, 2017, the City is able to report positive balances for the government as a whole as well as for its governmental activities and business-type activities, respectively.

The largest portion of the City's net position, \$615,378,040 (83.08%), reflects its investment in capital assets (e.g., land, buildings, machinery, 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 its 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.

An additional portion of the City's net position, \$25,797,572 (3.48%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$99,524,299 (13.44%) in unrestricted net position may be used to meet the ongoing obligations of the City.

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For governmental activities, the City reported a deficit balance in unrestricted net position of \$(83,246,776). This deficit resulted from the adoption of GASBS 68. GASBS 68 required the City to record its proportionate share of the net pension liability of the cost-sharing retirement plans it participates in. For business-type activities, the City reported a positive balance in unrestricted net position of \$182,771,075. The adoption of GASBS 68 also had a negative impact on this balance.

The City reported a positive balance of \$24,337,769 in unrestricted fund balance (committed plus assigned plus unassigned fund balance) for the general fund as of June 30, 2017. Unrestricted fund balance represents the spendable resources available for governmental activities without externally enforceable limitation. The major contributing factors to the difference between unrestricted fund balance and unrestricted net position are changes in accrued receivables or payables, operating losses in the internal service fund operations, charges related to post-employment benefits, capital assets, debt, and expenses related to compensated absences and pension benefits.

Revenue for the City for the year ended June 30, 2017, which totaled approximately \$359,284,200, increased from the year ended June 30, 2016. The increase for the City as a whole was approximately \$8,297,700 which was an increase of 2.36%. Revenues for the business-type activities decreased approximately \$3,123,100 (1.82%). Water and sewer operating revenues decreased approximately \$2,481,100 (-1.58%). While there was an increase in water and sewer rates that generated approximately \$5,296,200 in additional revenues during the year, this increase was offset by a decrease of approximately \$6,145,000 decrease in capital contributions as there was a one-time settlement payment received in 2016. The Hydro-electric Facilities Fund reported a decrease in revenue during the current fiscal year. The hydro-electric plant is a "run of the river" hydro plant. As such, the amount of flow in the canal has a significant impact on the plant's ability to generate electricity. During fiscal year 2017, the plant was closed due to a low flow in the canal resulting from the breach in the canal wall. This closure impacted the ability to generate electricity which resulted in City management conducting an impairment assessment on the facility. Total stormwater revenues decreased during the fiscal year. Operating revenues increased approximately \$115,900 (1.58%) due to a slight increase in consumption, though this increase was tempered somewhat by the impact from the flooding in October 2016. This increase was more than offset by a \$175,000 decrease in grant revenue. Parking revenues increased approximately \$848,500 (11.36%) during the fiscal year primarily due to activity in the downtown and Vista areas continuing to increase due to continued commercial development in these areas. Revenue from governmental activities for the year ended June 30, 2017, which totaled approximately \$187,958,900, represented an increase from the year ended June 30, 2016, of approximately \$11,420,800 (6.47%). The majority of the increase resulted from increased collection of local option sales tax revenues as the Columbia economy continued to improve. Business license revenue increased as the downtown and Vista area revitalization continued to attract additional business and the overall general economy continued to show improvement. The City also received a one-time payment of approximately \$2,592,900 from a one-time settlement related to future rental revenues. These increases were offset by decreases in property tax revenue due to an increase in the amount of credit given to property owners on their property tax bill and a decrease in grant revenue due to less federal and state grants being received.

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Table 2
City of Columbia
Changes in Net Position
Years Ended June 30, 2017 and June 30, 2016

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2017	Year Ended June 30, 2016
Revenues:						
Program revenues						
Charges for services						
General government	\$ 2,594,500	\$ 810,592	\$ -	\$ -	\$ 2,594,500	\$ 810,592
Finance	-	1,275,117	-	-	-	1,275,117
Public safety	47,392,478	23,078,568	-	-	47,392,478	23,078,568
Parks and recreation	833,501	779,008	-	-	833,501	779,008
Public services	615,441	169,512	-	-	615,441	169,512
General services	888,200	-	-	-	888,200	-
Tourism and community development	619,541	908,359	-	-	619,541	908,359
Water/sewer facilities	-	-	137,198,161	133,482,271	137,198,161	133,482,271
Hydro-electric plant	-	-	151,890	54,435	151,890	54,435
Stormwater facilities	-	-	7,432,103	7,316,201	7,432,103	7,316,201
Parking facilities	-	-	8,250,439	7,365,470	8,250,439	7,365,470
Redevelopment programs	-	-	574,908	543,626	574,908	543,626
Parks and recreation camps	-	-	335,505	320,265	335,505	320,265
Operating grants and contributions						
General government	252,365	2,398,640	-	-	252,365	2,398,640
Public safety	1,857,360	24,277,614	-	-	1,857,360	24,277,614
General services	180,334	-	-	-	180,334	-
Tourism and community development	7,390,589	738,879	-	-	7,390,589	738,879
Public services	-	220,262	-	-	-	220,262
Community promotion	-	4,371,731	-	-	-	4,371,731
Water/sewer facilities	-	-	5,880,676	6,227,736	5,880,676	6,227,736
Redevelopment programs	-	-	148,763	20,379	148,763	20,379
Capital grants and contributions						
General government	10,004,812	4,504,284	-	-	10,004,812	4,504,284
Public services	-	1,895,338	-	-	-	1,895,338
Water/sewer facilities	-	-	10,159,405	16,054,517	10,159,405	16,054,517
Stormwater facilities	-	-	-	175,000	-	175,000
General revenues						
General property taxes	31,793,590	32,871,757	-	-	31,793,590	32,871,757
Local Option Sales Tax	20,946,748	18,152,618	-	-	20,946,748	18,152,618
Hospitality and admission taxes	11,990,432	13,398,593	-	-	11,990,432	13,398,593
Accommodations tax	2,496,308	2,324,105	-	-	2,496,308	2,324,105
Tourism development Fee	3,911,428	3,672,810	-	-	3,911,428	3,672,810
Liquor permit fee	478,973	348,990	-	-	478,973	348,990
Utility franchise fee	13,133,923	13,120,067	-	-	13,133,923	13,120,067
Business privilege license fee	24,986,525	23,915,125	-	-	24,986,525	23,915,125
State shared revenue	3,019,209	2,856,404	-	-	3,019,209	2,856,404
Unrestricted investment earnings	(20,184)	227,683	1,193,414	2,511,346	1,173,230	2,739,029
Special item	2,592,856	-	-	-	2,592,856	-
Gain on disposal of capital assets	-	222,106	-	377,079	-	599,185
Total revenues	<u>187,958,929</u>	<u>176,538,162</u>	<u>171,325,264</u>	<u>174,448,325</u>	<u>359,284,193</u>	<u>350,986,487</u>

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Table 2
City of Columbia
Changes in Net Position (Continued)
Years Ended June 30, 2017 and June 30, 2016

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2017	Year Ended June 30, 2016
Expenses:						
General government	\$ 21,967,466	\$ 16,584,496	\$ -	\$ -	\$ 21,967,466	\$ 16,584,496
Judicial	3,515,045	2,821,703	-	-	3,515,045	2,821,703
Finance	1,857,440	1,872,071	-	-	1,857,440	1,872,071
Community promotion	8,847,034	14,374,726	-	-	8,847,034	14,374,726
Planning and development	4,267,580	-	-	-	4,267,580	-
Public safety	92,143,229	93,500,619	-	-	92,143,229	93,500,619
Parks and recreation	13,884,956	13,936,365	-	-	13,884,956	13,936,365
Public services	16,558,862	23,134,424	-	-	16,558,862	23,134,424
General services	2,539,388	5,423,712	-	-	2,539,388	5,423,712
Tourism and community development	14,411,919	5,523,831	-	-	14,411,919	5,523,831
Interest on long-term debt	3,732,649	4,289,910	-	-	3,732,649	4,289,910
Non-departmental	4,984,358	3,656,099	-	-	4,984,358	3,656,099
Water/sewer facilities	-	-	138,965,008	133,761,655	138,965,008	133,761,655
Hydro-electric plant	-	-	2,116,008	525,056	2,116,008	525,056
Stormwater facilities	-	-	6,755,544	5,786,420	6,755,544	5,786,420
Parking facilities	-	-	7,424,017	7,300,521	7,424,017	7,300,521
Redevelopment programs	-	-	1,092,578	811,683	1,092,578	811,683
Parks and recreation camps	-	-	362,485	325,053	362,485	325,053
Total expenses	188,709,926	185,117,956	156,715,640	148,510,388	345,425,566	333,628,344
Increase (decrease) in net position before transfers	(750,997)	(8,579,794)	14,609,624	25,937,937	13,858,627	17,358,143
Transfers	6,758,489	9,566,317	(6,758,489)	(9,566,317)	-	-
Change in net position	6,007,492	986,523	7,851,135	16,371,620	13,858,627	17,358,143
Net position, beginning of period	107,402,028	106,415,505	619,439,256	603,067,636	726,841,284	709,483,141
Net position, end of period	\$ 113,409,520	\$ 107,402,028	\$ 627,290,391	\$ 619,439,256	\$ 740,699,911	\$ 726,841,284

Total expenses for the City were approximately \$345,425,600 for the year ended June 30, 2017. This represents an increase of approximately \$11,797,200 (3.54%) when compared to the year ended June 30, 2016. This overall increase in expenses resulted from an increase of approximately \$3,592,000 in governmental activities and an increase of approximately \$8,205,300 in business-type activities. Most of the increase in governmental activities is related to the City's investment in its personnel. The City gave an across the board cost of living increase to all of its employees. In addition, the City granted special pay increases to select public safety personnel in an effort to recruit and retain public safety personnel. While not impacting expenses, the City also paid off approximately \$14,000,000 in debt early during March 2017. This debt was related to the parking facilities the City was leasing to the University of South Carolina under a capital lease. Expenses for business-type activities increased by approximately \$8,205,300, or 5.24%, compared to the year ended June 30, 2016. The overall increase in expenses was primarily in the Water and Sewer Facilities Fund, the Hydro-electric Facilities Fund, and the Stormwater Facilities Fund. Both the Water and Sewer Facilities Fund and the Stormwater Facilities Fund experienced a significant increase in maintenance costs due to the damage to each fund's infrastructure related to the damage caused by Hurricane Matthew in October 2016. This was the second significant weather event in approximately one years' time. The Water and Sewer Facilities Fund also incurred additional expenses for continuing compliance work related to the consent decree and the Clean Water 2020 initiative undertaken by the City. Due to damages caused by Hurricane Matthew to the hydro-electric plant and the unreliability of water flow in the Columbia Canal City, management performed an impairment assessment on the hydro-electric plant. As a result of this assessment, City management concluded the hydro-electric plant had been impaired and reduced its carrying value by approximately \$1,500,000. The preceding factors were primary reasons for an increase of approximately \$5,203,400 (3.74%)

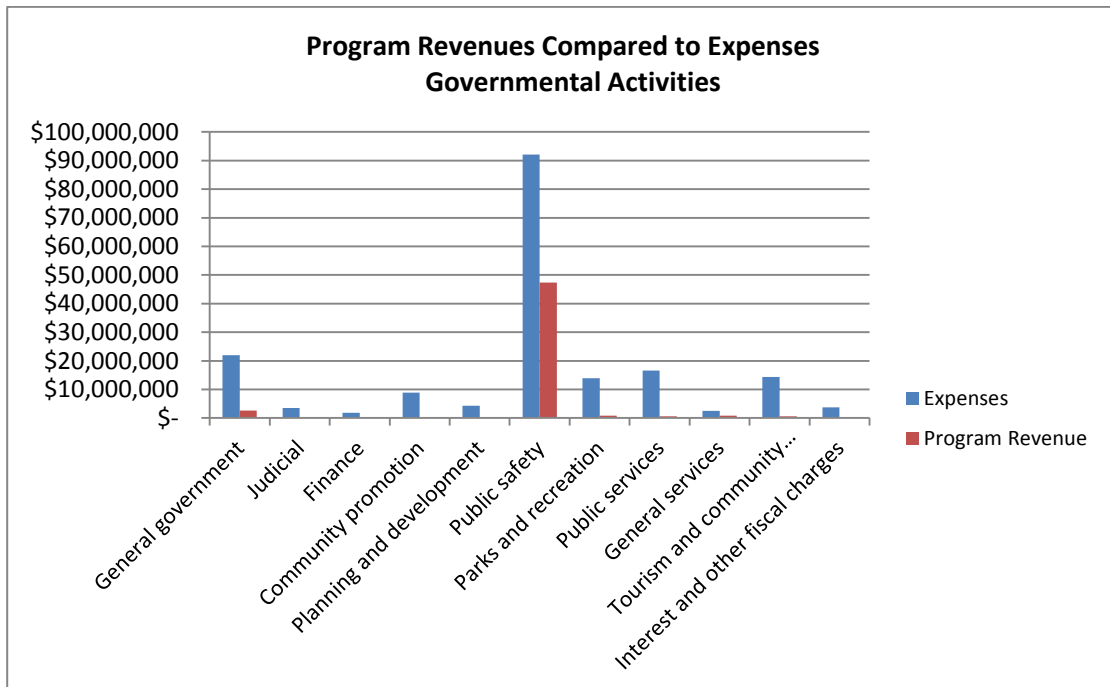
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in expenses in the Water and Sewer Facilities Fund, approximately \$1,591,000 (75.19) in the Hydro-electric Facilities Fund, and approximately \$969,100 (14.35%) in the Stormwater Facilities Fund. The expenses in the Redevelopment Programs Fund increased approximately \$280,900 (25.71%) due to the introduction of a forgivable loan program to help downtown businesses renovate their building façade. The expenses for the Parking Facilities Fund and the Parks and Recreation Camps Fund remained virtually unchanged compared to the year ended June 30, 2016.

The City's net position increased by \$13,858,627 during the year ended June 30, 2017. The net position for governmental activities increased by \$6,007,492, while the change in net position of business-type activities increased by \$7,851,135. The overall net position increase of the City was approximately \$3,499,500 less when compared to the prior fiscal year. This overall decrease was the combination of an approximately \$5,021,000 increase in the governmental activities and an approximately \$8,520,500 decrease in business-type activities. The main factors contributing to the overall decrease was the fact there was little, if any, increase in revenues in the majority of the funds and for the funds that did have revenue growth, this growth was offset by increased expenses. This lack of revenue growth, along with another significant weather event (Hurricane Matthew), which caused a significant disruption in the City's normal operations, caused the City to incur clean-up costs throughout the City as well as additional salary costs for emergency personnel and repair costs to the City's infrastructure.

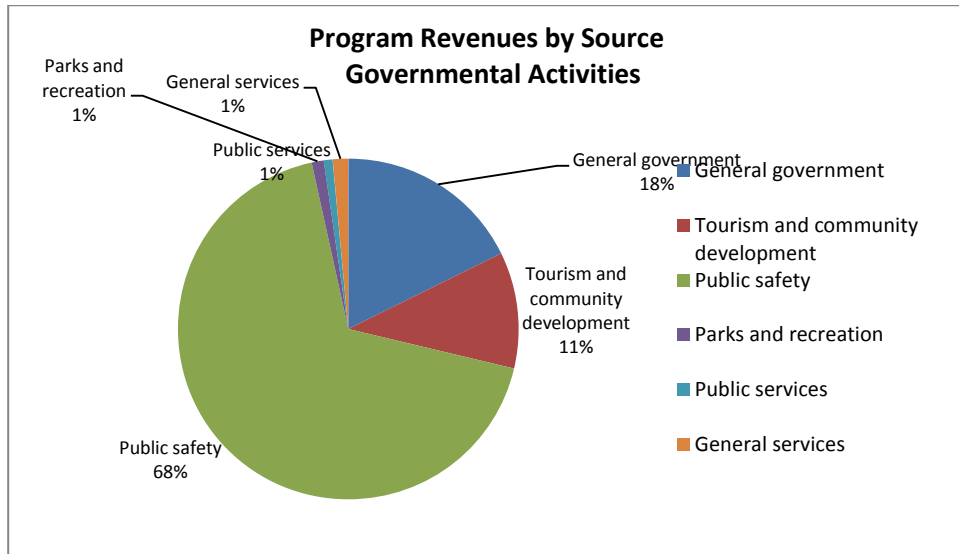
Governmental Activities – A comparative analysis of the governmental activities expenses and program revenues is presented below.

Figure 1
Program Revenues Compared to Expenses
Governmental Activities
Year Ended June 30, 2017



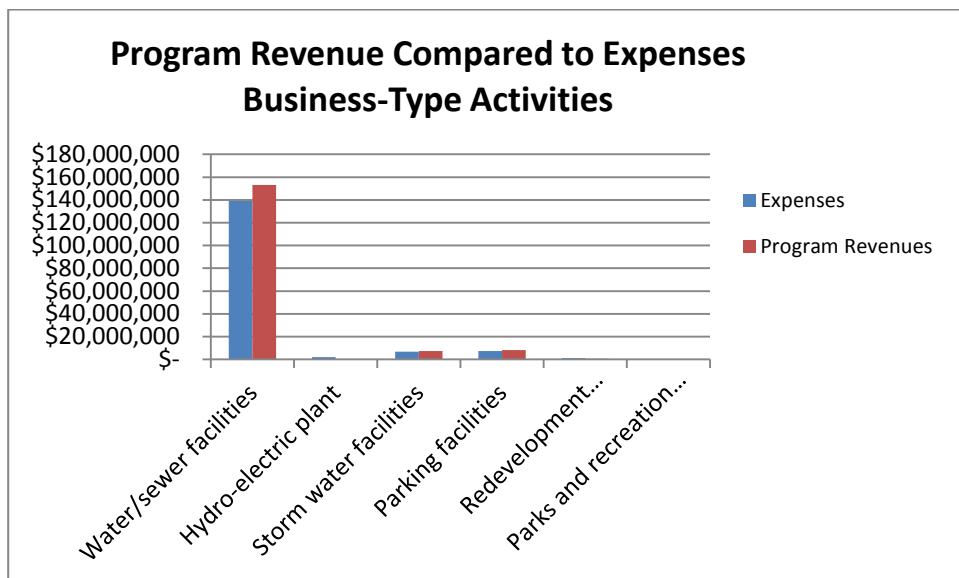
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Figure 2
Program Revenues by Source
Governmental Activities
Year Ended June 30, 2017



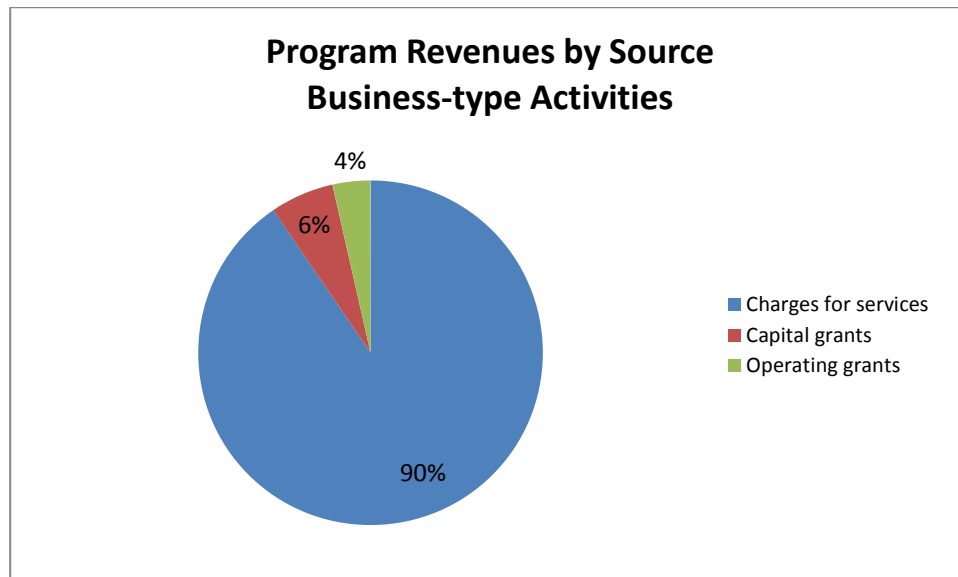
Business-type Activities – The net position of the City's business-type activities increased by approximately \$7,851,100 for the year ended June 30, 2017. This growth is primarily attributable to the operations of the water and sewer and parking departments. A comparative analysis and discussion of expenses and program revenues for these enterprise operations is presented below.

Figure 3
Program Revenue Compared to
Expenses for Business-type Activities
Year Ended June 30, 2017



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Figure 4
Program Revenues by Source
for Business-type Activities
Year Ended June 30, 2017



Water and Sewer Facilities Fund – The net position for the water and sewer facilities fund for the year ended June 30, 2017, decreased by approximately \$3,529,000.

Table 3
Water and Sewer Facilities Fund Revenues and Expenses
Years Ended June 30, 2017 and June 30, 2016

	Year Ended June 30,	
	2017	2016
Revenues		
Total operating revenues	\$ 136,946,280	\$ 131,731,707
Non-operating revenues	7,194,839	8,995,388
Development contributions and capital grants	10,159,405	16,054,517
Total revenues	<u>154,300,524</u>	<u>156,781,612</u>
Expenses		
Total operating expenses	120,710,352	115,903,516
Interest and amortization expense	13,027,389	14,189,123
Transfers, net	6,069,520	8,666,713
Total expenses	<u>139,807,261</u>	<u>138,759,352</u>
Change in net position	<u>\$ 14,493,263</u>	<u>\$ 18,022,260</u>

Total operating revenues, which primarily consist of water and sewer fees, increased by approximately \$5,296,200, or 4.02%, to \$137,027,910. The increase in operating revenues was due to an approximately five percent increase in water and sewer rates. The decrease in non-operating revenues was due to less investment income received in fiscal year 2017. Development contribution revenue decreased approximately \$6,145,100 from the year ended June 30, 2016, due to a one-time \$8.6 million capital contribution from West

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Columbia occurring in fiscal year 2016. Total revenues for the year ended June 30, 2017, decreased approximately \$2,481,100, or 1.58%, to \$154,300,524.

Total operating expenses increased by approximately \$4,806,800, or 4.15%, to \$120,710,352 when compared to the year ended June 30, 2016. This increase was primarily the result of increase in maintenance and repair projects to the system in fiscal 2017 as part of the City's compliance with the consent decree, additional costs incurred as the result of the damage Hurricane Matthew caused to the system, and increased personnel related costs. The increase in operating revenues exceeded the increase in operating expenses resulting in an operating margin increase of approximately \$489,400 compared to the year ended June 30, 2016.

Interest expense decreased by approximately \$3,682,700 as the City was able to refinance debt outstanding at a lower interest rate and continued to pay down debt. Net transfers in fiscal year 2017 decreased by approximately \$2,481,100 from fiscal year 2016 due to the elimination of a portion of the transfer to the general fund which was offset partially by the increased transfer to the internal service funds to cover health care costs and other claims. Total expenses increased by approximately \$1,047,100, or 0.76%, to approximately \$139,807,300. The increase in water and sewer rates, offset by the increase in employee related costs and maintenance costs, along with the decrease in development contribution and investments revenues were the primary reasons change in net position decreased by \$3,528,997 for the year ended June 30, 2017.

The restricted portion of the water and sewer facilities fund's net position represents debt service reserve funds that are restricted under various bond ordinances.

Parking Facilities Fund – The net position of the Parking Facilities Fund for the year ended June 30, 2017, increased by approximately \$794,500.

Table 4
Parking Facilities Fund Revenue and Expenses
Years Ended June 30, 2017 and June 30, 2016

	Year Ended June 30,	
	2017	2016
Revenues		
Total operating revenues	\$ 8,134,306	\$ 7,058,394
Non-operating revenues	181,805	411,528
Gain (loss) on sale of assets	2,295	-
Total revenues	8,318,406	7,469,922
Expenses		
Total operating expenses	5,442,216	5,344,690
Interest and amortization expense	1,704,260	1,743,100
Transfers, net	925,785	930,469
Total expenses	8,072,261	8,018,259
Change in net position	\$ 246,145	\$ (548,337)

Total operating revenues, which primarily consist of parking fees and fines, increased by approximately \$1,075,900, or 15.24%, to \$8,134,306. The increase in operating revenues was due primarily to the continued interest and development in the downtown and Vista areas. Non-operating revenue decreased by approximately \$229,700 due primarily to a one-time grant received from a local developer to make improvements to one of the City's downtown garages in fiscal year 2016 and less investment income received during the current fiscal year. Total revenues for the year ended June 30, 2017, increased approximately \$848,500, or 11.36%, to \$8,318,406 primarily as a result of the continued interest by the general public and

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increased commercial development in the downtown and Vista areas of Columbia. This continued interest resulted in more traffic in these areas thereby increasing parking revenues.

Total operating expenses increased slightly by approximately \$97,500, or 1.82%, to \$5,442,216 when compared to the year ended June 30, 2016. This was primarily the result of normal cost of living increases in compensation costs and related employee benefit costs. The increase in operating expenses, being less than the increase in operating revenues, resulted in an operating margin increase of approximately \$978,400 compared to the year ended June 30, 2016.

Interest and amortization expense decreased in fiscal year 2017 by approximately \$38,800, or 2.23%, when compared to fiscal year 2016 due to a reduction in the debt outstanding. Net transfers in fiscal year 2017 were similar to the amount of transfers for fiscal year 2016. Total expenses increased by approximately \$54,000, or 0.67%, to \$8,072,261. Normal cost of living increases was the primary reason for the increase in total expenses.

Financial Analysis of the City's Funds

As noted earlier, the City 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, 2017, the City's governmental funds reported combined ending fund balances of approximately \$64,812,800, an increase of approximately \$1,395,000. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2017, the City had an unassigned fund balance of approximately \$12,514,600, a decrease of approximately \$3,700,600 compared to the year ended June 30, 2016.

The general fund is the chief operating fund of the City. During the year ended June 30, 2017, the fund balance of the general fund decreased by approximately \$284,100 to approximately \$29,620,800. The decrease in fund balance was due primarily to a less than two percent increase in revenues offset by a similar increase in normal budgeted operating expenditures. There was an increase in debt principal payments from the general fund of approximately \$14,388,600. This increase was due to paying off the notes payable related to the two parking garages leased to the University of South Carolina under a capital lease. The increase in debt payments was largely offset by the settlement of the lease in 2017. The net effect of the transactions was that the debt payments exceeded the lease collections by approximately \$1,107,800. As part of that transaction, the City received \$2,592,856 in rental payments in 2017 as settlement of a future revenue obligation. Capital expenditures in the general fund increased approximately \$5,878,700 from the prior year and were funded by the proceeds from the capital lease obligation incurred in 2017. The unassigned fund balance, which is available for use without restriction, decreased by approximately \$4,336,000 to approximately \$15,076,700. Unrestricted fund balance is the combination of unassigned fund balance (\$15,076,700), assigned fund balance (\$4,054,000), and committed fund balance (\$5,207,100), and totals approximately \$24,337,800. The remainder of the fund balance in the general fund is comprised of approximately \$4,837,200 in restricted fund balance and \$445,780 in nonspendable fund balance. As a measure of liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The County Services fund is used to report funds received from Richland County, South Carolina to offset costs incurred by the City of Columbia in providing fire services and 911 emergency communications services to Richland County citizens living outside the incorporated area of the City of Columbia. Collections for the year ended June 30, 2017, increased by approximately \$1,193,100, or 5.23%, due to the City renegotiating the service agreement with Richland County. Expenditures for the year ended June 30, 2017, decreased by approximately \$395,500 primarily due to the inability to retain personnel. Transfers to the risk management fund

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for health care costs decreased by approximately \$501,800 due to a reduction in employee benefits provided by the City.

Proprietary funds – The statements of the City's proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements but in more detail. Factors concerning the finances of these funds were previously addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The general fund is the principal operating fund of the City and is used to account for all activities of the City not otherwise accounted for by a specified fund. It is also the largest of the City's funds and is mostly comprised of general tax revenues and license and permit fees. Over the course of the fiscal year, the City revises its budget to address unanticipated changes in revenues and expenditures. The City provides basic city services such as police, fire, parks and recreation, and other public services. Each department budget must be developed and justified annually during the legally required budget adoption process. Total general fund revenues and special items for the year ended June 30, 2017, were approximately \$137,388,800, approximately \$430,700, or 0.31%, less than the final budget of approximately \$137,819,500. The increase in total revenue was the result of an increase in license fees, permit fees, and Local Option Sales Tax revenues due to the economy continuing to improve and increased development in the downtown and Vista areas. These increases were offset by a slight decrease in general property taxes due to additional credits given to taxpayers on their property tax bills. The increase in special items was the result of the early payoff of a capital lease receivable held by the City. This event resulted in a budget amendment of approximately \$13,864,142. The City used the proceeds from the settlement of this lease to pay off related debt, resulting in a significant increase in debt service expenditures.

Total general fund expenditures were approximately \$140,681,000 for the year ended June 30, 2017, approximately \$9,981,500, or 7.64%, more than the final budgeted expenditures of approximately \$130,699,500. Closely monitoring of expenditures resulted in most city departments being under budget. The primary exceptions were expenditures related to debt principal payments which exceeded budget by approximately \$13,969,000 due to paying off the debt related to the leased parking garages off early and tourism and community development expenditures which exceeded budget by approximately \$1,200,900 due to an increased allotment to the Edventure Museum.

Capital Assets and Debt Administration

Capital assets – The City's investment in capital assets (before reductions for debt service) for its governmental and business-type activities as of June 30, 2017, totaled \$1,202,689,381 net of accumulated depreciation. This investment in capital assets includes land, buildings, infrastructure, construction in progress, machinery, and equipment. The net increase in the City's investment in capital assets for the year ended June 30, 2017, was approximately \$69,888,500, or 6.17%.

Major capital asset events during the year ended June 30, 2017, included the following:

- Construction in progress (CIP) increased by a net \$72,589,949. This increase was the result of several significant uncompleted projects as of June 30, 2017. The most significant of which included the Lake Murray Water Treatment Plant pump improvement project budgeted at approximately \$23,977,500, the Canal Water Treatment Plant clear well and high service rooms improvement project budgeted at approximately \$51,309,000, phase one of the Lower Crane Creek improvement project budgeted at approximately \$13,255,800, and the aeration system improvement project budgeted at approximately \$24,317,700. Major completed projects included a \$2,311,672 upgrade to the Lakecrest water line, a \$782,471 water main upgrade at Rose and Hibiscus Roads, \$946,355 in water line improvements along Elmwood Avenue, a \$1,179,528 water line upgrade along Mountain Drive and Clements Road, \$635,168 in water line improvements along Morninghill Road, as well as the Smith Branch Outfall Replacement at a cost of \$1,406,176. Major completed projects in the governmental projects included the completion of a \$1,448,820 renovation project at Owens Field and the completion of \$363,364 in improvements to the Bellfield Cultural Center. There was an approximate increase of \$2,802,600 in the

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governmental CIP balance. There was an increase of approximately \$69,787,400 in the business-type activities CIP balance as the City embarked on several significant projects under the Clean Water 2020 Program.

- Buildings and improvements additions totaled approximately \$40,184,100 during the year ended June 30, 2017. Most of these were the result of completed construction projects started in prior years. Significant additions included renovation of the Smith Branch Outfall, the Lincoln Tunnel, improvements to the Bellfield Cultural Center, improvements to Owens Field, as well as various sewer improvements. There were no significant disposals of buildings and improvements during the current fiscal year.
- Machinery and equipment additions totaled approximately \$12,048,600 during the year ended June 30, 2017. These additions consisted mainly of police vehicles, side loaders, rear loading garbage trucks, other items of rolling stock, mini excavators, pumps, actuators, and other water treatment equipment. Disposals consisted mainly of fully depreciated items, a recycling truck, and a 2009 Freightliner.
- Depreciation expense totaled approximately \$55,395,700 for the City as a whole.

Capital assets, net of depreciation, for the governmental and business-type activities are as follows:

Table 5
Capital Assets (Net of Depreciation)
As of June 30, 2017 and June 30, 2016

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2017	As of June 30, 2016	As of June 30, 2017	As of June 30, 2016	As of June 30, 2017	As of June 30, 2016
Land	\$ 36,845,828	\$ 36,845,828	\$ 30,834,259	\$ 30,833,759	\$ 67,680,087	\$ 67,679,587
Construction in progress	12,198,323	9,395,744	194,676,870	124,889,500	206,875,193	134,285,244
Buildings and improvements	164,926,624	169,135,232	689,132,717	684,615,188	854,059,341	853,750,420
Infrastructure	22,963,793	22,360,765	-	-	22,963,793	22,360,765
Machinery and equipment	21,684,608	18,127,568	29,426,359	36,597,275	51,110,967	54,724,843
Total	\$ 258,619,176	\$ 255,865,137	\$ 944,070,205	\$ 876,935,722	\$ 1,202,689,381	\$ 1,132,800,859

Additional information on the City's capital assets can be found in Note III. F. in the Notes to the Financial Statements.

Long-term debt – The City's long-term debt, including capital leases payable, reflected a net increase of approximately \$50,828,600, or 8.50%, as shown in Table 6. This net increase was the result of \$181,194,830 in principal payments and \$4,551,011 in amortization of bond premiums. The City also received proceeds of \$1,460,000 from the issuance of a hospitality fee pledge revenue bond. This bond is backed by the hospitality tax revenues received by the City. Principal payments of \$155,755,000 were made on business-type activity revenue bonds. The greater than normal amount of principal payments is due to refunding a portion of bonds issued in prior years. Principal payments of \$1,898,756 were made on governmental activities capital lease obligations. Principal payments of \$21,589,142 were made on governmental activities bonds and notes payable. Total governmental activities debt had a net decrease of approximately \$15,849,800, while business-type activities debt had a net increase of approximately \$66,678,500. The governmental decrease was greater than normal due to paying off two notes early. The Series 2017 Special Obligation Refunding Bond (Hospitality Fee Pledge) was issued to provide funds for the Edventure Museum. The capital lease was issued to fund the purchase of various capital asset items. The Series 2016 Water and Sewer Revenue Bonds were issued for the purposes of (i) funding certain improvements, extensions and enlargements to the Waterworks and Sewer System of the City ("System"); (ii) refunding certain maturities of the City's \$105,000,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2010, and \$100,000,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2011A; and (iii) paying the costs incurred in connection with the issuance of the 2016 Bonds. The 2016 Bonds, including interest thereon, are payable solely from the net revenues of the System and are secured by a pledge and lien on the net revenues thereof.

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Table 6
Outstanding Indebtedness
As of June 30, 2017 and June 30, 2016

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2017	As of June 30, 2016	As of June 30, 2017	As of June 30, 2016	As of June 30, 2016	As of June 30, 2016
Notes payable	\$ 675,000	\$ 4,804,142	\$ -	\$ -	\$ 675,000	\$ 4,804,142
General obligation bonds	30,710,000	36,025,000	-	-	30,710,000	36,025,000
Bond premiums	2,663,934	2,996,630	-	-	2,663,934	2,996,630
Revenue bonds	50,035,000	62,180,000	-	-	50,035,000	62,180,000
Bond premiums	3,403,210	3,532,446	-	-	3,403,210	3,532,446
Parking Facilities revenue bonds	-	-	39,500,000	40,625,000	39,500,000	40,625,000
Bond premiums	-	-	38,216	40,158	38,216	40,158
Waterworks and Sewer System revenue bonds	-	-	471,095,000	415,720,000	471,095,000	415,720,000
Bond premiums	-	-	38,566,350	26,135,950	38,566,350	26,135,950
Capital leases payable	11,831,886	5,630,642	-	-	11,831,886	5,630,642
Total	\$ 99,319,030	\$ 115,168,860	\$ 549,199,566	\$ 482,521,108	\$ 648,518,596	\$ 597,689,968

As noted earlier, the City's underlying bond rating for its general obligation debt issues was an AA+ by Standard and Poors and AA1 by Moody's. The underlying bond rating for its water and sewer revenue bonds as of June 30, 2016, was an "AA1" by Moody's Investors Service, Inc. and "AA+" by Standard and Poor's Rating Services. The parking system revenue bonds as of June 30, 2016, were rated "BBB+" by Standard and Poor's Rating Service and "A2" by Moody's Investor Service, Inc. In October 2016, Standard and Poor's Rating Service upgraded the City's bond rating to AA+ for its water and sewer revenue bonds.

Article X, Section 14 of the State Constitution limits the amount of general obligation debt a governmental entity may issue to 8% of its assessed property value. The City as of June 30, 2017, had \$33,710,000 in debt subject to this limitation which is less than the \$43,447,573 allowed without approval by the voters in the City.

Additional information regarding the City's long-term obligations can be found in Note III. I in the Notes to the Financial Statements.

Economic Factors and Next Year's Budget

The City's financial condition remained strong as of June 30, 2017. The South Carolina and the Midland's economies continue to experience recovery. The most recent data from the Bureau of Labor Statistics indicates that South Carolina's employment growth has returned to pre-recession levels and is expected to continue to improve. The Bureau of Economic Analysis data reflects an increase of 4.4% in personal income growth in South Carolina. This growth ranks South Carolina third in its twelve state region and eleventh nationally.

In developing the fiscal year 2018 budget the City focused on four main areas:

1. Public safety and neighborhood improvement – The fiscal year 2018 budget includes funding for the Public Safety Recruitment and Retention Plan. The City developed this plan in order to attract the best possible police and fire personnel and to continue to support their professional development once hired as an aid in retaining them. The fiscal year 2018 budget includes funds for neighborhood redevelopment projects that are expected to improve the quality of life for the citizens of Columbia.
2. Infrastructure – The fiscal year 2018 budget includes increased investment in the water and sewer system, storm drains, and park facilities. City Council realizes capital improvements are a key factor in the economic and social well-being of the City and its citizens. The October 2015 floods and Hurricane Matthew in October 2016 increased the awareness of the need for a comprehensive capital improvement program. City Council feels continued investment in the capital program is critical to the future development of the City.

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3. Employee compensation – Council realizes competent and capable employees are a critical part of providing quality city services. As a result of this, the fiscal year 2018 budget includes funding for employee cost of living adjustments and step based pay to support the public safety retention program. City Council is committed to attracting and retaining competent and capable employees, and the fiscal year 2018 budget demonstrates that commitment.

4. Revenue growth – The fiscal year 2018 budget includes a two mill property tax increase. This increase is budgeted to generate approximately \$1,120,000 in additional revenues for the general fund. Due to the expected continued growth in the economy and development in the downtown and Vista areas, business license and permit revenues are expected to provide an additional \$1,000,000 in revenues for the general fund. These additional revenues will enable the City to move forward on the Envision Columbia Work Plan initiatives, which are presented in greater detail in the letter of transmittal included in the introductory section of this CAFR, as well as fund anticipated increase in health care costs and state retirement system rate increases. The fiscal year 2018 water and sewer budget includes a 4.75% rate increase. This rate increase is expected to generate approximately \$6.3 million in additional water revenues. These additional revenues are expected to provide debt service capacity to enable the City to issue additional water and sewer debt during fiscal year 2018 in support of its \$120,000,000 capital improvement program. The fiscal year 2018 stormwater budget increases the equivalent residential unit (ERU) rate from \$6.80 per ERU to \$11.80 per ERU. This rate increase is expected to generate an additional \$5,395,100 for the stormwater fund in fiscal year 2018. These additional funds are expected to allow the stormwater department to implement an aggressive and comprehensive capital improvement program to address city-wide flooding and stormwater drainage.

City management will continue to monitor economic developments as they occur and make adjustments as needed to insure the City's overall financial position remains sound.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City's Chief Financial Officer, P.O. Box 147, 1737 Main Street, Columbia, South Carolina 29217.

Thank you for your interest in the City, in general, and its finances specifically.

BASIC FINANCIAL STATEMENTS

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2017

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
ASSETS				
Current Assets				
Cash and equivalents	\$ 129,017,139	\$ 145,679,415	\$ 274,696,554	\$ 11,409,388
Certificates of deposit	-	-	-	500,000
Investments	14,292,212	80,634,062	94,926,274	-
Receivables				
Property taxes, net of allowance	1,602,426	-	1,602,426	-
Federal government	2,451,351	5,053,924	7,505,275	-
State government	3,492,601	1,025,115	4,517,716	-
County government	1,445,425	-	1,445,425	-
Accounts, net of allowance	1,269,878	8,595,912	9,865,790	854,313
Accrued interest	43,122	224,419	267,541	-
Mortgage notes, net of allowance	-	563,343	563,343	1,215,583
Due from component units	21,164	671,044	692,208	-
Internal balances	16,204,159	(16,204,159)	-	-
Prepaid expenses	645,746	150,638	796,384	501,658
Inventory	688,203	2,781,367	3,469,570	-
Real estate held for sale and development	-	99,036	99,036	-
Restricted assets				
Real estate held for sale and development	-	-	-	67,045
Total current assets	171,173,426	229,274,116	400,447,542	14,547,987
Noncurrent Assets				
Cash on deposit with escrow agent	304,000	-	304,000	10,740,936
Investments	4,290,564	37,053,060	41,343,624	-
Mortgage notes receivable, net of current portion	-	22,278,571	22,278,571	1,339,774
Deposits	78,745	-	78,745	-
Other assets				
Prepaid bond insurance costs	-	348,142	348,142	-
Organizational costs	-	-	-	3,855
Real estate held for sale or development	-	-	-	2,613,282
Security deposits	-	-	-	2,500
Capital assets not being depreciated				
Land	36,845,828	30,834,259	67,680,087	2,900,115
Construction in progress	12,198,323	194,676,870	206,875,193	-
Capital assets net of accumulated depreciation				
Buildings, improvements and utility plant	164,926,624	689,132,717	854,059,341	8,709,968
Infrastructure	22,963,793	-	22,963,793	-
Machinery and equipment	21,684,608	29,426,359	51,110,967	-
Total noncurrent assets	263,292,485	1,003,749,978	1,267,042,463	26,310,430
TOTAL ASSETS	434,465,911	1,233,024,094	1,667,490,005	40,858,417
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	1,645,098	25,218,399	26,863,497	-
Deferred outflows related to net pension liability	28,127,228	9,547,936	37,675,164	-
Accumulated decrease in fair value of hedging derivatives	-	27,665,025	27,665,025	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	29,772,326	62,431,360	92,203,686	-

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION (CONTINUED)
June 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	\$ 9,095,484	\$ 18,769,465	\$ 27,864,949	\$ 1,874,268
Accrued salaries and benefits	3,228,420	659,413	3,887,833	-
Accrued liability for claims	17,405,626	23,600	17,429,226	-
Accrued interest	753,162	9,491,331	10,244,493	-
Retainage payable	185,586	8,173,695	8,359,281	-
Unearned revenue	-	2,400	2,400	1,017,887
Due to primary government	-	-	-	522,137
Refundable advances	134,352	-	134,352	-
Compensated absences	1,419,070	366,967	1,786,037	-
Bond anticipation note payable	3,000,000	-	3,000,000	204,568
Deposits payable	47,634	117,652	165,286	67,102
Current notes payable	75,000	-	75,000	764,829
General obligation bonds, current portion	5,365,000	-	5,365,000	-
Revenue bonds, current portion	3,590,000	11,705,000	15,295,000	-
Obligation under capital lease - current portion	1,945,919	-	1,945,919	-
Liabilities payable from restricted assets				
Due to primary government	-	-	-	170,071
Total current liabilities	46,245,253	49,309,523	95,554,776	4,620,862
Noncurrent liabilities				
Compensated absences	5,676,278	1,555,728	7,232,006	73,134
Net pension liability	151,905,579	51,555,089	203,460,668	-
Net OPEB obligation	53,796,196	-	53,796,196	-
Notes payable, net of current portion	600,000	-	600,000	4,303,421
General obligation bonds, net of current portion	28,008,934	-	28,008,934	-
Revenue bonds, net of current portion	49,848,210	537,494,566	587,342,776	-
Obligation under capital lease - net of current portion	9,885,967	-	9,885,967	-
Derivative instrument liability, interest rate swap	-	27,665,025	27,665,025	-
Total noncurrent liabilities	299,721,164	618,270,408	917,991,572	4,376,555
TOTAL LIABILITIES	345,966,417	667,579,931	1,013,546,348	8,997,417
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to net pension liability	1,724,982	585,132	2,310,114	-
Deferred inflow - property sale	309,000	-	309,000	-
Deferred inflow - property tax credit	2,828,318	-	2,828,318	-
TOTAL DEFERRED INFLOWS OF RESOURCES	4,862,300	585,132	5,447,432	-
NET POSITION				
Net investment in capital assets	172,110,861	443,267,179	615,378,040	7,364,690
Restricted for				
Capital projects	11,246,571	-	11,246,571	-
Debt service	3,965,407	1,252,137	5,217,544	-
Tourism	7,646,425	-	7,646,425	9,475,862
Public safety	617,492	-	617,492	-
Community development				
Expendable	1,064,540	-	1,064,540	412,012
Nonexpendable	5,000	-	5,000	-
Unrestricted	(83,246,776)	182,771,075	99,524,299	14,608,436
TOTAL NET POSITION	\$ 113,409,520	\$ 627,290,391	\$ 740,699,911	\$ 31,861,000

See accompanying Notes to Financial Statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2017

FUNCTIONS/PROGRAMS	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions		Primary Government			Component Units
			Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total		
Primary Government								
Governmental activities								
General government	\$ 21,967,466	\$ 2,594,500	\$ 252,365	\$ 10,004,812	\$ (9,115,789)	\$ -	\$ (9,115,789)	\$ -
Judicial	3,515,045	-	-	-	(3,515,045)	-	(3,515,045)	-
Finance department	1,857,440	-	-	-	(1,857,440)	-	(1,857,440)	-
Community promotions	8,847,034	-	-	-	(8,847,034)	-	(8,847,034)	-
Planning and development	4,267,580	-	-	-	(4,267,580)	-	(4,267,580)	-
Public safety	92,143,229	47,392,478	1,857,360	-	(42,893,391)	-	(42,893,391)	-
Parks and recreation	13,884,956	833,501	-	-	(13,051,455)	-	(13,051,455)	-
Public services	16,558,862	615,441	-	-	(15,943,421)	-	(15,943,421)	-
General services	2,539,388	888,200	180,334	-	(1,470,854)	-	(1,470,854)	-
Tourism and community development	14,411,919	619,541	7,390,589	-	(6,401,789)	-	(6,401,789)	-
Interest and other fiscal charges	3,732,649	-	-	-	(3,732,649)	-	(3,732,649)	-
Nondepartmental	4,984,358	-	-	-	(4,984,358)	-	(4,984,358)	-
Total governmental activities	<u>188,709,926</u>	<u>52,943,661</u>	<u>9,680,648</u>	<u>10,004,812</u>	<u>(116,080,805)</u>	<u>-</u>	<u>(116,080,805)</u>	<u>-</u>
Business-type activities								
Water/sewer facilities	138,965,008	137,198,161	5,880,676	10,159,405	-	14,273,234	14,273,234	-
Hydro-electric plant	2,116,008	151,890	-	-	-	(1,964,118)	(1,964,118)	-
Stormwater facilities	6,755,544	7,432,103	-	-	-	676,559	676,559	-
Parking facilities	7,424,017	8,250,439	-	-	-	826,422	826,422	-
Redevelopment programs	1,092,578	574,908	148,763	-	-	(368,907)	(368,907)	-
Parks and recreation camps	362,485	335,505	-	-	-	(26,980)	(26,980)	-
Total business-type activities	<u>156,715,640</u>	<u>153,943,006</u>	<u>6,029,439</u>	<u>10,159,405</u>	<u>-</u>	<u>13,416,210</u>	<u>13,416,210</u>	<u>-</u>
Total Primary Government	<u>\$ 345,425,566</u>	<u>\$ 206,886,667</u>	<u>\$ 15,710,087</u>	<u>\$ 20,164,217</u>	<u>(116,080,805)</u>	<u>13,416,210</u>	<u>(102,664,595)</u>	<u>-</u>
COMPONENT UNITS	<u>\$ 13,241,020</u>	<u>\$ 13,040,117</u>	<u>\$ 617,868</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>416,965</u>
General revenues:								
General property taxes					31,793,590	-	31,793,590	-
Local Option Sales Tax					20,946,748	-	20,946,748	-
Hospitality and admission taxes					11,990,432	-	11,990,432	-
Accommodations tax					2,496,308	-	2,496,308	-
Tourism development fee					3,911,428	-	3,911,428	-
Liquor permit fees					478,973	-	478,973	-
Utility franchise fees					13,133,923	-	13,133,923	-
Business privilege license fees					24,986,525	-	24,986,525	-
State shared revenue					3,019,209	-	3,019,209	-
Appropriations - City of Columbia					-	-	-	1,477,601
Unrestricted investment earnings					(20,184)	1,193,414	1,173,230	73,752
Special item					2,592,856	-	2,592,856	-
Gain (loss) on disposal of capital assets					-	-	-	(19,203)
Transfers					6,758,489	(6,758,489)	-	-
Total general revenues and transfers					<u>122,088,297</u>	<u>(5,565,075)</u>	<u>116,523,222</u>	<u>1,532,150</u>
Change in net position					6,007,492	7,851,135	13,858,627	1,949,115
Net position - beginning of period					<u>107,402,028</u>	<u>619,439,256</u>	<u>726,841,284</u>	<u>29,911,885</u>
Net position - end of period					<u>\$ 113,409,520</u>	<u>\$ 627,290,391</u>	<u>\$ 740,699,911</u>	<u>\$ 31,861,000</u>

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017**

	General Fund	County Services	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 24,036,289	\$ 26,505	\$ 33,817,643	\$ 57,880,437
Investments	11,431,084	-	7,151,692	18,582,776
Receivables				
Property taxes, net	1,602,426	-	-	1,602,426
Federal government	90,010	-	2,361,341	2,451,351
State government	2,534,404	-	958,197	3,492,601
County	-	-	1,445,425	1,445,425
Accounts, net	932,066	-	5,257	937,323
Accrued interest receivable	32,031	-	1,185	33,216
Due from other funds	-	-	614,134	614,134
Due from component units	-	-	21,164	21,164
Cash on deposit with escrow agent	304,000	-	-	304,000
Prepaid charges	445,780	74,580	-	520,360
TOTAL ASSETS	<u>\$ 41,408,090</u>	<u>\$ 101,085</u>	<u>\$ 46,376,038</u>	<u>\$ 87,885,213</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 4,142,706	\$ 439,945	\$ 2,645,633	\$ 7,228,284
Accrued salaries and benefits	2,408,940	689,258	57,674	3,155,872
Retainage payable	-	-	185,586	185,586
Bond anticipation notes payable	-	-	3,000,000	3,000,000
Refundable advances	-	-	134,352	134,352
Due to other funds	-	1,459,377	2,673,290	4,132,667
Due to others	26,212	-	-	26,212
Customer deposits	21,422	-	-	21,422
Advances from other funds	1,150,042	-	-	1,150,042
Total liabilities	<u>7,749,322</u>	<u>2,588,580</u>	<u>8,696,535</u>	<u>19,034,437</u>
Deferred inflows of resources				
Unearned revenue - deferred property tax credit	2,828,318	-	-	2,828,318
Unearned revenue - property sale	309,000	-	-	309,000
Unavailable revenue - property taxes	900,658	-	-	900,658
Total deferred inflows of resources	<u>4,037,976</u>	<u>-</u>	<u>-</u>	<u>4,037,976</u>
Fund balances				
Nonspendable	445,780	74,580	5,000	525,360
Restricted	4,837,243	-	19,703,192	24,540,435
Committed	5,207,060	-	-	5,207,060
Assigned	4,054,048	-	17,971,311	22,025,359
Unassigned	15,076,661	(2,562,075)	-	12,514,586
Total fund balances (deficits)	<u>29,620,792</u>	<u>(2,487,495)</u>	<u>37,679,503</u>	<u>64,812,800</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 41,408,090</u>	<u>\$ 101,085</u>	<u>\$ 46,376,038</u>	<u>\$ 87,885,213</u>

See accompanying Notes to Financial Statements.

CITY OF COLUMBIA, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2017

Total fund balance, governmental funds		\$ 64,812,800
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reporting in the governmental activities of the statement of net position.		
Land	\$ 36,845,828	
Construction in progress	12,198,323	
Buildings and improvements, net	164,666,891	
Infrastructure, net	22,963,793	
Machinery and equipment, net	21,290,936	257,965,771
Certain other long-term deferred outflows are not available to pay current period expenditures and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net position.		
Unamortized deferred loss on refunding	\$ 1,645,098	
Pension contributions made subsequent to the measurement date	9,460,448	
Differences between expected and actual experience	17,683,459	28,789,005
Certain property tax revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.		
		910,564
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		(5,168,418)
Eliminations relating to the consolidation of internal service funds resulted in an amount due to governmental activities from business-type activities in the statement of net position.		
		21,278,114
Some liabilities (such as notes payable, capital leases, contracts payable, compensated absences, and bonds payable) are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the statement of net position.		
Accrued compensated absences	\$ (6,846,181)	
Accrued interest payable	(753,162)	
Net pension liability	(146,595,255)	
Bonds and notes payable	(81,419,997)	
Capital lease payable	(11,831,886)	
Unamortized premium	(6,067,147)	(253,513,628)
Other long term deferred inflows related to pension expense do not consume current financial resources and are, therefore, not reported in the fund financial statements:		
Investment earnings on retirement plan fiduciary held assets		(1,664,688)
Net position of governmental activities in the statement of net position		\$ 113,409,520

See accompanying Notes to Financial Statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2017

	<u>General Fund</u>	<u>County Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
General property taxes	\$ 30,808,092	\$ -	\$ 881,067	\$ 31,689,159
Local option sales tax	20,946,748	-	-	20,946,748
Hospitality and admission taxes	433,481	-	11,556,951	11,990,432
Accommodations tax	-	-	2,496,308	2,496,308
Tourism development fee	-	-	3,911,428	3,911,428
Liquor permit fee	-	-	478,973	478,973
Licenses and permits	26,580,332	-	-	26,580,332
Franchise fees	13,133,923	-	-	13,133,923
Intergovernmental revenue	14,822,853	-	4,706,292	19,529,145
Charges for services	13,025,426	29,491	79,912	13,134,829
Fines and forfeitures	887,354	-	375,001	1,262,355
Federal government	120,013	-	6,859,402	6,979,415
State government	-	-	35,593	35,593
County government	-	23,997,476	2,790,931	26,788,407
Promotions	521,108	-	212,247	733,355
Private grants	89,496	-	-	89,496
Interest	(38,203)	-	18,019	(20,184)
Rental income	103,343	-	-	103,343
Other revenues	81,123	-	1,955,786	2,036,909
Total revenues	<u>121,515,089</u>	<u>24,026,967</u>	<u>36,357,910</u>	<u>181,899,966</u>
EXPENDITURES				
Current				
General government	11,043,684	-	1,262,694	12,306,378
Judicial	3,334,061	-	-	3,334,061
Finance department	1,787,470	-	-	1,787,470
Planning and development	4,106,820	-	-	4,106,820
Public safety	60,968,586	22,941,649	1,796,870	85,707,105
Parks and recreation	11,620,323	-	11,604	11,631,927
Public services	14,638,292	-	774,897	15,413,189
General services	2,416,883	-	-	2,416,883
Tourism and community development	5,110,680	-	15,043,632	20,154,312
Community promotions	748,739	-	-	748,739
Debt service				
Principal payment on bonds	16,092,898	-	8,855,000	24,947,898
Interest on bonds	748,800	-	3,045,016	3,793,816
Fiscal agent charges	-	-	15,499	15,499
Debt issuance costs	61,000	-	68,500	129,500
Capital outlay				
Capital outlay	<u>8,002,763</u>	<u>223,576</u>	<u>7,200,521</u>	<u>15,426,860</u>
Total expenditures	<u>140,680,999</u>	<u>23,165,225</u>	<u>38,074,233</u>	<u>201,920,457</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,165,910)</u>	<u>861,742</u>	<u>(1,716,323)</u>	<u>(20,020,491)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,311,923	732,424	18,570,916	27,615,263
Transfers (out)	(15,123,708)	(950,648)	(15,819,030)	(31,893,386)
Sale of general capital assets	167,063	-	-	167,063
Issuance of capital leases	8,100,000	-	-	8,100,000
Issuance of debt	1,460,000	-	-	1,460,000
Insurance recoveries	92,831	-	-	92,831
Total other financing sources (uses)	<u>3,008,109</u>	<u>(218,224)</u>	<u>2,751,886</u>	<u>5,541,771</u>
SPECIAL ITEMS				
Collections on capital leases	13,280,875	-	-	13,280,875
Rental income	2,592,856	-	-	2,592,856
Total special items	<u>15,873,731</u>	<u>-</u>	<u>-</u>	<u>15,873,731</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures, and other financing sources (uses) and special items	<u>(284,070)</u>	<u>643,518</u>	<u>1,035,563</u>	<u>1,395,011</u>
Beginning fund balances (deficits)	<u>29,904,862</u>	<u>(3,131,013)</u>	<u>36,643,940</u>	<u>63,417,789</u>
Ending fund balances (deficits)	<u>\$ 29,620,792</u>	<u>\$ (2,487,495)</u>	<u>\$ 37,679,503</u>	<u>\$ 64,812,800</u>

See accompanying Notes to Financial Statements.

CITY OF COLUMBIA, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2017

Net change in fund balances - total governmental funds		\$ 1,395,011
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p>		
Capital asset purchases capitalized	\$ 15,426,860	
Depreciation expense	<u>(14,713,391)</u>	713,469
<p>In the Statement of Activities, the gain or loss on disposal of capital assets is reported. Conversely, governmental funds do not report gain or loss on the disposal of capital assets</p>		
Net book value of disposed capital assets		(265,810)
<p>Internal service funds are used by management to charge costs of certain activities to individual funds. The change in net income of the internal service funds is included in governmental activities in the statement of activities.</p>		
		(631,267)
<p>Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental fund statements because they are not financial resources.</p>		
		3,416,556
<p>Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.</p>		
Property taxes		104,431
<p>Governmental funds report bond proceeds as current financial resources. In contrast, the statement of activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the statement of activities treats such repayment as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments.</p>		
Proceeds from bonds payable issued	\$ (1,460,000)	
Collections on capital leases	(13,280,875)	
Proceeds from capital lease issued	(8,100,000)	
Principal retirement of long-term debt	24,947,898	
Amortization of premium	(461,933)	
Amortization of bond refunding deferred charge	<u>(264,854)</u>	1,380,236
<p>Some expenses reported in the statement of activities do not require the use of current financial resources, and these are not reported as expenditures in governmental funds:</p>		
Accrued compensated absences	\$ (53,615)	
Capital lease receivable	(913,267)	
Pension expense	(4,930,743)	
Accrued interest payable	<u>9,087</u>	(5,888,538)
<p>Eliminations in the consolidation of internal service funds resulted in a net increase in expenses for the business-type activities in the statement of activities.</p>		
		<u>5,783,404</u>
Change in net position of governmental activities		<u><u>\$ 6,007,492</u></u>

See accompanying Notes to Financial Statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
June 30, 2017

	Business-type Activities				Governmental
	Water/Sewer	Parking	Nonmajor	Total	Internal
	Facilities Fund	Facilities Fund	Proprietary Funds		Service Funds
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 121,508,103	\$ 8,117,807	\$ 16,053,505	\$ 145,679,415	\$ 71,136,702
Investments	69,614,658	4,640,448	6,378,956	80,634,062	-
Accounts receivable, net	8,388,658	206,829	425	8,595,912	332,555
Mortgage notes receivable, net	42,250	-	521,093	563,343	-
Accrued interest receivable	190,188	16,169	18,062	224,419	-
Due from federal government	5,053,924	-	-	5,053,924	-
Due from state government	1,025,115	-	-	1,025,115	-
Due from other funds	3,923,913	-	-	3,923,913	-
Due from component units	500,973	-	170,071	671,044	-
Inventory	2,718,558	62,809	-	2,781,367	688,203
Prepaid expenses	116,508	24,516	9,614	150,638	125,386
Real estate held for resale	-	-	99,036	99,036	-
Total current assets	213,082,848	13,068,578	23,250,762	249,402,188	72,282,846
Noncurrent Assets					
Mortgage notes receivable, net	152,794	-	22,125,777	22,278,571	-
Investments	36,740,688	312,372	-	37,053,060	-
Deposits	-	-	-	-	78,745
Prepaid bond insurance costs	-	348,142	-	348,142	-
Advances to other funds	1,150,042	-	-	1,150,042	-
Capital assets					
Land	14,255,003	16,032,002	547,254	30,834,259	-
Buildings, improvements and utility plant	1,029,564,961	57,850,251	32,627,423	1,120,042,635	914,576
Machinery and equipment	74,277,551	1,784,452	3,953,547	80,015,550	1,725,949
Less accumulated depreciation	(450,471,688)	(19,733,618)	(11,293,803)	(481,499,109)	(1,987,120)
Construction in progress	189,083,848	108,401	5,484,621	194,676,870	-
Net capital assets	856,709,675	56,041,488	31,319,042	944,070,205	653,405
Total noncurrent assets	894,753,199	56,702,002	53,444,819	1,004,900,020	732,150
TOTAL ASSETS	1,107,836,047	69,770,580	76,695,581	1,254,302,208	73,014,996
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	25,218,399	-	-	25,218,399	-
Deferred outflows related to net pension liability	8,213,186	617,873	716,877	9,547,936	983,321
Accumulated decrease in fair value of hedging derivatives	27,665,025	-	-	27,665,025	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	61,096,610	617,873	716,877	62,431,360	983,321

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS (CONTINUED)
June 30, 2017**

	Business-type Activities				Governmental Activities
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds	Total	Internal Service Funds
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 17,777,342	\$ 209,495	\$ 782,628	\$ 18,769,465	\$ 1,867,200
Accrued salaries and benefits	535,977	35,081	88,355	659,413	72,548
Compensated absences	346,680	20,279	8	366,967	49,834
Retainage payable	8,161,193	10,002	2,500	8,173,695	-
Accrued interest payable	8,804,650	686,681	-	9,491,331	-
Revenue bonds payable	10,545,000	1,160,000	-	11,705,000	-
Due to other funds	-	-	-	-	405,380
Deposits payable	117,652	-	-	117,652	-
Unearned revenue	2,400	-	-	2,400	-
Accrued liability for claims	23,600	-	-	23,600	17,405,626
Total current liabilities	46,314,494	2,121,538	873,491	49,309,523	19,800,588
Noncurrent Liabilities					
Compensated absences	1,386,718	81,114	87,896	1,555,728	199,333
Net pension liability	44,354,430	3,336,755	3,863,904	51,555,089	5,310,324
Net OPEB obligation	-	-	-	-	53,796,196
Revenue bonds payable - net	499,116,350	38,378,216	-	537,494,566	-
Derivative instrument liability - interest rate swap	27,665,025	-	-	27,665,025	-
Total noncurrent liabilities	572,522,523	41,796,085	3,951,800	618,270,408	59,305,853
TOTAL LIABILITIES	618,837,017	43,917,623	4,825,291	667,579,931	79,106,441
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to net pension liability	503,605	37,886	43,641	585,132	60,294
FUND NET POSITION					
Net investment in capital assets	395,212,070	16,738,567	31,316,542	443,267,179	653,405
Restricted for debt service	1,252,137	-	-	1,252,137	-
Unrestricted	153,127,828	9,694,377	41,226,984	204,049,189	(5,821,823)
TOTAL FUND NET POSITION	\$ 549,592,035	\$ 26,432,944	\$ 72,543,526	\$ 648,568,505	\$ (5,168,418)
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time				(21,278,114)	
Net position of business-type activities				<u>\$ 627,290,391</u>	

See accompanying Notes to Financial Statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2017

	Business-type Activities			Total	Governmental
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
Operating revenues					
Charges for service	\$ 136,932,319	\$ 6,134,730	\$ 8,312,232	\$ 151,379,281	\$ 48,283,157
Other operating revenue	13,961	1,999,576	11,364	2,024,901	-
Total operating revenues	136,946,280	8,134,306	8,323,596	153,404,182	48,283,157
Operating expenses					
Personnel services	35,687,995	2,564,132	3,438,371	41,690,498	4,537,135
Materials and supplies	11,022,382	266,520	355,988	11,644,890	8,068,528
Other services and charges	29,614,236	710,503	3,217,518	33,542,257	6,266,845
Heat, light and power	7,082,144	252,775	1,203	7,336,122	49,681
Depreciation	37,303,595	1,648,286	1,499,020	40,450,901	231,382
Claims and premiums	-	-	-	-	41,658,400
Bad debt expense	-	-	127,621	127,621	-
Total operating expenses	120,710,352	5,442,216	8,639,721	134,792,289	60,811,971
Operating income (loss)	16,235,928	2,692,090	(316,125)	18,611,893	(12,528,814)
Nonoperating revenues (expenses)					
Investment income (loss)	1,054,117	65,672	73,625	1,193,414	-
Rental income	170,251	114,273	18,920	303,444	-
Other nonoperating revenue	81,630	1,860	10,000	93,490	-
Federal grant revenue	5,880,676	-	138,763	6,019,439	-
Gain (loss) from sale of assets	8,165	2,295	90,477	100,937	-
Interest expense	(9,691,698)	(1,675,557)	-	(11,367,255)	-
Bond related costs	(2,280,758)	(6,200)	-	(2,286,958)	-
Insurance recoveries	-	-	151,890	151,890	-
Amortization of deferred charges	(1,054,933)	(22,503)	-	(1,077,436)	-
Total nonoperating revenues (expenses)	(5,832,550)	(1,520,160)	483,675	(6,869,035)	-
Income (loss) before contributions and transfers	10,403,378	1,171,930	167,550	11,742,858	(12,528,814)
Capital contributions and transfers					
Transfers in	-	-	1,095,370	1,095,370	13,798,968
Transfers out	(6,069,520)	(925,785)	(858,554)	(7,853,859)	(1,901,421)
Capital grants	250,000	-	-	250,000	-
Development contributions	9,909,405	-	-	9,909,405	-
Total capital contributions and transfers	4,089,885	(925,785)	236,816	3,400,916	11,897,547
Extraordinary item					
Asset impairment cost	-	-	(1,509,235)	(1,509,235)	-
Change in net position	14,493,263	246,145	(1,104,869)	13,634,539	(631,267)
Net position - beginning	535,098,772	26,186,799	73,648,395		(4,537,151)
Net position - ending	\$ 549,592,035	\$ 26,432,944	\$ 72,543,526		\$ (5,168,418)
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				(5,783,404)	
Change in net position of business-type activities				\$ 7,851,135	

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2017**

	Business-type Activities			Total	Governmental Activities
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
Cash Flows From Operating Activities					
Receipts from customers and users	\$ 133,784,762	\$ 8,071,882	\$ 8,332,698	\$ 150,189,342	\$ 287,945
Internal activity - receipts from other funds	-	-	-	-	48,075,659
Internal activity - payments to other funds	(7,513,465)	(544,083)	(969,531)	(9,027,079)	(923,544)
Payments to suppliers	(43,339,757)	(572,580)	(2,821,348)	(46,733,685)	(12,770,269)
Claims paid	-	-	-	-	(39,917,489)
Payments to employees	(37,673,063)	(2,535,342)	(3,509,930)	(43,718,335)	(4,449,856)
Net cash provided by (used in) operating activities	45,258,477	4,419,877	1,031,889	50,710,243	(9,697,554)
Cash Flows From Noncapital Financing Activities					
Advances to other funds	(754,619)	-	-	(754,619)	-
Advances from other funds	-	-	-	-	405,380
Operating grants	1,947,739	-	-	1,947,739	-
Other nonoperating revenues	81,630	1,860	300,653	384,143	-
Transfers in	-	-	1,095,370	1,095,370	13,798,968
Transfers out	(6,069,520)	(925,785)	(858,554)	(7,853,859)	(1,901,421)
Net cash provided by (used in) noncapital financing activities	(4,794,770)	(923,925)	537,469	(5,181,226)	12,302,927
Cash Flows From Capital And Related Financing Activities					
Principal paid on bonds and notes	(154,670,000)	(1,115,000)	-	(155,785,000)	-
Proceeds from revenue bonds	227,014,471	-	-	227,014,471	-
Interest paid on debt	(17,455,216)	(1,698,547)	-	(19,153,763)	-
Proceeds from capital contributions	250,000	-	-	250,000	-
Purchase of capital assets	(107,787,347)	(203,068)	(2,936,643)	(110,927,058)	-
Bond related costs	(2,280,758)	(6,200)	-	(2,286,958)	-
Proceeds from sale of capital assets	83,680	2,295	-	85,975	-
Net cash used in capital and related financing activities	(54,845,170)	(3,020,520)	(2,936,643)	(60,802,333)	-
Cash Flows From Investing Activities					
Purchase of investments	(27,687,011)	(519,559)	(1,066,246)	(29,272,816)	-
Receipts from property rentals	170,251	114,273	18,920	303,444	-
Advances of mortgage notes receivable	(184,375)	-	(3,471,360)	(3,655,735)	-
Collections of mortgage notes receivable	135,650	-	2,473,793	2,609,443	-
Interest received	2,056,829	67,327	68,581	2,192,737	-
Sale of real estate held for resale	-	-	90,477	90,477	-
Net cash used in investing activities	(25,508,656)	(337,959)	(1,885,835)	(27,732,450)	-
Net increase (decrease) in cash and cash equivalents	(39,890,119)	137,473	(3,253,120)	(43,005,766)	2,605,373
Cash and cash equivalents, July 1, 2016	161,398,222	7,980,334	19,306,625	188,685,181	68,531,329
Cash and cash equivalents, June 30, 2017	\$ 121,508,103	\$ 8,117,807	\$ 16,053,505	\$ 145,679,415	\$ 71,136,702

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
Year Ended June 30, 2017

	Business-type Activities			Total	Governmental
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	<u>\$ 16,235,928</u>	<u>\$ 2,692,090</u>	<u>\$ (316,125)</u>	<u>\$ 18,611,893</u>	<u>\$ (12,528,814)</u>
Adjustments to reconcile operating income to net cash (loss) provided by (used in) operating activities:					
Depreciation	37,303,595	1,648,286	1,499,020	40,450,901	231,382
Accrued benefits related to net pension liability	1,492,115	112,251	130,811	1,735,177	178,643
Bad debt expense	-	-	127,621	127,621	-
Change in operating assets and liabilities					
Accounts receivable	(3,140,025)	(72,396)	9,102	(3,203,319)	80,447
Inventory	(322,023)	41,054	-	(280,969)	(25,558)
Prepaid expenses	4,380	(6,472)	(1,571)	(3,663)	(43,744)
Accounts payable	(4,821,902)	89,598	(347,910)	(5,080,214)	(700,892)
Accrued salaries	(882,377)	(69,523)	(72,896)	(1,024,796)	(110,038)
Accrued compensated absences	389,424	(13,938)	1,337	376,823	18,674
OPEB liability	-	-	-	-	1,461,434
Accrued expenses	-	(1,073)	2,500	1,427	-
Unearned revenue	(1,000,638)	-	-	(1,000,638)	-
Accrued liability for claims	-	-	-	-	1,740,912
Total adjustments	<u>29,022,549</u>	<u>1,727,787</u>	<u>1,348,014</u>	<u>32,098,350</u>	<u>2,831,260</u>
Net cash provided by (used in) operating activities	<u><u>\$ 45,258,477</u></u>	<u><u>\$ 4,419,877</u></u>	<u><u>\$ 1,031,889</u></u>	<u><u>\$ 50,710,243</u></u>	<u><u>\$ (9,697,554)</u></u>
Noncash Investing, Capital and Financing Activities					
Water and sewer contributed assets	<u><u>\$ 9,909,405</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,909,405</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2017**

	<u>Private- Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	<u>\$ 22,165</u>	<u>\$ 35,385</u>
Total assets	<u>22,165</u>	<u>\$ 35,385</u>
LIABILITIES		
Accounts payable	<u>-</u>	<u>\$ 35,385</u>
Total liabilities	<u>-</u>	<u>\$ 35,385</u>
NET POSITION		
Held in trust - other purposes	<u>\$ 22,165</u>	

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2017**

	<u>Private- Purpose Trust Funds</u>
ADDITIONS	
Contributions:	
Private donations	\$ 15,314
Total additions	<u>15,314</u>
DEDUCTIONS	
Program expenses	<u>10,865</u>
Total deductions	<u>10,865</u>
Change in net position	4,449
Net position - beginning	<u>17,716</u>
Net position - ending	<u><u>\$ 22,165</u></u>

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2017**

	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	TN Development Corporation	Columbia Empowerment Zone, Inc.	Total
ASSETS							
Current Assets							
Cash and cash equivalents	\$ 1,211,003	\$ 908,070	\$ 376,295	\$ 6,433,387	\$ 947,794	\$ 1,532,839	\$ 11,409,388
Certificates of deposit	200,000	100,000	100,000	-	100,000	-	500,000
Cash on deposit with escrow agent	-	-	-	4,958,107	-	19,316	4,977,423
Accounts receivable, net	200	47,111	1,628	733,146	60,527	11,701	854,313
Mortgage notes receivable, current portion	203,280	42,889	5,625	-	-	963,789	1,215,583
Prepaid expenses	5,901	5,027	4,850	459,307	21,680	4,893	501,658
Restricted Assets							
Real estate held for sale and development	-	28,800	38,245	-	-	-	67,045
Total current assets	1,620,384	1,131,897	526,643	12,583,947	1,130,001	2,532,538	19,525,410
Capital Assets							
Capital assets, not being depreciated	158,909	77,398	58,000	-	710,731	1,895,077	2,900,115
Capital assets, net of accumulated depreciation	5,002	557,745	250,664	2,971,698	2,899,519	2,025,340	8,709,968
Net capital assets	163,911	635,143	308,664	2,971,698	3,610,250	3,920,417	11,610,083
Other Assets							
Mortgage note receivable, net of allowance	-	538,623	-	-	-	801,151	1,339,774
Real estate held for sale and development	917,555	449,306	489,661	-	756,760	-	2,613,282
Organizational costs	-	-	-	-	-	3,855	3,855
Security deposits	-	-	-	2,500	-	-	2,500
Cash on deposit with escrow agent	-	-	-	5,763,513	-	-	5,763,513
Total other assets	917,555	987,929	489,661	5,766,013	756,760	805,006	9,722,924
TOTAL ASSETS	2,701,850	2,754,969	1,324,968	21,321,658	5,497,011	7,257,961	40,858,417

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
June 30, 2017**

	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	TN Development Corporation	Columbia Empowerment Zone, Inc.	Total
LIABILITIES							
Current Liabilities							
Accounts payable	\$ 5,962	\$ 4,200	\$ 11,531	\$ 1,539,048	\$ 39,258	\$ 3,602	\$ 1,603,601
Accrued expenses	16,886	14,220	4,062	215,497	16,458	3,544	270,667
Customer deposits	-	4,600	1,900	-	41,286	19,316	67,102
Due to primary government	200,000	121,164	100,973	-	100,000	-	522,137
Compensated absences	7,698	2,864	1,683	186,286	2,116	3,921	204,568
Mortgage/bonds/notes payable/ lines of credit - current portion	-	-	595,760	-	169,069	-	764,829
Unearned revenue	-	172,739	-	803,711	41,437	-	1,017,887
Liabilities payable from restricted assets							
Due to primary government	-	164,076	5,995	-	-	-	170,071
Total current liabilities	<u>230,546</u>	<u>483,863</u>	<u>721,904</u>	<u>2,744,542</u>	<u>409,624</u>	<u>30,383</u>	<u>4,620,862</u>
Noncurrent Liabilities							
Compensated absences	30,793	11,458	6,733	-	8,465	15,685	73,134
Mortgage/bonds/lines of credit payable	-	566,920	-	-	3,736,501	-	4,303,421
Total noncurrent liabilities	<u>30,793</u>	<u>578,378</u>	<u>6,733</u>	<u>-</u>	<u>3,744,966</u>	<u>15,685</u>	<u>4,376,555</u>
TOTAL LIABILITIES	<u>261,339</u>	<u>1,062,241</u>	<u>728,637</u>	<u>2,744,542</u>	<u>4,154,590</u>	<u>46,068</u>	<u>8,997,417</u>
NET POSITION							
Net investment in capital assets	163,911	-	308,664	2,971,698	-	3,920,417	7,364,690
Restricted							
Community development	-	412,012	-	-	-	-	412,012
Tourism	-	-	-	9,475,862	-	-	9,475,862
Unrestricted	2,276,600	1,280,716	287,667	6,129,556	1,342,421	3,291,476	14,608,436
TOTAL NET POSITION	<u>\$ 2,440,511</u>	<u>\$ 1,692,728</u>	<u>\$ 596,331</u>	<u>\$ 18,577,116</u>	<u>\$ 1,342,421</u>	<u>\$ 7,211,893</u>	<u>\$ 31,861,000</u>

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES
BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS
Year Ended June 30, 2017**

	Program Revenue				Net (Expense) Revenues and Changes in Net Position						Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	TN Development Corporation	Columbia Empowerment Zone, Inc.	
Columbia Development Corporation											
Community Development	\$ 339,365	\$ 17,177	\$ -	\$ -	\$ (322,188)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (322,188)
Columbia Housing Development Corporation											
Community Development	626,541	53,032	592,097	-	-	18,588	-	-	-	-	18,588
Eau Claire Development Corporation											
Community Development	278,075	34,480	-	-	-	-	(243,595)	-	-	-	(243,595)
Midlands Authority for Convention, Sports, and Tourism											
Community Promotions	9,813,898	11,687,447	-	-	-	-	-	1,873,549	-	-	1,873,549
TN Development Corporation											
Community Development	1,533,809	953,319	25,371	-	-	-	-	-	(555,119)	-	(555,119)
Columbia Empowerment Zone, Inc.											
Community Development	649,332	294,662	400	-	-	-	-	-	-	(354,270)	(354,270)
Total component units	<u>\$ 13,241,020</u>	<u>\$ 13,040,117</u>	<u>\$ 617,868</u>	<u>\$ -</u>	<u>(322,188)</u>	<u>18,588</u>	<u>(243,595)</u>	<u>1,873,549</u>	<u>(555,119)</u>	<u>(354,270)</u>	<u>416,965</u>
General revenues:											
Appropriations - City of Columbia					331,069	261,797	251,373	-	434,982	198,380	1,477,601
Investment earnings					1,246	4,273	158	68,075	-	-	73,752
Gain (loss) from disposal of capital assets					-	(19,203)	-	-	-	-	(19,203)
Total general revenues					<u>332,315</u>	<u>246,867</u>	<u>251,531</u>	<u>68,075</u>	<u>434,982</u>	<u>198,380</u>	<u>1,532,150</u>
Change in net position					10,127	265,455	7,936	1,941,624	(120,137)	(155,890)	1,949,115
Net position - beginning					<u>2,430,384</u>	<u>1,427,273</u>	<u>588,395</u>	<u>16,635,492</u>	<u>1,462,558</u>	<u>7,367,783</u>	<u>29,911,885</u>
Net position - ending					<u>\$ 2,440,511</u>	<u>\$ 1,692,728</u>	<u>\$ 596,331</u>	<u>\$ 18,577,116</u>	<u>\$ 1,342,421</u>	<u>\$ 7,211,893</u>	<u>\$ 31,861,000</u>

See accompanying Notes to Financial Statements.

INDEX TO NOTES TO FINANCIAL STATEMENTS

CITY OF COLUMBIA, SOUTH CAROLINA
Index to Notes to Financial Statements
Year Ended June 30, 2017

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CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Columbia (the City), a political subdivision of the State of South Carolina, incorporated in 1854, is located in the central part of South Carolina. Columbia is the state capital as well as the county seat of Richland County. The City has an estimated population of approximately 134,300 living within an area of 134.94 square miles. The Greater Columbia Metropolitan Area consists of Lexington and Richland Counties and has an estimated population of 811,500. The City's economy is driven by education, government, military, finance, and industry. In 1950, the City approved a charter adopting a Council-Manager form of government and is governed by a six member council and Mayor.

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The more significant of these accounting policies are described below.

A. REPORTING ENTITY

The basic financial statements of the City present the reporting entity that consists of the primary government and those organizations for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion could cause the City's financial statements to be misleading or incomplete. As required by GAAP, the financial statements of the City must present the City's financial information along with its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the City both appoints a voting majority of the entity's governing body, and either (1) the City is able to impose its will on the entity or, (2) there is a potential for the entity to provide specific financial benefits to or impose specific financial burdens on the City.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the City having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the City; and (c) the City is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the City's financial statements to be misleading.

Blended component units, although legally separate entities, are in substance part of the government's operations, and data from these units are combined with the data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the entity-wide financial statements to emphasize they are legally separate from the City. Based on the criteria above, the City has two blended component units and six discretely presented component units.

Blended Component Units

Public Facilities Corporation

This is a single-purpose corporate entity that was formed in 2002 as a non-profit corporation to undertake certain obligations with respect to the acquisition of real and personal property and the design, construction, operation, and financing of a multipurpose conference/convention center and other improvements. Its board is comprised of the City Manager of Columbia, the Assistant City Manager for Development, and the Assistant City Manager for Finance and Economic Services or the equivalent thereof. For details of the outstanding debt see Note III. I. The balances of this entity are reported in the Tourism Development Convention Center fund, a nonmajor special revenue fund. The Corporation does not issue separate financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Blended Component Units (Continued)

Columbia Parking Facilities Corporation

This is a single-purpose entity whose balances are reported in the general fund. The entity was formed during fiscal year 2007 to undertake certain obligations with the University of South Carolina (the University) to build two parking garages. These garages are part of the University's Innovista project. The Board of Directors is comprised of five members of City Council. For further discussion of this component unit, see Note III. F. The Corporation does not issue separate financial statements.

Discretely Presented Component Units

Columbia Development Corporation (CDC)

Incorporated in 1980, the CDC was formed to assist the City in promoting and monitoring the growth and development of business concerns through the strengthening of the economic and residential base of the community. The nine-member Board of Directors is composed of three members of City Council, the Mayor, the City Manager, and four members that are appointed by City Council. The Executive Director of the CDC serves as an ex-officio Administrative Secretary. Funding for the CDC is derived from property sales, contributions, and appropriations from the City.

Columbia Housing Development Corporation (CHDC)

The CHDC, an eleemosynary organization, was formed in 1980 to assist the City in the development of housing and to promote growth in the residential base of the community. The twelve-member Board of Directors is composed of three members of City Council, the Mayor, the City Manager, and seven members that are appointed by City Council. In an ex-officio capacity, city staff serves as the Secretary/Treasurer and the Executive Director. Funding for CHDC is derived from sale of properties, interest income, mortgage receivables, and appropriations from the City.

Eau Claire Development Corporation (ECDC)

Incorporated in 1993, the ECDC provides assistance in the conservation and redevelopment of neighborhoods located in the Eau Claire area of North Columbia. The nine-member Board of Directors is composed of three City Council members and six members appointed by City Council. Current funding is derived from appropriations from the City of Columbia, grants, sale of properties, and rents.

Midlands Authority for Conventions, Sports, and Tourism (MACST)

The MACST, originally incorporated as the Midlands Regional Convention Center in July 2001, was formed to oversee the development of a regional convention center and operate the convention center under a long-term management arrangement for the mutual benefit of the City and Richland and Lexington Counties of South Carolina (the Governmental Entities). The MACST has a nine member board of directors. The City appoints five of the directors. Lexington County and Richland County each appoint two members. The Governmental Entities have pledged their tourism development fees to support this project. However, outside of this pledge of revenues, the City issued the debt to fund this project and is responsible for the ongoing debt payments. The City is also required to fund any operating deficits incurred. The City owns the building where the MACST is located.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Discretely Presented Component Units (Continued)

TN Development Corporation (TNDC)

Incorporated in 1993 as an eleemosynary organization, the TNDC was organized to promote growth and develop opportunities for affordable rental housing. The ten-member Board of Directors is composed of three members from City Council and seven members appointed by City Council. Funding for the TNDC is derived from rental income, the State of South Carolina Housing Trust Fund, the Federal Home Loan Bank, HOME Program funds received as a subrecipient through the City, other grants, and appropriations from the City.

Columbia Empowerment Zone, Inc. (CEZ)

Incorporated in 2009, the CEZ was formed to carry out the mission of the Columbia Empowerment Zone, Inc., a federally designated area (1999-2009). The purpose of CEZ is to initiate, develop, and maintain projects and programs in economically depressed or blighted areas that encourage the attraction and utilization of both public and private investment capital. The Board of Directors is composed of nine members. New board members are appointed by the existing board. The entity promotes: the fostering of sustainable business; government and community alliances to help lessen the burdens of government; reduction of physical and economic blight; combating community deterioration by fostering business attraction, retention, and expansion in areas in need of permanent job opportunities; workforce advancement and general growth opportunities. Funding for the CEZ is derived from appropriations from the City, loan repayments, rental income, and grant funds. The City provides appropriations to support CEZ when it experiences operating deficits that are not financed by other means. Upon dissolution, any remaining assets of CEZ would revert to the City.

Complete financial statements of the discretely presented individual Component Units can be requested from the City's Chief Financial Officer.

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and Statement of Activities display information about the non-fiduciary activities of the reporting government as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, inter-governmental revenue, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The City's internal service funds are a cost allocation of shared services and are combined with the governmental funds to produce the government wide financial statements. These statements include all funds of the reporting entity except for fiduciary funds.

FUND FINANCIAL STATEMENTS

The City uses funds to report financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into three categories: Governmental, Proprietary, and Fiduciary as follows:

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Governmental Fund Types:

General Fund

The General Fund is the principal operating fund of the City that accounts for all financial resources not accounted for in other funds.

Special Revenue Funds

These funds are used to account for revenue derived from specific taxes, governmental grants, and other revenue sources that are designated to finance particular functions or activities of the City. Special Revenue Funds include:

- County Services (a major fund) – Revenues received in this fund must be used to provide fire services and 911 emergency communications to Richland County citizens residing outside the City limits.
- Liquor Permit Fee – accounts for receipts from the sale of temporary permits to allow the possession, sale, and consumption of alcoholic liquors for a period not to exceed 24 hours. Expenditures from this fund must be used for the promotion of tourism or youth mentoring programs.
- Business Improvement District – accounts for the Business Improvement District taxes assessed on the businesses in the downtown area of the City to promote downtown beautification.
- Accommodations Tax – accounts for State Hotel Accommodations Tax receipts to promote tourism-related activities of City organizations. Expenditures from this fund must be used for the promotion of tourism.
- Confiscated Drug Program – accounts for the disposition of forfeited property and money seized in Columbia by law enforcement agencies. Expenditures from this fund must be used to enhance public safety.
- Hospitality Tax – accounts for a local 2% gross sales tax on prepared food and beverages sold in establishments to promote tourism-related activities of the City. Expenditures from this fund must be used to promote tourism.
- Community Development – accounts for the Community Development Block Grants and other community development type grants. Expenditures from this fund must be used on activities that enhance the community.
- Federal Grants – accounts for federal grant funds received except for Community Development Block Grants.
- Other Programs – provides for miscellaneous programs for park improvements and special events.
- Tourism Development Convention Center – accounts for the Tourism Development Fee imposed upon the rental of hotels, motels, and other lodging establishments in the City. This fee is dedicated to the attraction of and improving the services provided to tourists. This fund also accounts for the activities of the Public Facilities Corporation, a blended component unit.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Debt Service Fund

This fund accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City, other than debt service payments financed by proprietary fund types. Transfers, interest earned on the investments of the Debt Service Fund, and if applicable, interest earned on investments of certain Capital Projects Funds are used for the payment of principal, interest, and fiscal agent expenditures on the City's general obligation and revenue bonds and bond anticipation notes.

Capital Projects Funds

The Capital Projects Funds account for all capital improvements, except those accounted for in Proprietary Funds, financed by the City's general obligation bond issues, certain Federal grants, and other specific receipts. These funds include:

- Congaree Vista District – accounts for the construction and development of parks and infrastructure within the Congaree Vista Redevelopment District.
- Streetscaping – accounts for capital improvements to street landscaping.
- General Capital Projects – accounts for various capital projects funded by various funds.
- Miscellaneous Projects – accounts for various capital projects funded by the General Fund.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the City's programs. This fund includes:

- Dickson Trust – accounts for trust funds specifically intended for the income to be used for beautification of the parks. The funds are invested in an interest bearing account. The amount invested equals the fair value.

Proprietary Fund Types:

Business-type Funds

The business-type funds are used to account for operations of the City (a) that are financed and operated in a manner similar to private business where the intent is for the cost of providing goods or services to be recovered, in whole or in part, through user charges; or (b) where City Council has 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. These funds include:

- Water/Sewer Facilities Fund (a major fund) -- accounts for water and sewer utility activities.
- Parking Facilities Fund (a major fund) -- accounts for parking garage and parking ticket activities.
- Hydro-electric Facilities Fund -- accounts for hydro-electric plant activities.
- Stormwater Facilities Fund -- accounts for stormwater utility activities.
- Redevelopment Programs Fund -- accounts for various home rehabilitation and mortgage lending programs funded from various sources.
- Parks and Recreation Camp Fund -- accounts for parks and recreation camp activities.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Proprietary Fund Types (continued):

Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, or to other governments, on a user charge basis. These nonmajor funds include:

- Fleet Management -- accounts for the maintenance and repair of movable vehicles.
- Support Services -- accounts for a decentralized business-type inventory system, a central supply facility, procurement functions, and the City's general maintenance functions.
- Risk Management -- accounts for the costs associated with self-funded liability plans for employee health, worker's compensation, and tort liability for all City departments.

Fiduciary Funds Types (Not included in government-wide statements):

Transactions related to assets held by the City as an agent of a private organization are accounted for in Fiduciary Fund types. These are presented separately in the statements. The City's fiduciary fund types are comprised of:

Agency Fund

This fund is used to account for assets held by the City as an agent and does not involve measurement of results of operations.

Private-Purpose Trust Funds

These funds are used to account for assets held by the City as a trustee capacity under which principal and income benefit individuals, private organizations, or other governments.

Major Funds

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The County Services Fund accounts for fire services and 911 emergency communication services provided to citizens outside the City limits and the reimbursement for expenditures from Richland County.

The City reports the following major proprietary funds:

- The Water and Sewer Facilities Fund accounts for the activities of the water and sewer facilities.
- The Parking Facilities Fund accounts for the activities of the parking facilities.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City.

Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities* which rely to a significant extent on fees and charges for support.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary funds and fiduciary fund financial statements. 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 provider have been met.

The government-wide statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see below for further detail). Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government wide statements and the statements for governmental funds.

The City implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* ("GASBS 68") during the year ended June 30, 2015. GASBS 68 establishes accounting and financial reporting standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit plans, this statement also identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The requirements of this statement will improve financial reporting by improving information provided by state and local government employers about financial support for pensions that is provided by other entities.

The governmental fund financial statements are accounted for using a *current financial resources measurement focus*. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets, and the unassigned fund balance is a measure of available spendable resources.

Governmental fund financial statements are reported using the *current financial resources measurement focus*. All governmental fund types use the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the transaction can be identified, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are considered available if they are collected within 60 days after year end. The City considers revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund for payments to be made early in the following year. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Sales taxes, hospitality taxes, admission taxes, grant funds, charges for services, intergovernmental revenue, and interest associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Refundable advances arise when resources are received by the City before it has a legal claim to them as when grant monies are received prior to the occurrence of the qualifying expenditures. When the revenue recognition criteria are met and the City has a legal claim to the resources, the liability for the advance is removed from the balance sheet and revenue is recognized.

Proprietary fund types are accounted for using a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred. The City has implemented GASB Statement No.62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and thus the City applies all applicable GASB pronouncements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions restricted to meeting the operational requirements of a particular function or segment; and (3) capital grants and contributions restricted to meeting the capital requirements of a particular function or segment. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts, realizable value of real estate held for sale, impairment of assets, and certain claims and judgment liabilities among other accounts. Actual results could differ from those estimates.

Adoption of Accounting Principle

The City implemented GASB Statement No. 77 *Tax Abatement Disclosure* ("GASB #77") for the year ended June 30, 2017. The primary objective of GASB #77 is to provide tax abatement information to financial statement users so that they can more readily evaluate a government's ability to raise resources. This includes limitations to revenue raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Although many governments offer tax abatements, the information necessary to assess how tax abatements affect their financial position and results of operations, including the ability to raise resources in the future, is lacking. GASB #77 requires disclosures of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

The adoption of GASB #77 had no impact on the City's financial statements, but did result in new and expanded note disclosures. See Note III. J. for more information regarding the City's tax abatements.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deposits

City procedures require that all unrestricted cash belonging to the City be placed in a "Pooled Cash" account to maintain the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes, and each fund has equity in the pooled accounts.

The City considers cash and cash equivalents (including restricted cash and cash equivalents) to be: currency on hand, demand deposits with banks, amounts included in pooled cash and investment accounts, and liquid investments with an original maturity of three months or less when purchased.

Investments

In accordance with GASB 31, investments in all funds are stated at fair value. State statutes authorize the City to invest in certificates of deposit, United States Treasury and United States Agency obligations, South Carolina and related political subdivision general obligation bonds, and repurchase agreements collateralized by these obligations.

Inventory and Prepaid Assets

In the fund financial statements, all governmental City inventories are recorded in the Internal Service Fund at cost or estimated historical cost on a first-in, first-out (FIFO) basis. All proprietary inventories are recorded in the respective fund at cost or estimated historical cost on a first-in, first-out (FIFO) basis. The related expenditures or expenses are recognized when inventories are consumed. Changes in the year-end inventory are reflected in expenses.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The City uses the consumption method of accounting to record prepayments. Under the consumption method, prepaid items are recognized proportionately over the period in which the service is provided.

Real Estate

Real estate held for sale and development is recorded at the lower of cost or net realizable value. Real estate held for sale or development is classified as noncurrent if the use of the proceeds is restricted in some way.

Mortgage Notes and Notes Receivable and Allowance for Loan Losses

Mortgage notes receivable, secured by the financed property, and other notes receivable are recorded in various business-type funds and component units and are stated at unpaid principal balances net of an allowance for loan losses. An allowance for loan losses is increased by estimated uncollectible loans, net of recoveries. Management's periodic evaluation of the adequacy of the allowance is based on past loan loss experiences, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay the loan, estimated value of any underlying collateral, and current economic conditions. Interest is accrued monthly on notes receivable and stops when the notes go into default.

Accounts Receivable and Allowance for Bad Debt

Accounts receivable are recorded in various funds and are stated net of their allowance for uncollectible accounts.

Interfund Balances

Balances between funds that are outstanding at the end of the fiscal year and expected to be repaid within the current period are referred to as "due to/from other funds." Balances between funds not expected to be repaid within the current period are referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Capital Assets

In the government-wide financial statements, capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to June 15, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015, are recorded at acquisition value. Interest incurred during the construction phase of capital assets of enterprise funds is reflected in the capitalized value of the asset constructed net of interest earned on the invested proceeds during the same period.

Under the provisions of GASB 34, the City switched from the modified method to the straight-line depreciation method of reporting infrastructure during the year ended June 30, 2006. To determine the historical value of the infrastructure, the City used the information provided by the Department of Utilities and Engineering on streets acquired during fiscal years 2003 through 2006. This information provided the street name and the cost or estimated cost of the street at acquisition. These amounts also included sidewalks, curbs, and gutters adjacent to the street acquired. The City determined the life of the streets to be 20 years using the "Capital Assets of Local Governments Suggested Useful Lives."

Infrastructure assets acquired prior to 1986 would have been fully depreciated and were not considered in this calculation. For those assets acquired between fiscal years 1986 and 2008, the acquisition date is assumed to have been on the last day of the fiscal year. For assets acquired after 2008, the acquisition date is the actual date of purchase. Infrastructure assets acquired during fiscal year 2008 to the present are depreciated from the date of acquisition.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the estimated useful lives as follows:

Improvements	10-50 years
Buildings and Utility Plant	15-50 years
Infrastructure	20 years
Office Furniture and Equipment	5-15 years
Machinery	5-12 years

Capital Lease Receivable

The City leases two parking garages to the University of South Carolina under a capital lease agreement. The City receives lease payments on the garages in installments equal to the corresponding debt service requirements on the debt used to fund the construction of the garages. Revenue related to the lease receivable is classified as a deferred inflow in the funds until available. During March 2017, the lease was paid in full and the lease obligation satisfied.

Restricted Assets

Restricted assets consist of real estate that is held for sale and development.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Compensated Absences

It is the City's policy to allow employees to accumulate unused vacation and sick leave benefits up to certain maximum hours. Once an employee has completed the probationary period, any accumulated unused vacation and 20% of unused sick leave, as restricted below, are payable upon termination of employment with the City. An employee with service of less than 10 years may receive up to a maximum of two weeks of accrued compensated absences. An employee with service of 10 to 20 years may receive up to a maximum of four weeks, and service of over 20 years may receive a maximum of five weeks. Maximum carryover allowed per employee is 10 weeks of accrued compensated absences.

The liability for compensated absences in the government-wide, proprietary, and fiduciary fund financial statements is calculated based upon recorded balances of unused leave for which the City would compensate employees if employment ended June 30, 2017. The change in this calculated amount from the previous year is expensed in current operations. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Debt is reported net of applicable premiums and discounts on the statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method which does not significantly differ from the effective interest method. Deferred refunding costs are reported as deferred inflows or outflows and recognized as a component of interest expense in a systematic and rational manner over the remaining term of the old debt or the term of the new debt, whichever is shorter.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issue and refunding costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received in debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Payments to refunded bonds escrow agents are reported as other financing uses to the extent the proceeds from the bond are used to make the payment. Any payment made from funds on hand is reported as an expenditure.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. They are the deferred charge on refunding, the deferred outflows related to the net pension liability, and the accumulated decrease in the fair value of hedging derivatives reported in the entity-wide statement of net position and in the statement of net position of the Water and Sewer Facilities fund financial statements. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the term of the refunded or refunding debt. The change in fair value of hedging derivatives results from changes in cash flows and interest rates over the term of the interest rate swap. The deferred outflows related to the net pension liability result from retirement contributions made to the South Carolina Retirement System subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the subsequent year, and differences between expected and actual experience, which will be amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. One type, unavailable revenue, arises only under a modified accrual basis of accounting. Accordingly this type is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the periods the amounts become available. The second type is revenue received before time requirements are met, but after all other requirements have been met. In 2006, City residents approved a Local Option Sales Tax referendum. This tax is detailed further in Note I. E. Under state law, the City is required to give the taxpayers a credit on their property tax bill once the referendum is passed. The City recognizes revenue, on both the entity-wide statements and the fund financial statements, in the period in which the credit is given on the property tax bills and for the dollar amount of credit taxpayers are given on their property tax bills. Deferred inflows result when funds are received from the State of South Carolina prior to the time requirements being met, but after all other eligibility requirements are met. During the current year, the City also received funds relating to a property sale prior to all time requirements being met. The third type is deferred inflows relating to pension obligations and is the net difference between the projected and actual earnings on pension plan investments and is amortized over a closed five-year period, and differences between expected and actual experience, which will be amortized into pension expense over a closed period equal to the average remaining service lines of all participants.

E. REVENUES, EXPENDITURES, AND EXPENSES

Property Tax Revenues

Real property and business personal property taxes, excluding automobile property taxes, become enforceable liens as of January 1. Real property taxes are levied in November and are payable immediately, but can be paid without penalty before January 16. Automobile property taxes are levied throughout the year depending on vehicle tag expiration dates. Business personal property taxes are levied in September and are payable by January 15. Property taxes are assessed and collected by Richland and Lexington Counties under a joint billing and collection agreement. The City collects property taxes assessed in Richland and Lexington Counties on property annexed into Columbia. Penalties and charges are assessed if taxes are not paid by the following dates:

January 16 through February 1	- 3% penalty for tax due
February 2 through March 16	- 10% penalty for tax due
March 17 through April 30	- 15% penalty for tax due plus costs
May 1 through July 31	- \$30 additional execution cost plus previous penalties and costs
After July 31	- \$50 additional execution cost plus previous penalties and costs
Unpaid taxes after one year	- Property is sold at the annual tax sale in December

The City does not receive any penalty amount or costs on delinquent taxes collected by Richland County. Assessed values are established by the Richland County Tax Assessor, the Lexington County Tax Assessor, and the South Carolina Department of Revenue. The City's operating tax rate is currently 96.1 mills. Amounts received by Richland County and Lexington County, but not remitted to the City at year end, are included in Property Taxes Receivable on the Statement of Net Position and the Balance Sheet.

That portion, if any, of General Fund property taxes allocated for payment of debt service is transferred to the Debt Service Fund.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES, EXPENDITURES AND EXPENSES (Continued)

Interfund transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

F. FUND BALANCE

The City has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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. The following categories of fund balance are used in the fund level financial statements of the governmental funds:

Nonspendable fund balance

The nonspendable fund balance classification 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 are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable as well as property acquired for resale.

Restricted fund balance

The restricted fund balance classification includes amounts that are either restricted externally by creditors, grantors, contributors, or laws or regulations of other governments or restricted by law through constitutional provisions or enabling legislation.

Committed fund balance

The committed fund balance classification includes amounts that can only be used for specific purposes imposed by ordinance approved by the City Council, the highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The City recognizes committed fund balances that have been approved for specific purposes by City Council before the fiscal year end.

Assigned fund balance

The assigned fund balance classification 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. However, City Council has not granted the authority to anyone to make assignments of fund balance. Assigned fund balance amounts in the City’s financial statements represent amounts approved by City Council to be transferred and spent after year end and for specific purposes. In the special revenue fund, assigned fund balances represent amounts to be spent for specific purposes.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. FUND BALANCE (Continued)

Unassigned fund balance

The unassigned fund balance classification 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 classifications 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 City Council or donors has been made. It is the City's policy to consider restricted fund balances to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. After these fund balances have been depleted, unassigned fund balance will be considered to have been spent.

<u>Classification / Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable		
General Fund	Prepaid charges	\$ 445,780
County Services	Prepaid charges	74,580
Dickson Trust	Nonspendable principal	5,000
Total nonspendable		<u>525,360</u>
Restricted		
General Fund	Capital projects	4,349,869
General Fund	Public safety	186,787
General Fund	Community development	300,587
Liquor Permit Fee	Tourism	703,403
Accommodations Tax	Tourism	366,008
Tourism Development Convention Center	Tourism	5,930,756
Hospitality Tax	Tourism	1,012,266
Confiscated Drug Program	Law enforcement	430,705
Other Programs	Community development	397,340
Debt Service Fund	Debt Service	3,965,407
Congaree Vista District	Construction of parks in Congaree Vista District	5,230,620
Miscellaneous Projects	General capital projects	1,666,082
Dickson Trust	Community development	605
Total restricted		<u>24,540,435</u>
Committed		
General Fund	Community development	207,745
General Fund	Public safety	4,999,315
Total committed		<u>5,207,060</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. FUND BALANCE (Continued)

<u>Classification / Fund</u>	<u>Purpose</u>	<u>Amount</u>
Assigned		
General Fund	Subsequent year expenditures	\$ 4,054,048
Streetscaping	Streetscaping capital projects	6,628,118
General Capital Projects	General capital improvements	11,343,193
Total assigned		<u>22,025,359</u>
Unassigned		
General Fund		15,076,661
County Services		(2,562,075)
Total unassigned		<u>12,514,586</u>
Total fund balances		<u><u>\$ 64,812,800</u></u>

G. NET POSITION

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the statement of net position. Net position is classified as net investment in capital assets, restricted, and unrestricted. Net position classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. Periodically, the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The City utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

The general fund budget, the only legally required budget, is adopted on the modified accrual basis of accounting. The budget process begins with the development of the Annual Activity Work Plan by each department and division. These plans are due by the end of November. The City Manager reviews these plans in December and gives departments and divisions input on the City Manager's desired emphasis in the upcoming budget. Budgets are then developed in the departments and divisions and submitted to the City Manager by the beginning of February. The City Manager reviews these budgets in March, and the City Manager's recommended budget is submitted in April to City Council for final approval prior to the beginning of each fiscal year on July 1st. The operating budget includes proposed expenditures and means of financing them.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. BUDGETARY INFORMATION (Continued)

Public meetings are conducted to obtain taxpayer comments. A target date in June is set for legal enactment of the budget through passage of an ordinance. The ordinance sets the limit at the fund level at which expenditures may not exceed appropriations. After two readings of the budget, the City Council legally adopts the budget through the passage of the ordinance. The City Manager is authorized to administer the budget and may authorize the transfer of appropriated funds within and between departments as necessary to achieve the goals of the budget. Such transfers are recorded on the City's records. All unused appropriations lapse at year end. Encumbrances are re-appropriated on a yearly basis and are reflected as an increase in budgeted expenditures in the next year.

Budget accountability rests primarily with the operating departments and divisions of the City. In accomplishing the programs and objectives for which the budget was authorized, department and divisions directors are responsible for ensuring that their respective expenditures do not exceed the prescribed funding levels.

B. DEFICIT FUND EQUITY

The County Services Fund had a deficit fund balance of \$2,487,495 at June 30, 2017. The Parks and Recreation Camp Fund had a deficit net position of \$96,758 at June 30, 2017. The Risk Management Internal Service Fund had a deficit net position of \$5,107,806 at June 30, 2017. The Fleet Management Internal Service Fund had a deficit net position of \$38,580 at June 30, 2017. The Support Services Internal Service Fund had a deficit net position of \$22,032 at June 30, 2017. Revenues and transfers from other funds in subsequent years are expected to fund these deficits.

C. RISK MANAGEMENT

The City is self-insured for medical and dental coverage. Health claims for individuals have a stop-loss provision of \$450,000 per year. The accrued liability for claims represents estimates for medical and dental claims incurred as of June 30, 2017. Some of these claims were reported at June 30, 2017, while others may not be reported until a later date. The incurred but not reported (IBNR) is estimated by the City's independent insurance administrator based on historical results.

The City self-insures worker's compensation and general liability programs. The City accounts for the Worker's Compensation program in the Risk Management Fund (an internal service fund) by charging premiums to user departments. The stop-loss provision for Worker's Compensation is \$800,000. The limits of liability for tort actions not specifically exempt by the South Carolina Government Tort Claims Act are \$300,000 per person and \$600,000 per occurrence.

The Risk Management Fund establishes claim liabilities (health, dental, worker's compensation, and legal) based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved.

Estimated amounts of salvage, subrogation, and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount, particularly for coverage such as general liability. Adjustments to claim liabilities are charged or credited to expense in the period in which they are made.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. RISK MANAGEMENT (Continued)

Changes in the aggregate liability for health, dental, worker's compensation, and legal claims were as follows:

Fiscal Year	Beginning Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending Liability
2016	\$16,248,989	\$42,334,148	(\$42,894,822)	\$15,688,315
2017	\$15,688,315	\$12,795,170	(11,054,259)	\$17,429,226

This liability is reported in both the Risk Management Fund of the internal services funds (\$17,405,626) and the Water and Sewer Facilities Fund (\$23,600).

Fiscal year 2017 aggregate liability above includes the following amounts for legal claims: \$3,180,869 beginning liability, \$3,305,124 current year claims and changes in estimates, and \$1,050,594 claims payments. The ending liability for legal claims is \$5,435,399. See also Note VI. C.

Property and Boiler Coverage policies are accounted for in the Risk Management Fund as well as other small insurance policies such as surety bond coverage and miscellaneous floaters. Funds are charged expenditures based on premium amounts and administrative charges. The City has had no significant reductions in insurance coverage during the year, and settlements have not exceeded insurance coverage for each of the past three fiscal years.

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. DEPOSITS AND INVESTMENTS

As of June 30, 2017, the City, excluding component units, had the following investments:

Investment Type	Investment Maturities (in Years)		
	Fair Value	Less Than 1	Greater Than 1
Certificates of Deposit / Money Market	\$ 55,053,859	\$ 55,053,859	\$ -
Treasuries	57,226,217	9,622,970	47,603,247
Agencies	23,989,822	8,488,215	15,501,607
Total	<u>\$ 136,269,898</u>	<u>\$ 73,165,044</u>	<u>\$ 63,104,854</u>

Investment Classification

Investments are classified as current or noncurrent on the Statements of Net Position based on the intended use of the investment. Investments purchased with bond proceeds that will be used to purchase capital assets are classified as noncurrent. All other investments are classified as current regardless of the maturity date.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair values typically by limiting the maturity of its portfolio to no more than seven years. Investments in securities in agencies related to the U.S. Government earn interest at a stated fixed rate and are normally held to maturity when the full principal and interest amount is paid to the City.

Credit Risk for Investments

The City's investment policy requires that the portfolio consist largely of securities with active secondary or resale markets. In addition, a portion of the portfolio may be placed in the South Carolina Pooled Investment Fund. This fund is unrated. Investments in U.S. Treasuries are considered to have no credit risk. The investments in agencies related to the U. S. Government include the following: (1) Federal Home Loan Mortgage Corp Discount Notes and (2) Federal National Mortgage Association Discount Notes; these securities are rated A-1+ by Standard and Poor's and P-1 by Moody's Investors Service.

State law and the City's investment policy limit investments to the following securities:

- Obligations of the United States and agencies thereof.
- General obligations of the State of South Carolina or any of its political subdivisions.
- Certificates of deposit where the certificates are collaterally insured by securities described above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest.
- Repurchase agreements when collateralized by securities set forth above.

In addition, South Carolina State statutes authorize the City to invest in the South Carolina Local Government Investment Pool (SCLGIP). The SCLGIP is an investment trust fund, created by state legislation, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The SCLGIP is permitted to purchase obligations of the United States, its agencies and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of at least two nationally recognized rating services. The SCLGIP is not registered with the SEC. It is similar to a money market fund in that it is offered at a stable price and is guided by risk control principles such as significant overnight Repurchase Agreements for liquidity; attention to credit quality, portfolio diversification, and maintenance of a short average maturity of fixed and floating rate investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and as amended by GASB Statement No. 72, *Fair Value Measurement and Application*, investments in the SCLGIP are carried at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair value for all investments of the SCGLIP is determined on a recurring basis based upon quoted market prices. The total fair value of the SCLGIP is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00.

Concentration of Credit Risk

The City's investment policy prohibits investing more than 10% of the total portfolio in a single holding or more than 25% in any one issuer except for United States Treasury securities and money market mutual funds.

Custodial Credit Risk - Deposits

The City's cash deposit policy requires that United States Treasury or Agency securities of a fair value equal to the bank deposits be held by a third-party custodian in the City's name. At June 30, 2017, the City was in full compliance with its collateral policy.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City's investment policy requires that securities be held by a third-party custodian in the name of the City. As of June 30, 2017, none of the City's security investments were exposed to custodial credit risk.

Reconciliation to the Financial Statements

A reconciliation of cash and investments, excluding component units, as shown on the combined balance sheet for all fund types follows:

Description	Amount
Carrying Amount of Deposits	\$ 275,058,104
Fair Value of Investments	136,269,898
Total Deposits and Investments	\$ 411,328,002
Statement of Net Position	
Cash and Equivalents	\$ 274,696,554
Investments - Current	94,926,274
Cash on Deposit with Escrow Agent	304,000
Investments - Noncurrent	41,343,624
Statement of Net Position - Fiduciary Funds	
Cash and Equivalents - Trust Funds	22,165
Cash and Equivalents - Agency Funds	35,385
Total Cash and Investments	\$ 411,328,002

B. RECEIVABLES

Receivables for the primary government as of year-end are shown net of allowances for uncollectible accounts. Management's estimates of uncollectible accounts at June 30, 2017, are as follows:

General Fund	\$ 768,518
Water/Sewer Facilities	\$ 5,417,282
Parking Facilities	\$ 2,738,456
Nonmajor Business-type activities	\$ 3,075

Receivables for the component units consist of items totaling approximately \$854,300 at June 30, 2017, which are net of allowances for doubtful accounts. As of June 30, 2017, the allowance for doubtful accounts was approximately \$17,000 for the component units.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

C. MORTGAGE NOTES RECEIVABLE AND REVOLVING LOAN POOLS

The various mortgage programs involve the Community Development fund's loan programs and economic development programs which are reported in the nonmajor proprietary funds and certain component units. The various types of loan programs are complex in nature and require specialized accounting methods, including the valuation of notes and mortgages receivable at the lower of cost or market.

Primary government

Mortgage notes receivable in the various Community Development revolving loan programs are evaluated annually, and loan loss allowances are applied where appropriate. All mortgages are secured by the property. Delinquent mortgages receivable are estimated to be approximately \$1,572,900 of the total net mortgage notes receivable of approximately \$22,646,900 as of June 30, 2017.

Component units

The Columbia Development Corporation (CDC) has mortgage notes receivable consisting of \$203,280. No allowance for uncollectible loans is deemed necessary by management. Mortgage notes receivable consist of two loans to corporations for the purpose of community development and have various interest rates and maturity dates. The CDC is considered a community development corporation, and revenue recognition is applied under the cost recovery method.

The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of \$581,512, which is net of an allowance for uncollectible loans of \$66,199. Mortgage notes receivable consist of loans to individuals under various federal housing lending programs and have various interest rates and maturity dates. The CHDC is considered a real estate development corporation, and revenue recognition is applied under the cost recovery method.

CEZ, Inc. has loans receivable amounting to \$1,764,940, which is the net of allowance for uncollectible loans of \$35,712. Mortgage notes receivable consist of loans to businesses within the Columbia Empowerment Zone and have various interest rates and maturity dates. CEZ, Inc. is a non-profit corporation, and revenue recognition is applied under the accrual method.

The Eau Claire Development Corporation (ECDC) has one note outstanding amounting to \$5,625, which is net of an allowance for uncollectible loans of \$1,406. The loan is to a not-for-profit entity for the purpose of community development. The ECDC is considered a community development corporation, and revenue recognition is applied under the cost recovery method.

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The interfund receivables and payables (including advances) at June 30, 2017, are as follows:

	Interfund Receivables	Interfund Payables
Funds:		
Water/Sewer Facilities Fund	\$ 5,073,955	\$ -
County Services Fund	-	1,459,377
General Fund	-	1,150,042
Other Governmental	614,134	2,673,290
Internal Service Funds	-	405,380
	\$ 5,688,089	\$ 5,688,089
Total		

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

The outstanding balance between funds results primarily from one of the following time lags: (1) the dates that interfund goods and services are provided or reimbursable expenditures or repayments occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made. These amounts also include a \$1,150,042 working capital loan made to the general fund which the water and sewer fund expects to collect in subsequent years.

The interfund transfers for the year ended June 30, 2017, are as follows:

	Transfers In	Transfers Out
General	\$ 8,311,923	\$ 15,123,708
County services	732,424	950,648
Governmental activities	-	860,935
Nonmajor governmental funds	18,570,916	15,819,030
Water/Sewer	-	6,069,520
Parking	-	925,785
Nonmajor proprietary funds	1,095,370	858,554
Internal service funds	13,798,968	1,901,421
	\$ 42,509,601	\$ 42,509,601

Transfers are used to (1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowing to the Debt Service Fund to establish mandatory reserve accounts, and (3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grants programs.

During the year ended June 30, 2017, \$860,935 of Governmental Activities construction in progress was transferred to the Water and Sewer Facilities Fund in exchange for an equal amount of cash. This transfer is not recorded on the governmental funds fund financial statements. As a result, the sum of the amount of transfers recorded on the fund financial statements is out of balance by the transfer amount of \$860,935.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

E. OPERATING LEASES

The City is committed under various operating leases for real estate, office, and copier equipment. Operating lease expenditures for the year ended June 30, 2017, were approximately \$1,171,500. Future minimum lease payments for these leases are as follows:

Year Ending June 30,	Amount
2018	\$ 1,298,958
2019	1,201,873
2020	1,201,873
2021	910,665
2022	699,129
2023 - 2027	850,726
2028 - 2032	847,144
2033 - 2037	676,449
2038 - 2040	113,400
Total	\$ 7,800,217

F. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, is as follows:

	Balance June 30, 2016	Increases	Transfers	Decreases	Balance June 30, 2017
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 36,845,828	\$ -	\$ -	\$ -	\$ 36,845,828
Construction in progress	9,395,744	6,924,528	(3,184,770)	(937,179)	12,198,323
Total capital assets not being depreciated	46,241,572	6,924,528	(3,184,770)	(937,179)	49,044,151
Capital assets, being depreciated:					
Buildings and improvements	241,408,300	1,163,381	2,106,124	(18,513)	244,659,292
Machinery and equipment	59,436,888	8,502,333	1,078,646	(2,937,503)	66,080,364
Infrastructure	36,409,984	2,253,175	-	-	38,663,159
Total capital assets, being depreciated	337,255,172	11,918,889	3,184,770	(2,956,016)	349,402,815
Less accumulated depreciation:					
Buildings and improvements	(72,273,068)	(7,470,800)	-	11,200	(79,732,668)
Machinery and equipment	(41,309,320)	(5,823,826)	-	2,737,390	(44,395,756)
Infrastructure	(14,049,219)	(1,650,147)	-	-	(15,699,366)
Total accumulated depreciation	(127,631,607)	(14,944,773)	-	2,748,590	(139,827,790)
Total capital assets, being depreciated, net	209,623,565	(3,025,884)	3,184,770	(207,426)	209,575,025
Governmental activities capital assets, net	\$ 255,865,137	\$ 3,898,644	\$ -	\$ (1,144,605)	\$ 258,619,176

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

F. CAPITAL ASSETS (Continued)

	Balance June 30, 2016	Increases	Transfers	Decreases	Balance June 30, 2017
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 30,833,759	\$ 500	\$ -	\$ -	\$ 30,834,259
Construction in progress	124,889,500	97,251,490	(26,973,500)	(490,620)	194,676,870
Total capital assets not being depreciated	155,723,259	97,251,990	(26,973,500)	(490,620)	225,511,129
Capital assets, being depreciated:					
Buildings and improvements	1,085,450,954	9,941,130	26,973,500	(2,322,949)	1,120,042,635
Machinery and equipment	78,168,005	2,467,635	-	(620,090)	80,015,550
Total capital assets, being depreciated	1,163,618,959	12,408,765	26,973,500	(2,943,039)	1,200,058,185
Less accumulated depreciation:					
Buildings and improvements	(400,835,766)	(30,812,350)	-	738,198	(430,909,918)
Machinery and equipment	(41,570,730)	(9,638,551)	-	620,090	(50,589,191)
Total accumulated depreciation	(442,406,496)	(40,450,901)	-	1,358,288	(481,499,109)
Total capital assets, being depreciated, net	721,212,463	(28,042,136)	26,973,500	(1,584,751)	718,559,076
Business-type activities capital assets, net	<u>\$ 876,935,722</u>	<u>\$ 69,209,854</u>	<u>\$ -</u>	<u>\$ (2,075,371)</u>	<u>\$ 944,070,205</u>

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 7,941,269
Public safety	2,965,086
Parks and recreation	1,729,982
Public services	521,900
Judicial	48,572
Community development	1,479,737
General services	26,845
Internal service funds	231,382
Total depreciation expense - governmental activities	<u>\$ 14,944,773</u>
Business-type Activities:	
Water/Sewer facilities	\$ 37,303,595
Stormwater facilities	1,175,554
Parking facilities	1,648,286
Hydro-electric plant	323,466
Total depreciation expense - business-type activities	<u>\$ 40,450,901</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

F. CAPITAL ASSETS (Continued)

During the year ended June 30, 2017, \$4,006,393 of interest expense in the Business-type activities was capitalized. The City has several ongoing construction projects as of June 30, 2017, for renovations and other construction projects. Total remaining commitments on these construction contracts as of June 30, 2017, totaled approximately \$159,481,400.

During the year ended June 30, 2017, the City recorded in the governmental activities \$3,416,556 in infrastructure contributed by private parties and in the business-type activities \$9,909,405 in infrastructure contributions by developers.

Columbia Parking Facilities Corporation – Capital Lease Receivable

Capital Lease Settlement Terms

In 2008, construction was completed on the Innovista parking garages. The parking garages and corresponding long-term debt were recorded by the Columbia Parking Facilities Corporation (the Corporation), a blended component unit as noted in Note I. A. The Corporation entered into an agreement with the University of South Carolina (the University) that provided the University use of the garages and, in return, the University would pay the debt service on the associated long term debt. A review of the terms of the agreement during 2010 determined that the agreement represented a capital lease with the University, and therefore, the parking garages were removed from the Corporation and recorded by the University. Additionally, a lease receivable from the University was also recorded in the amount of the outstanding associated debt.

Special Items

In January 2017, the City agreed to sell the lease to the University of South Carolina Development Foundation. The sales price equaled the amount required to pay off all of the related debt in full as of the date of closing. This amount, \$13,280,875, is reported as collections on capital leases in the special items section of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. The City also received \$2,592,856 which both parties agreed is the discounted net present value (using a discount rate of 8.15% per annum) of the estimated future revenues the City would have received under the terms of the operating agreement. This amount is also reported as a special item on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. City management applied the criteria in GASBS 62 paragraphs 46 through 49 and concluded these items were both unusual in nature as this type of activity is not the typical City activity, and since it was never known to have occurred before, it qualified as an infrequent occurrence. Because it was within the control of City management, it was concluded that the transaction qualified as a special item for reporting.

G. OTHER POSTEMPLOYMENT BENEFITS

Plan Description and Funding Policy

The City provides postemployment health care benefits, in accordance with City policy, to all employees who retire from the City under early or regular retirement and have been employed by the City for 20 years or more. Currently, 811 retirees meet those requirements. The City pays all Medicare supplemental insurance premiums for all qualifying retirees for their lifetime. For the year ended June 30, 2017, Medicare supplemental insurance premiums paid for retirees totaled approximately \$1,368,200. Retirees paid dependent coverage of approximately \$873,900. Currently, the City is financing the postemployment retirement benefits on a pay-as-you-go basis, and expenditures for these insurance premiums are recorded in substantially all of the City's funds.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

G. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Plan Description and Funding Policy (Continued)

Prior to January 1, 2017, retirees under the age of 65 paid between \$37 and \$383 a month depending on the various coverage elections. The City's contributions during the same time period were \$800 a month for the retiree and \$600 per month for the retiree's spouse/domestic partner. After January 1, 2017, the retiree paid between \$15 and \$413 a month depending on the various coverage elections, and the City paid \$1,130 a month for the retiree and \$840 a month for the retiree's spouse/domestic partner. Prior to January 1, 2017, for retirees over the age of 65, the retiree paid \$143 per month for health care benefits. The City paid \$300 a month for retirees over 65. If the retiree elected to cover their spouse/domestic partner, the cost to the retiree was \$218 a month, and the cost to the City was \$225 a month. After January 1, 2017, the retiree paid \$187 a month for single coverage, and the cost to the City was \$300 a month. If the retiree elected to cover their spouse/domestic partner, the retiree paid an additional \$262 a month, and the City paid an additional \$225 a month. Surviving spouses of retirees may elect to continue health care benefits.

The contribution requirements of the retirees are established and may be amended by the members of City Council.

The following schedule reflects the costs and number of participants in the City's health care program.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Participants:						
Active	2,047	2,041	2,019	2,083	2,032	2,030
Retired	811	822	812	778	757	698
Total Employee Claims						
Active	\$ 20,507,274	\$ 19,183,115	\$ 17,169,674	\$ 15,727,732	\$ 15,880,782	\$ 13,999,800
Retired	\$ 8,055,078	\$ 9,326,557	\$ 5,801,345	\$ 5,548,464	\$ 5,754,566	\$ 5,868,443
% of Active Payroll						
Active	20.39%	19.49%	18.37%	17.11%	17.63%	15.79%
Retired	<u>8.01%</u>	<u>9.48%</u>	<u>6.21%</u>	<u>6.04%</u>	<u>6.39%</u>	<u>6.62%</u>
Total	<u><u>28.40%</u></u>	<u><u>28.97%</u></u>	<u><u>24.58%</u></u>	<u><u>23.15%</u></u>	<u><u>24.02%</u></u>	<u><u>22.41%</u></u>

For the fiscal year ended June 30, 2008, the City implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, for certain postemployment health care benefits provided by the City, which are offered under a single employer defined benefit plan.

From an accrual perspective, the cost of other postemployment healthcare benefits (OPEB), like the cost of pension benefits, generally should be associated with the periods in which that cost occurs. In adopting GASB Statement 45 during the year ended June 30, 2008, prospectively, the City recognized the Annual Required Contribution (ARC) associated with OPEB as an expense and the liability associated with the net OPEB obligations. The ARC consists of the cost of benefits accruing in a year plus an amount calculated to amortize any unfunded actuarial accrued liability over a period of 30 years.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

G. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB cost and Net OPEB Obligation

The City is required to have an actuarial valuation performed every other year. The last actuarial valuation performed for the plan was as of July 1, 2015, to determine the funded status of the plan as of that date as well as the employer's ARC for the fiscal year ended June 30, 2016. The City's annual OPEB cost and the net OPEB obligation for the year ended June 30, 2017, on the Statement of Net Position was as follows:

Employer Normal Cost	\$ 3,735,398
Amortization of UAAL*	<u>6,060,271</u>
Annual Required Contribution (ARC)	9,795,669
Interest on Net Obligation	2,344,438
Adjustment to the ARC	<u>(2,125,177)</u>
Annual OPEB Cost	10,014,930
Contributions made	<u>(8,553,496)</u>
Increase in Net OPEB Obligation	1,461,434
Net OPEB Obligation, July 1, 2016	<u>52,334,762</u>
Net OPEB Obligation June 30, 2017	<u><u>\$ 53,796,196</u></u>

* Unfunded Actuarial Accrued Liabilities (UAAL) are being amortized over 30 years.

A summary of the annual OPEB cost, percentage of the annual OPEB cost contributed, and the year-end net OPEB obligation for the year ended June 30, 2017, and the two preceding years is as follows:

Trend Information			
Year ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 10,734,306	67.53%	\$ 52,098,105
2016	10,010,781	97.64%	52,334,762
2017	10,014,930	85.41%	53,796,196

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

G. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress

Funded status and funding progress of the plan as of July 1, 2016, was as follows:

Present Value of Future Benefits:	
Retirees & Beneficiaries	\$ 76,426,463
Participants Fully Eligible for Benefits	18,576,806
Participants Not Fully Eligible for Benefits	<u>57,276,619</u>
Total Present Value of Future Benefits	<u>\$ 152,279,888</u>
Present Value of Future Normal Costs	<u>\$ 10,014,930</u>
Actuarial Accrued Liabilities (AAL)	\$ 152,279,888
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 152,279,888</u>
Funded Ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of employees covered by the plan)	\$ 100,584,901
UAAL as a percentage of covered payroll	151.39%

Actuarial valuations for OPEB plans involve estimates of the value of the reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented immediately following the financial statements, as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events well into the future, thus reflecting a long-term perspective. Examples would include assumptions about future employment, rates of retirement, mortality, and health care cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The schedule of funding progress, presented as required supplementary information following the Notes to Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

In the July 1, 2015, actuarial valuation, the projected unit credit cost method was used. The UAAL amortization payment is the level percent of payroll (assumed to increase 3%) required to fully amortize the UAAL over a 30-year period. As of June 30, 2017, 21 years of amortization remain on the UAAL. The actuarial assumptions included 4.50% rate of investment return. The valuation assumes a 7.5% health care trend inflation rate for 2016 and a 7.0% health care inflation rate for 2017. General inflation is assumed to be 3% per year.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

H. SHORT-TERM DEBT

The schedule below details the changes in short-term capital borrowings during the year ended June 30, 2017 for governmental activities.

	Original Issue	Interest Rate	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
Bull Street Development	2017	1.30%	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000

The purpose of issuing the bond anticipation note was to provide funding for the Bull Street Development capital construction project. The amount issued is accounted for in the nonmajor Miscellaneous Projects Fund.

I. LONG-TERM OBLIGATIONS

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Amount Due in 2018
Governmental Activities					
Notes payable	\$ 4,804,142	\$ -	\$ (4,129,142)	\$ 675,000	\$ 75,000
GO bonds	36,025,000	-	(5,315,000)	30,710,000	5,365,000
Revenue bonds	62,180,000	1,460,000	(13,605,000)	50,035,000	3,590,000
Unamortized bond premiums	6,529,076	-	(461,932)	6,067,144	-
Capital lease payable	5,630,642	8,100,000	(1,898,756)	11,831,886	1,945,919
Compensated absences	7,023,060	6,851,275	(6,778,987)	7,095,348	1,419,070
Net OPEB obligation	52,334,762	1,461,434	-	53,796,196	-
Derivative instrument liability	504,960	-	(504,960)	-	-
Total governmental activities	175,031,642	17,872,709	(32,693,777)	160,210,574	12,394,989
Business-Type Activities					
Revenue bonds	456,345,000	210,035,000	(155,785,000)	510,595,000	11,705,000
Unamortized bond premiums	26,176,108	16,979,471	(4,551,013)	38,604,566	-
Compensated absences	1,899,512	1,728,750	(1,705,567)	1,922,695	366,967
Derivative instrument liability	39,041,575	-	(11,376,550)	27,665,025	-
Total business-type activities	523,462,195	228,743,221	(173,418,130)	578,787,286	12,071,967
Total all long-term obligations	\$ 698,493,837	\$ 246,615,930	\$ (206,111,907)	\$ 738,997,860	\$ 24,466,956

Internal Service Funds predominantly serve the Governmental Funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$249,167 of Internal Service Funds compensated absences is included in the above amounts. Also, for the governmental activities, claims and judgments are liquidated by the Risk Management Fund, and compensated absences are generally liquidated by the General Fund. The Series 2012 Certificates of Participation are liquidated by the Tourism Development Convention Center Fund. The governmental debt secured by hospitality revenues are liquidated by the Debt Service Fund. The notes payable and capital lease obligations are liquidated by the General Fund. The remaining governmental debt is liquidated by the Debt Service Fund. The entire other post-employment benefit liability is reported in the Risk Management Internal Service Fund and will be liquidated by that fund.

**CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

I. LONG-TERM OBLIGATIONS (Continued)

The annual requirements to amortize all outstanding debt of the City as of June 30, 2017, including interest payments, but excluding accrued vacation payable and amortization of bond premiums are as follows:

Governmental Activities:

Year Ending June 30,	General Obligation Bonds	Interest	Revenue Bonds	Interest	Note Payable	Interest	Capital Lease Payable	Interest	Total Principal	Total Interest
2018	\$ 5,365,000	\$ 1,039,725	\$ 3,590,000	\$ 1,816,962	\$ 75,000	\$ -	\$ 1,945,919	\$ 258,685	\$ 10,975,919	\$ 3,115,372
2019	4,030,000	845,350	3,730,000	1,757,343	75,000	-	2,155,238	132,397	9,990,238	2,735,090
2020	2,870,000	713,712	3,825,000	1,667,429	75,000	-	2,188,119	99,516	8,958,119	2,480,657
2021	2,685,000	629,538	3,910,000	1,575,179	75,000	-	2,221,501	66,134	8,891,501	2,270,851
2022	2,425,000	543,700	4,000,000	1,480,826	75,000	-	1,802,044	33,991	8,302,044	2,058,517
2023-2027	4,985,000	1,923,650	6,335,000	6,544,755	300,000	-	1,519,065	16,843	13,139,065	8,485,248
2028-2032	1,695,000	1,242,650	5,620,000	5,443,085	-	-	-	-	7,315,000	6,685,735
2033-2037	2,040,000	883,050	6,610,000	4,127,750	-	-	-	-	8,650,000	5,010,800
2038-2042	2,410,000	515,550	8,425,000	2,302,500	-	-	-	-	10,835,000	2,818,050
2043-2046	2,205,000	134,775	3,990,000	301,750	-	-	-	-	6,195,000	436,525
	<u>\$ 30,710,000</u>	<u>\$ 8,471,700</u>	<u>\$ 50,035,000</u>	<u>\$ 27,017,579</u>	<u>\$ 675,000</u>	<u>\$ -</u>	<u>\$ 11,831,886</u>	<u>\$ 607,566</u>	<u>\$ 93,251,886</u>	<u>\$ 36,096,845</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

I. LONG-TERM OBLIGATIONS (Continued)

Business-Type Activities:

Year Ending June 30,	Revenue Bonds	Interest
2018	\$ 11,705,000	\$ 22,779,193
2019	12,190,000	22,295,539
2020	12,695,000	21,790,703
2021	13,190,000	21,295,560
2022	13,880,000	20,713,160
2023-2027	80,450,000	93,804,092
2028-2032	101,415,000	73,005,850
2033-2037	127,870,000	47,432,209
2038-2042	119,040,000	17,771,224
2043-2046	18,160,000	1,619,000
	<u>\$ 510,595,000</u>	<u>\$ 342,506,530</u>

General Obligation Bonds

The City has issued General Obligation Bonds to fund building programs of the City, acquire capital assets, and also to refinance debt issued to fund infrastructure improvements and acquire land. The City has complete liability for the retirement of these obligations. Principal payments on all bonds are due annually and interest is due semi-annually.

The South Carolina Constitution limits local unit borrowing power to 8% of its assessed property value. The limitation excludes bonded indebtedness existing prior to December 1, 1977, (date of the Constitutional Amendment), certain special levies assessed on properties located in an area receiving special benefits, and other prescribed indebtedness approved by the voters.

General Obligation Bonds outstanding as of June 30, 2017, are as follows:

Governmental Activities:

\$9,375,000	City of Columbia General Obligation Bonds, Series 2011A	
	Proceeds for: Acquisition of capital assets	
	Annual principal installments of \$225,000 to \$1,505,000 through June 1, 2021	
	Interest rate: 2.00 to 3.00%	\$ 1,375,000
\$9,945,000	City of Columbia General Obligation Bonds, Series 2011B	
	Proceeds for: Refund Series 2002 General Obligation Bonds	
	Annual principal installments of \$10,000 to \$1,160,000 through June 1, 2022	
	Interest rate: 2.00 to 3.00%	5,395,000
\$5,575,000	City of Columbia General Obligation Bonds, Series 2011C	
	Proceeds for: Acquisition of capital assets	
	Annual principal installments of \$115,000 to \$975,000 through June 1, 2021	
	Interest rate: 2.00 to 4.00%	770,000

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

I. LONG-TERM OBLIGATIONS (Continued)

Governmental Activities (Continued):

\$6,375,000 City of Columbia General Obligation Bonds, Series 2012	
Proceeds for: Acquisition of capital assets	
Annual principal installments of \$195,000 to \$1,235,000 through June 1, 2022	
Interest rate: 2.00 to 3.00%	\$ 1,880,000
\$7,315,000 City of Columbia General Obligation Bonds, Series 2013	
Proceeds for: Acquisition of capital assets	
Annual principal installments of \$215,000 to \$1,505,000 through June 1, 2023	
Interest rate: 2.00 to 3.50%	4,425,000
\$6,260,000 City of Columbia General Obligation Bonds, Series 2015	
Proceeds for: Refund Series 2007A General Obligation Bonds	
Annual principal installments of \$15,000 to \$730,000 through June 1, 2027	
Interest rate: 2.00 to 4.00%	6,220,000
\$10,645,000 City of Columbia General Obligation Bonds, Series 2016	
Proceeds for: Acquisition of capital assets	
Annual principal installments of \$210,000 to \$575,000 through June 1, 2046	
Interest rate: 3.00 to 5.00%	<u>10,645,000</u>
<i>Total Governmental Activities General Obligation Bonds</i>	<u>\$ 30,710,000</u>

Revenue Bonds, Notes and Certificates of Participation

Revenue bonds, notes, and certificates of participation are special obligations of the City payable from revenues derived from certain operations. The City's revenue bond ordinances stipulate that the City maintain certain debt service, operations, and renewal and replacement funds. The City has complied in all material respects with the bond covenants as outlined in each issue's indenture.

The construction of the first of two Innovista garages was funded by the issuance of a \$13,070,000 tax-exempt South Carolina Jobs-Economic Development Authority Revenue Bonds, Series 2007. The Columbia Parking Facilities Parking Corporation, a component unit of the City, was responsible for the payment of the bonds. BB&T, the former bond holder, also held a first mortgage on both garages. This debt, as well as the interest rate swap agreement associated with this debt, was paid in full during the year ended June 30, 2017.

An additional \$5,185,000 taxable (based on percent of garage used for private purposes) construction and term loan was made to the Corporation by a bank for the second garage that enabled the Corporation to draw down proceeds from the loan as needed during the construction of the second garage. The principal balance and any accrued interest was due in full on March 1, 2017. Interest was payable at an adjusted LIBOR rate which is a rate of interest per annum equal to the One Month LIBOR plus 1.5% per year. This rate is adjusted monthly on the first day of each month for each LIBOR interest period. At June 30, 2017, this term loan had been paid in full during March 2017.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

I. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds, Notes and Certificates of Participation (Continued)

Notes Payable

Governmental Activities:

\$1,500,000 Note issued 2006 secured for development costs for Drew Wellness Center.
Annual principal installments of \$75,000 through August 14, 2026.
Interest rate 0.0%.

\$ 675,000

Total Governmental Activities Note Payable

\$ 675,000

Revenue Bonds

Revenue bonds outstanding as of June 30, 2017, are as follows:

Governmental Activities:

\$14,825,000 Revenue Bond - Hospitality Fee Pledge, Series 2012

Payable from revenues derived by the City from hospitality taxes.

Annual principal installments of \$1,000,000 to \$1,315,000 through Feb. 1, 2025

Interest rate: 2.50%

\$ 9,660,000

\$24,260,000 Certificates of Participation Series 2012

Payable from revenues derived by the City from tourism development fees.

Annual principal installments of \$2,225,000 to \$2,660,000 through June 1, 2022

Interest rate: 2.29%

12,740,000

\$26,175,000 Special Obligation Revenue Bond - Hospitality Fee Pledge, Series 2014

Payable from revenues derived by the City from hospitality taxes.

Annual principal installments of \$900,000 to \$2,045,000 through Feb. 1, 2044

Interest rate: 2.42 to 3.15%

26,175,000

\$1,460,000 Special Obligation Revenue Bond - Hospitality Fee Pledge, Series 2017

Payable from revenues derived by the City from hospitality taxes.

Annual principal installments of \$50,000 to \$155,000 through Feb. 1, 2029

Interest rate: 4.29%

1,460,000

Total Governmental Activities Revenue Bonds

\$ 50,035,000

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

I. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds, Notes and Certificates of Participation (Continued)

Revenue Bonds (Continued)

Business-Type Activities:

Parking Facilities Fund:

\$39,895,000 Parking Facilities Revenue Bonds, Series 2005A

Payable from revenues derived by the City from operation of off-street and on-street parking facilities.

Annual principal installments of \$1,240,000 to \$3,015,000 through Feb. 1, 2037

Interest rate: 4.375 to 5.0%

\$ 28,170,000

\$12,210,000 Parking Facilities Refunding Revenue Bonds, Series 2014

Payable from revenues derived by the City from operation of off-street and on-street parking facilities.

Proceeds for: Refunding a portion of the Series 2000A and 2000B bonds

Annual principal installments of \$300,000 to \$1,750,000 through Feb. 1, 2025

Interest rate: 2.38%

11,330,000

Total Parking Facilities Revenue Bonds

\$ 39,500,000

Water and Sewer Fund:

\$81,860,000 Waterworks and Sewer System Revenue Bonds, Series 2009

Payable from revenues derived from the City's water and sewer system

Proceeds for: Cost of improvements to the System

Annual principal installments of \$525,000 to \$10,840,000 through Feb. 1, 2038

Interest rate: 3.6 to 5.0%

See Note V for details regarding the interest rate swap related to this bond issue

\$ 81,860,000

\$105,000,000 Waterworks and Sewer System Revenue Bonds, Series 2010

Payable from revenues derived from the City's water and sewer system

Proceeds for: Cost of improvements to the System

Annual principal installments of \$1,025,000 to \$4,120,000 through Feb. 1, 2034

Interest rate: 3.0 to 5.0%

11,435,000

\$100,000,000 Waterworks and Sewer System Revenue Bonds, Series 2011A

Payable from revenues from the City's water and sewer system

Proceeds for: Cost of improvements to the System

Annual principal installments of \$1,000,000 to \$3,740,000 through Feb. 1, 2036

Interest rate: 2.0 to 5.0%

34,370,000

\$27,265,000 Waterworks and Sewer System Revenue Bonds, Series 2011B

Payable from revenues from the City's water and sewer system

Proceeds for: Refunding portion of Series 2001 (\$30,345,000)

Annual principal installments of \$3,420,000 to \$4,455,000 through Feb. 1, 2019

Interest rate: 4.0 to 5.0%

8,700,000

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

I. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds, Notes and Certificates of Participation (Continued)

Revenue Bonds (Continued)

Business-Type Activities: (Continued)

Water and Sewer Fund: (Continued)

<p>\$58,055,000 Waterworks and Sewer System Revenue Bonds, Series 2012 Payable from revenues from the City's water and sewer system Proceeds for: Refunding portion of Series 2005 (\$60,000,000) Annual principal installments of \$4,560,000 to \$6,115,000 through Feb. 1, 2030 Interest rate: 3.5 to 5.0%</p>	<p>\$ 58,055,000</p>
<p>\$75,305,000 Waterworks and Sewer System Revenue Bonds, Series 2013 Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$1,205,000 to \$4,600,000 through Feb. 1, 2043 Interest rate: 1.0 to 5.0%</p>	<p>69,400,000</p>
<p>\$63,325,000 Waterworks and Sewer System Revenue Bonds, Series 2016A Payable from revenues from the City's water and sewer system Proceeds for: Refunding portion of Series 2010 Bond (\$89,085,000) and cost of improvements to the System Annual principal installments of \$1,000,000 to \$3,640,000 through Feb. 1, 2046 Interest rate: 2.0 to 5.0%</p>	<p>62,325,000</p>
<p>\$146,710,000 Waterworks and Sewer System Revenue Bonds, Series 2016B Payable from revenues from the City's water and sewer system Proceeds for: Refunding portion of Series 2011A Bond (\$57,615,000) and cost of improvements to the System Annual principal installments of \$135,000 to \$23,620,000 through Feb. 1, 2041 Interest rate: 2.0 to 5.0%</p>	<p style="border-top: 1px solid black;">144,950,000</p>
<p><i>Total Water and Sewer Revenue Bonds</i></p>	<p style="border-top: 1px solid black;">471,095,000</p>
<p><i>Total Business-Type Activities Revenue Bonds</i></p>	<p style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 510,595,000</p>

Obligations Under Capital Leases

During fiscal year 2017, the City entered into a lease agreement as lessee for financing the acquisition of certain capital assets. The estimated useful lives of the assets acquired range from five to twelve years. During the current year, approximately \$1,500,000 was included in depreciation expense on assets costing approximately \$12,272,800 acquired with capital lease proceeds. The City had approximately \$2,800,000 in unspent lease funds at June 30, 2017.

This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

I. LONG-TERM OBLIGATIONS (Continued)

Obligations Under Capital Leases (Continued)

Governmental Activities:

\$7,000,000 Capital Lease Payable Bank of America issued September 2016	
Proceeds for: Acquisition of capital assets	
Monthly principal and interest installments of \$89,105 through December 1, 2021	
Interest rate: 1.57%	\$ 4,642,695
\$8,100,000 Capital Lease Payable Bank of America issued December 2014	
Proceeds for: Acquisition of capital assets	
Monthly principal and interest installments of \$101,531 through September 30, 2023	
Interest rate: 1.57%	7,189,191
<i>Total Governmental Activities Capital Leases Payable</i>	<u><u>\$ 11,831,886</u></u>

Refundings

In December 2016, the City issued \$63,325,000 in a Waterworks and Sewer System Revenue Bond Series 2016A at interest rates between 2.00% and 5.00% and \$146,710,000 in a Waterworks and Sewer System Revenue Bond Series 2016B at interest rates between 2.00% and 5.00%. The City issued the bonds to advance refund \$89,085,000 of the outstanding Waterworks and Sewer System Revenue Bond Series 2010 at interest rates between 3.00% and 5.00% and \$57,615,000 of the outstanding Waterworks and Sewer System Revenue Bond Series 2011A at interest rates between 2.00% and 5.00%. The balance of the bond proceeds were used to fund the cost of improvements to the system. Bond proceeds of \$164,697,369 along with funds on hand were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the Waterworks and Sewer System Revenue Bond Series 2010 and the Waterworks and Sewer System Revenue Bond Series 2011A. The City completed the refunding to reduce its total debt service payments over a period of 24 years by \$22,218,579 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$7,149,883.

Conduit Debt

Resolution 2006-027, passed June 28, 2006, was issued in support of the issuance of not exceeding \$4,500,000 in revenue bonds by JEDA for the Palmetto Health Foundation Project. While the City is not obligated for the repayment of conduit type debt, disclosure is required in the notes to the financial statements. As of June 30, 2017, the balance of this conduit debt was approximately \$2,312,600.

Defeasance Debt

During the year ended June 30, 2017, the City defeased a portion of its Series 2010 and Series 2011A Water and Sewer Revenue Bonds by placing a portion of the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability of the defeased bond are not included in the City's financial statements. On June 30, 2017, the amount of debt considered defeased is approximately \$143,160,000.

Arbitrage

In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the City must rebate to the federal government "arbitrage profits" earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings, if any. For the year ended June 30, 2017, the City did not have any arbitrage profits due to the federal government.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

J. TAX ABATEMENTS

While the City of Columbia does not have any of its own tax abatement agreements as of June 30, 2017, Richland County, South Carolina (“the County”) provides tax abatements under two programs – the Fee-in-Lieu of *Ad Valorem* Property Tax (“FILOT”) program and the Special Source Revenue Credit (“SSRC”) program that impact the City’s tax revenues. These two programs and their impact on the City are described below.

Fee-in Lieu of *Ad Valorem* Property Tax Program

South Carolina state law authorizes three forms of the FILOT program:

- a “Little Fee” as authorized by Chapter 4, Title 12 of the Code of Laws of South Carolina, 1976, as amended;
- a “Simplified Fee” as authorized by Chapter 44, Title 12 of the Code of Laws of South Carolina, 1976, as amended;
- a “Big Fee” as authorized by Section 4-29-67 of the Code of Laws of South Carolina, 1976, as amended.

The purpose of the FILOT program is to reduce the disparately higher property tax rates applied to manufacturing and certain commercial properties in South Carolina, which have previously impeded new and expanding business from locating in South Carolina.

Under South Carolina law, a taxpayer is eligible to receive a property tax reduction under the FILOT program if the taxpayer agrees to make a minimum investment in a project located in the County within a five year period. The minimum investment a taxpayer must make to be eligible for the FILOT program is based on the form of FILOT program chosen by the County and the taxpayer. Under the Little Fee and the Simplified Fee forms of the FILOT program, taxpayers must make a minimum investment of \$2,500,000. Under the Big Fee form of the FILOT program, taxpayers must make a minimum investment of \$45,000,000. Additionally, the County Council, the governing body of the County, must find that (i) the project is anticipated to benefit the general public welfare by providing services, employment, recreation, or other public benefits not otherwise adequately provided; (ii) the project gives rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iii) the purposes to be accomplished by the project are proper governmental and public purposes; and (iv) the benefits of the project are greater than its costs.

Property taxes are abated under the FILOT program through an agreement, executed by the County and the taxpayer, pursuant to which a fee-in-lieu of *ad valorem* property tax payment for the economic development property associated with the property is calculated using (1) a reduced assessment ratio, which may be reduced from 10.5% to a floor of 6% (or 4% in the case of certain enhanced investments as defined by state law), and (2) a locked millage rate (or a millage rate that is allowed to increase or decrease every fifth year), for a term not more than thirty years (or forty years in the case of certain enhanced investments as defined by state law). The FILOT program also permits certain qualifying taxpayers and the County to negotiate for equalized fee-in-lieu of *ad valorem* property tax payments over the term of the agreement.

If the taxpayer does not make the minimum investment in a project within the five year period as described above, then the agreement is automatically terminated. On termination, the taxpayer is obligated to pay the County the difference between (i) the total amount of *ad valorem* property taxes that would have been paid had the economic development property not been subject to the agreement, taking into account exemptions from property taxes that would have been available to the taxpayer, and (ii) the total amount of fee-in-lieu of *ad valorem* property tax payments made by the taxpayer with respect to the economic development property.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

J. TAX ABATEMENTS

Fee-in Lieu of *Ad Valorem* Property Tax Program (Continued)

In addition to the minimum eligibility requirements to receive a property tax reduction under the FILOT program described above, the tax payer may also make certain commitments to (i) invest certain amounts in taxable real and personal property at a project in an amount greater than the minimum investment, and (ii) create a certain number of new, full-time jobs at a project. For tax year 2016, City property taxes abated resulting from the FILOT program totaled approximately \$392,200. The City received approximately \$608,400 in fee-in-lieu of *ad valorem* property tax payments from taxpayers with active agreements under the FILOT program in tax year 2016.

Special Source Revenue Credit Program

The County also abates property taxes through the Special Source Revenue Credit (“SSRC”) program. The SSRC program is authorized by South Carolina state law, specifically, Section 4-1-175 of the Code of Laws of South Carolina 1976, as amended. The purpose of the SSRC program is to enhance the economic development of the County.

A taxpayer is eligible to receive a credit under the SSRC program, thereby reducing its property taxes, if (i) the taxpayer’s property is located in a multicounty industrial or business park, and (ii) the taxpayer uses the credit to pay the cost of designing, acquiring, constructing, improving, or expanding (a) infrastructure serving the County or the taxpayer’s property, or (b) improved or unimproved real estate and personal property, including machinery and equipment used in the operation of a manufacturing or commercial enterprise.

Property taxes are abated under the SSRC program through the County providing a credit (in the form of a percentage or fixed dollar amount) against a taxpayer’s property tax liability. Although not required by state law, often the County and the taxpayer enter into an agreement pursuant to which the County agrees to provide a credit against a taxpayer’s property tax liability for a period of years, and the taxpayer commits to (i) invest certain amounts of taxable real and personal property at a project, or (ii) create a certain number of new, full-time jobs at a project. In the instances where the County has entered into an agreement to effect the SSRC program, if the taxpayer does not meet the requirements as set forth in the agreement, the County frequently reserves the right to require the taxpayer to repay the County, either all or some other portion, as determined by formula, of the credit received by the taxpayer under the SSRC program.

The County may also use the SSRC program in connection with the FILOT program. In those instances, following the calculation of a taxpayer’s fee-in-lieu program, the County may also apply a credit pursuant to the SSRC program to further abate the taxpayer’s property tax liability. To receive property tax abatements under the SSRC program and the FILOT program, the taxpayer must meet the eligibility requirements for both programs.

For tax year 2016, City property taxes abated resulting from the SSRC program totaled approximately \$65,300 – which included property taxes abated solely under the SSRC program and property taxes abated under the SSRC program in connection with the FILOT program. The City received approximately \$204,400 in fees-in-lieu of standard *ad valorem* taxes from taxpayers solely receiving property tax abatements under the SSRC program. Fees-in-lieu of standard *ad valorem* taxes received by the City from taxpayers receiving property tax abatements under both the SSRC program and the FILOT program are reflected in the fees-in-lieu of *ad valorem* tax payments collected from taxpayers with active agreements under the FILOT program described above.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

J. TAX ABATEMENTS (Continued)

Multicounty Industrial or Business Park

The County uses multicounty industrial or business parks in connection with the SSRC program and FILOT program. Specifically, as noted above, to receive a property tax abatement under the SSRC program, a taxpayers property must be located in a multicounty industrial or business park. Additionally, the County may locate a taxpayer's property in a multicounty industrial or business park at the request of the taxpayer so that the taxpayer may secure enhanced credits from certain state taxes. To locate a taxpayers property in a multicounty industrial or business park, the County must develop, with one or more contiguous counties, a multicounty industrial or business park by entering into an agreement with the contiguous counties which sets forth how the counties will share the revenues and expenses from the multicounty industrial or business park. The agreement must further specify how the revenues from the multicounty industrial or business park will be distributed to each taxing entity in the participating counties.

For the tax year 2016, of the total payments made by taxpayers who were subject to the County's multicounty industrial park agreements, \$72,198 would have been received by the City but for the taxpayers' location within its multicounty industrial park. For the tax year 2016, fee-in-lieu of standard *ad valorem* tax payments from taxpayers within the multicounty industrial park totaled \$220,758.

IV. PENSION PLANS

The South Carolina Public Employee Benefit Authority ("PEBA"), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems ("Systems") and serves as a co-trustee of the Systems in conducting that review.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense information about the fiduciary net positions of the Systems and additions to/deductions from the Systems' fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned, and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina, and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan description

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

IV. PENSION PLANS (Continued)

Plan description (Continued)

The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of the benefit terms for each system is presented below.

- SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five or eight year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

IV. PENSION PLANS (Continued)

Benefits (Continued)

• PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may adopt and present to the SFAA for approval an increase in the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9% of earnable compensation for SCRS and 5% for PORS. An increase in the contribution rates adopted by the Board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in the statute or the rates last adopted by the board are insufficient to maintain a 30-year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the 30-year amortization period; this increase is not limited to one-half of one percent per year.

Required <u>employee</u> contribution rates for fiscal year 2016-2017 are as follows:		
SCRS		
Employee Class Two		8.66% of earnable compensation
Employee Class Three		8.66% of earnable compensation
PORS		
Employee Class Two		9.24% of earnable compensation
Employee Class Three		9.24% of earnable compensation
Required <u>employer</u> contribution rates for fiscal year 2016-2017 are as follows:		
SCRS		
Employer Class Two		11.41% of earnable compensation
Employer Class Three		11.41% of earnable compensation
Employer Incidental Death Benefit		0.15% of earnable compensation
PORS		
Employer Class Two		13.84% of earnable compensation
Employer Class Three		13.84% of earnable compensation
Employer Incidental Death Benefit		0.20% of earnable compensation
Employer Accidental Death Program		0.20% of earnable compensation

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

IV. PENSION PLANS (Continued)

Contributions (Continued)

The City's required and actual employer contributions are as follows:

Year Ended June 30, 2017	SCRS	PORS
Required contributions	\$6,888,470	\$5,784,601
Actual contributions	\$6,888,470	\$5,784,601

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations, and new estimates are made about the future.

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued as of July 1, 2015. The June 30, 2016, total pension liability and sensitivity information were determined by the Systems consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2015, actuarial valuations, as adopted by the PEBA Board and SFAA which utilized membership data as of July 1, 2015. The total pension liability was rolled-forward from the valuation date to the System's fiscal year ended June 30, 2016, using generally accepted actuarial principles. Information included in the following schedules is based on certification provided by GRS.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2015, valuations for SCRS and PORS.

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	3.5% to 12.5% (varies by service)	4.0% to 10.0% (varies by service)
Includes inflation at	2.75%	2.75%
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. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2015, valuations for SCRS and PORS are as follows.

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators and Judges	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety and Firefighters	RP-2000 Males (With Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

IV. PENSION PLANS (Continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67 less that System's fiduciary net position. The City's proportional share of the NPL amounts for SCRS and PORS are presented below:

Measurement Period Ended June 30,	Fiscal Year Ended June 30,	SCRS	PORS
2015	2016	\$108,153,886	\$66,145,819
2016	2017	\$122,912,706	\$80,547,962

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The City's proportionate share of the net pension liability was calculated on the basis of historical employer contributions. Although GASB 68 encourages the use of the employer's projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is considered acceptable. For the measurement period ended June 30, 2016, the City's percentage of the SCRS and PORS net pension liability was 0.575438% and 3.17559%, respectively.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the July 1, 2015, actuarial valuations, was based upon the 30-year capital market outlook at the end of the third quarter 2015. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily focused 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 revised target asset allocation adopted beginning January 1, 2016. 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 below. For actuarial purposes, the 7.50% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.75% inflation component.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina State Code of Laws will remain unchanged in future years. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

IV. PENSION PLANS (Continued)

Net Pension Liability (Continued)

Discount Rate (Continued)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	43.0%		
Global Public Equity	34.0%	6.52%	2.22%
Private Equity	9.0%	9.30%	0.84%
Real Assets	8.0%		
Real Estate	5.0%	4.32%	0.22%
Commodities	3.0%	4.53%	0.13%
Opportunistic	20.0%		
GTAA/Risk Parity	10.0%	3.90%	0.39%
HF (Low Beta)	10.0%	3.87%	0.39%
Diversified Credit	17.0%		
Mixed Credit	5.0%	3.52%	0.17%
Emerging Markets Debt	5.0%	4.91%	0.25%
Private Debt	7.0%	4.47%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.72%	0.17%
Cash and Short Duration (Net)	2.0%	0.71%	0.01%
	<hr/>		
Total Expected Real Return	100.0%		5.10%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			<hr/> <hr/>

Sensitivity Analysis

The following table presents the collective net pension liability of the City's calculated using the discount rate of 7.50% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.50%) or 1.00% higher (8.50%) than the current rate.

Sensitivity of the City's Proportional Share of Net Pension Liability To Changes in the Discount Rate			
<u>System</u>	<u>1.00% Decrease</u>	<u>Current Discount Rate</u>	<u>1.00% Increase</u>
SCRS	\$153,330,237	\$122,912,707	\$97,591,260
PORS	\$105,565,102	\$ 80,547,962	\$58,065,512

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in PEBA's separately issued financial report.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

IV. PENSION PLANS (Continued)

Pension Expense and Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2017, the City recognized pension expense of \$10,349,271 to SCRS and pension expense of \$9,197,355 to SCRS for a total of \$19,546,626 in pension expense.

At June 30, 2017, the City reported deferred outflows (inflows) of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>SCRS</u>		
Pension contributions subsequent to the measurement date	\$ 6,895,224	\$ -
Differences in actual and expected experience	1,274,135	133,484
Changes in proportion and differences between the City's contributions and proportionate share of contributions	718,434	1,784,460
Net differences between projected and actual earnings on plan investments	<u>10,340,908</u>	<u>-</u>
	<u>\$ 19,228,701</u>	<u>\$ 1,917,944</u>
<u>PORS</u>		
Pension contributions subsequent to the measurement date	\$ 5,784,601	\$ -
Differences in actual and expected experience	1,195,178	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	2,333,254	392,170
Net differences between projected and actual earnings on plan investments	<u>9,133,430</u>	<u>-</u>
	<u>\$ 18,446,463</u>	<u>\$ 392,170</u>
Total all plans	<u>\$ 37,675,164</u>	<u>\$ 2,310,114</u>

The City reported \$12,679,825 as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. The difference between projected and actual earnings on pension plan investments are reported as deferred outflows (inflows) of resources and will be amortized over a closed five-year period and recognized in pension expense in future years. The differences between expected and actual and the change in proportionate share of contributions are reported as deferred outflows (inflows) of resources and will be amortized over the average remaining service lives of all plan participants. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2016, measurement date was 4.116 years for SCRS and 4.665 years for PORS. The following schedule reflects the amortization of the City's proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2017.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

IV. PENSION PLANS (Continued)

Pension Expense and Deferred Outflows (Inflows) of Resources (Continued)

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS	PORS
2017	2018	\$ 2,256,240	\$ 2,821,918
2018	2019	1,590,242	2,761,333
2019	2020	4,216,977	4,179,244
2020	2021	<u>2,352,074</u>	<u>2,507,197</u>
Net Balance of Deferred Outflows/ (Inflows) of Resources		<u>\$ 10,415,533</u>	<u>\$ 12,269,692</u>

Payables to the Pension Plans

At June 30, 2017, the City reported a payable of \$1,216,513 and \$749,824 for the outstanding amount of contributions due to SCRS and PORS, respectively. This liability will be paid in the normal course of paying year-end obligations.

Component Units

Significantly all of the employees of the City's component units, with the exception of MACST, are members of the SCRS due to the City being a member. The City reports the amount of the proportional net pension liability and the related deferred inflows and outflows related to the service of these employees in its financial statements.

V. INTEREST RATE SWAP AGREEMENTS

Waterworks and Sewer Revenue Bond Series 2009 Swap – The City maintains this variable-to-fixed interest rate swap to hedge exposure to rising interest rates. The City entered into an interest rate swap agreement related to the 2009 Waterworks and Sewer Bonds on September 20, 2009, with an effective date of September 15, 2009. The counterparty is J.P. Morgan. The City agreed to pay a fixed rate to J.P. Morgan and receive a variable rate while paying a variable rate to bond holders. Semi-annually the City pays a fixed rate of 4.354% to J.P. Morgan, and monthly receives a variable rate based on the average Securities Industry and Financial Markets Association ("SIFMA") index rate. Interest payments to the bond holders are offset by the amount received by the City from J. P. Morgan under the swap. The purpose of the swap was to effectively change the variable rate bonds to fixed rate bonds. The bonds and related swap agreement mature February 2038. The notional amount of the swap equals the principal amount of the associated bonds and decreases simultaneously with the reduction in the principal amount of the associated bonds. As of June 30, 2017, the notional amount was \$81,860,000.

The obligation of the City to make regularly scheduled payments under the interest rate swap agreement is junior and subordinate to the City's obligation to make debt service payments on its outstanding revenue bonds. The obligation of the City to make any termination payments under the swaps is junior and subordinate to the obligation to make debt service payments on bonds. Under the swap agreement, if the City modifies the bond ordinance, the counterparty has certain limited rights to consent to modifications to the swap agreement which would affect the rights of the counterparty. Under the swap, J.P. Morgan does not require collateral to be posted to reduce credit risk exposure.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

V. INTEREST RATE SWAP AGREEMENTS (Continued)

During the year ended June 30, 2017, the City made variable bond interest payments in the amount of \$538,180 and fixed rate payments on the swap in the amount of \$3,564,184. The City also received variable payments on the swap in the amount of \$579,137. The net of variable payments on the bonds and receipts on the swap was \$40,957.

The fair value balances and notional amounts of derivative instrument outstanding at June 30, 2017, classified by type, and the changes in fair value of such derivative for the year then ended is as follows:

	Changes in Fair Value		Fair Value at June 30		Notional
	Classification	Amount	Classification	Amount	
Business-type activity					
Cash flow hedges:					
Pay-fixed interest rate swap	Water and Sewer Revenue Bond Series 2009 Swap	Deferred outflow	Debt	<u>\$ 27,665,025</u>	\$ 81,860,000
		\$ (11,376,550)			

The following table displays the objectives and terms of the City's hedging derivative instrument outstanding at June 30, 2017, along with the credit rating of the associated counterparty:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating*
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 2009 Water and Sewer Revenue Bonds	\$ 81,860,000	9/15/2009	2/1/2038	Receive monthly average SIFMA rate and pay fixed rate of 4.354%	Aa3 / A+ / A+
	* Moody's, S&P, and Fitch, respectively.					

Future Debt Service Requirements

The following schedule details the debt service requirements to maturity for the underlying debt instrument related to the interest rate swap. The interest rate in effect at June 30, 2017, has been used for all future periods. These amounts assume the current interest rates on variable-rate bonds will remain the same for their terms. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instrument will vary.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

V. INTEREST RATE SWAP AGREEMENTS (Continued)

Future Debt Service Requirements (Continued)

Year Ended June 30,	Waterworks and Sewer Bonds			
	Series 2009			
	Variable Rate Bonds		Hedging	
	Principal	Interest	Derivatives, Net	Total
2018	\$ -	\$ -	\$ 3,565,995	\$ 3,565,995
2019	-	-	3,565,995	3,565,995
2020	-	-	3,565,995	3,565,995
2021	-	-	3,565,995	3,565,995
2022	525,000	-	3,564,899	4,089,899
2023-2027	2,940,000	-	17,460,440	20,400,440
2028-2032	19,890,000	-	16,264,208	36,154,208
2033-2037	47,665,000	-	8,765,909	56,430,909
2038	10,840,000	-	471,974	11,311,974
	\$ 81,860,000	\$ -	\$ 60,791,410	\$ 142,651,410

Risks

Credit Risk – Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2017, the swap was in a liability position; therefore, the City is not exposed to credit risks. However, should interest rates change and the fair market value of the swap becomes an asset position, the City would be exposed to credit risks. The credit rating of the counterparty is summarized in the table above.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the City's financial instruments or its cash flows. The City is exposed to interest rate risk on its pay-fixed, receive-variable interest rate swap. As LIBOR or the SIFMA swap index decreases, the City's liability upon early termination of the swaps increases.

Basis Risk – Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedge item are based on different reference rates. The City is exposed to basis risk on the interest rate swap hedging instrument related to the Waterworks and Sewer bonds because the variable-rate payments received by the City on these hedging derivative instruments are based on a rate or index other than interest rates the City pays on its hedge variable-rate debt. As of June 30, 2017, the interest rate on the City's hedged variable rate debt was 0.05%, while the SIFMA swap index rate was 0.07%.

Termination Risk – Termination risk is the risk that a hedging derivative instrument's unscheduled end will affect the City's asset and liability strategy or will present the City with potentially significant unscheduled termination payments to the counterparty. Termination events exist for the interest rate swaps. Under the City's interest rate swap, a decline in either party's credit rating below BBB or Baa2 in the case of S&P and Moody's, respectively, can trigger termination in addition to events that are customary for these types of transactions.

Rollover Risk – Rollover risk is the risk that a hedging instrument associated with a hedgeable item does not extend to the maturity of that hedgeable item. The City is not exposed to rollover risk because the hedging derivative instrument associated with the hedgeable debt item extends to the maturity of the hedgeable debt item.

The City is not required to post collateral under the interest rate swap agreement.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

VI. COMMITMENTS AND CONTINGENCIES

A. FEDERAL GRANTS

In the normal course of operations, the City receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to insure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of audits of grant funds is not believed by City officials to be material.

B. CONSENT DECREE

During the year ended June 30, 2014, the Environmental Protection Agency filed with the federal court system a consent decree against the City. The terms of this Consent Decree require the City to (i) evaluate the Sanitary Sewer System and, based on that evaluation, implement capital improvements to the Sanitary Sewer System's infrastructure; and (ii) implement a \$1,000,000 Supplemental Environmental Project ("SEP") aimed at restoring and reducing flooding along segments of Rocky Branch and Gills Creek. The City anticipates total expenditures of approximately \$750,000,000 will be required over a period of approximately 11 years in order to meet the requirements of the Consent Decree. The City's five-year Capital Improvements Program, which the City believes is presently responsive to a portion of the capital improvements that are or will be required by the Consent Decree, is being further revised to enable the City to meet all of its obligations under the Consent Decree within the prescribed timeframes. The City expects to pay for the cost of these improvements through revenues generated by the system and future and current bond proceeds. City management feels the City is meeting the requirements and deadlines imposed by the Consent Decree.

C. LITIGATION

The City is a party to legal proceedings that normally occur in government operations. The City is involved in unresolved legal actions concerning construction contracts and other matters. The City believes its positions are meritorious and is vigorously defending its positions. The City's estimate of ultimate loss has been recorded as a liability in the Risk Management Fund and other funds in the financial statements (Note II. C).

D. DEVELOPMENT AGREEMENT

On July 9, 2013, the City executed a development agreement with a private developer to develop approximately 165 acres of land within the City of Columbia. During the year ended June 30, 2017, the original agreement was amended. The amendment required that the City add an additional 16 acres of property to the development site. The City's commitments are to occur in four phases. The first phase occurred during the year ended June 30, 2014. This phase required the City to make \$5,250 in public improvements. Phase two required the City to make \$7,965,842 in public improvements. Phase three required the City to make \$2,179,342 in public improvements. Phase four is subdivided into four subphases. The first subphase requires the City to make \$5,000,000 in public improvements once the developer makes \$25,000,000 in taxable improvements. This subphase was accomplished during the year ended June 30, 2017. The second subphase requires the City to make an additional \$5,000,000 in public improvements upon completion of an additional \$25,000,000 in taxable improvements by the developer. The third subphase requires an additional \$5,000,000 in public improvements by the City upon the completion of an additional \$25,000,000 in taxable investments by the developer. The fourth subphase requires the City make \$840,816 in public improvements upon the completion of \$6,250,000 in taxable investments by the developer. If the requirements for all four subphases are met, the City will be required to make \$15,840,816 in public improvements, and \$81,250,000 in taxable investments will have been made by the developer.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

VI. COMMITMENTS AND CONTINGENCIES (Continued)

D. DEVELOPMENT AGREEMENT (Continued)

Also as part of the fourth phase, the City is required to construct two parking facilities with a combined total of at least 1,600 parking spaces if certain conditions are met by the developer. The City will be required to construct the first parking facility if the developer either constructs 120,000 square feet of office, retail, or 6% assessed space that is subject to property tax or rehabilitates the Babcock Building, a historical structure located within the development area. The second parking facility is required to be constructed upon the developer purchasing or causing to be purchased 90 acres of the development or obtains commitments to construct \$75,000,000 in private investment. The developer has met the requirements to have the first parking facility constructed. However, the developer has requested that the parking facility not be constructed until the requirements of the first subphase of phase four are met. This request was granted by the City. The City has not identified a definite funding source for the construction of the parking facilities at this time, nor the cost of constructing the facility. The construction starting date, if any, has not yet been determined.

VII. OTHER INFORMATION

A. SUBSEQUENT EVENTS

On November 27, 2017, the City received a letter from the U.S. Department of Housing and Urban Development (HUD) requesting repayment of \$52,753 in expenditures incurred by the City related to the *Autos for Opportunities* program. HUD determined these expenditures not to be eligible under the CDBG Program.

On December 21, 2017, the City received a letter from the South Carolina State Housing Finance and Development Authority (the "Authority") alleging the City and/or the Columbia Housing Development Corporation (a discretely presented component unit of the City) had multiple material violations of the Neighborhood Stabilization Program grant agreement. As a result of these violations, the Authority is requiring repayment of Neighborhood Stabilization Program (NSP) grant funds totaling approximately \$171,900. The City received the grant funds from the Authority as a pass-through entity, with the funds ultimately being disbursed to the Columbia Housing Development Corporation, which used the funds to acquire and improve a certain piece of real property. The City is currently conducting an investigation into the matter, therefore no liability has been recorded by the City.

B. PENDING IMPLEMENTATION OF GASB STATEMENTS

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The City will implement the new guidance with the 2018 financial statements.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. The City will implement the new guidance with the 2018 financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

VII. OTHER INFORMATION (Continued)

B. PENDING IMPLEMENTATION OF GASB STATEMENTS (Continued)

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for certain asset retirement obligations (AROs). This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. The best estimate should include probability weighting of all potential outcomes when such information is available or can be obtained at reasonable cost. If probability weighting is not feasible at a reasonable cost, the most likely amount should be used. This Statement requires that a deferred outflow of resources associated with an ARO be measured at the amount of the corresponding liability upon initial measurement. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The City will implement the new guidance with the 2019 financial statements.

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The City will implement the new guidance with the 2020 financial statements.

GASB Statement No. 85, *Omnibus 2017*. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The City will implement the new guidance with the 2018 financial statements.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The City will implement the new guidance with the 2018 financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

VII. OTHER INFORMATION (Continued)

B. PENDING IMPLEMENTATION OF GASB STATEMENTS (Continued)

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City will implement the new guidance with the 2021 financial statements.

Management has not yet determined the impact implementation of these standards will have on the City's financial statements, if any.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

The Schedules of Funding Progress and Employer Contributions – Other Postemployment Benefits provide information relating to the City's adoption of GASB Statement No. 45.

Budgetary Comparison Schedule – General Fund provides information regarding the original budget, final budget, and actual results as compared to the final budget for the General Fund. The General Fund is the principal operating fund of the City that accounts for all financial resources not accounted for in other funds.

Notes to Budgetary Comparison Schedule provides information related to the budgetary basis of accounting used by the City as well as budget amendments made to the appropriated budget.

The Schedules of the City's Contributions provide information relating to the City's adoption of GASB Statement No. 68.

The Schedules of the City's Proportionate Share of the Net Pension Liability provide information relating to the City's adoption of GASB Statement No. 68.

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS –
OTHER POSTEMPLOYMENT BENEFITS
YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
Primary Government						
7/1/2016	\$ -	\$ 152,279,888	\$ 152,279,888	0%	\$ 100,584,901	151.39%
7/1/2015	-	148,565,744	148,565,744	0%	98,424,816	150.94%
7/1/2014	-	138,748,707	138,748,707	0%	93,451,271	148.47%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Liability	Percent of OPEB Cost Contributed
Primary Government				
2017	\$ 10,014,930	\$ 8,553,496	\$ 53,796,196	85.41%
2016	10,010,781	9,774,124	52,334,762	97.64%
2015	10,734,306	7,248,904	52,098,105	67.53%

**CITY OF COLUMBIA, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property taxes	\$ 53,241,097	\$ 53,241,097	\$ 30,808,092	\$ 22,433,005
Local option sales tax	-	-	20,946,748	(20,946,748)
Hospitality and admission taxes	-	-	433,481	(433,481)
Licenses and permits	26,032,707	26,032,707	26,580,332	(547,625)
Franchise fees	13,622,159	13,622,159	13,133,923	488,236
Intergovernmental revenue	15,037,877	15,037,877	14,822,853	215,024
Charges for services	14,713,528	14,713,528	13,025,426	1,688,102
Fines and forfeitures	1,102,000	1,102,000	887,354	214,646
Federal government	-	-	120,013	(120,013)
Promotions	-	-	521,108	(521,108)
Private grants	-	-	89,496	(89,496)
Interest	100,000	100,000	(38,203)	138,203
Rental income	90,000	90,000	103,343	(13,343)
Other revenues	16,000	16,000	81,123	(65,123)
Total revenues	123,955,368	123,955,368	121,515,089	2,440,279
EXPENDITURES				
Current				
General government	11,535,110	11,879,463	11,043,684	835,779
Judicial	3,626,020	3,626,420	3,334,061	292,359
Finance department	2,007,061	2,007,061	1,787,470	219,591
Planning and development	4,251,229	4,482,659	4,106,820	375,839
Public safety	63,574,467	63,546,706	60,968,586	2,578,120
Parks and recreation	12,008,573	11,939,708	11,620,323	319,385
Public services	16,179,738	16,286,034	14,638,292	1,647,742
General services	2,618,218	2,730,550	2,416,883	313,667
Tourism and community development	3,906,218	3,909,752	5,110,680	(1,200,928)
Community promotions	432,000	850,000	748,739	101,261
Debt service				
Principal payment on bonds	2,089,871	15,988,074	16,092,898	(104,824)
Interest on bonds	-	-	748,800	(748,800)
Fiscal agent charges	-	-	-	-
Debt issuance costs	-	-	61,000	(61,000)
Capital outlay				
Capital outlay	859,268	7,317,224	8,002,763	(685,539)
Total expenditures	123,087,773	144,563,651	140,680,999	3,882,652
Excess (deficiency) of revenues over (under) expenditures	867,595	(20,608,283)	(19,165,910)	(1,442,373)
OTHER FINANCING SOURCES (USES)				
Transfers in	11,525,000	11,525,000	8,311,923	3,213,077
Transfers (out)	(15,712,595)	(9,160,110)	(15,123,708)	5,963,598
Sale of general capital assets	320,000	320,000	167,063	152,937
Issuance of capital leases	-	-	8,100,000	(8,100,000)
Issuance of debt	-	-	1,460,000	(1,460,000)
Unappropriated surplus	3,000,000	4,059,251	-	4,059,251
Insurance recoveries	-	-	92,831	(92,831)
Total other financing sources (uses)	(867,595)	6,744,141	3,008,109	3,736,032
SPECIAL ITEMS				
Collections on capital leases	-	13,864,142	13,280,875	583,267
Rental income	-	-	2,592,856	(2,592,856)
Total special items	-	13,864,142	15,873,731	(2,009,589)
Excess (deficiency) of revenues and other financing sources over (under) expenditures, other financing sources (uses) and special items	-	-	(284,070)	284,070
Beginning fund balances (deficits)	36,393,740	36,393,740	29,904,862	-
Ending fund balances (deficits)	\$ 36,393,740	\$ 36,393,740	\$ 29,620,792	\$ 284,070

**CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO BUDGETARY COMPARISON SCHEDULE (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

Budget and Budgetary Accounting

A legal operating budget is prepared annually for the General Fund on the GAAP basis (modified accrual basis of accounting). Informal budgetary controls are maintained for other fund types, and therefore, budgetary comparisons to actual amounts are not presented.

The approved budget and amendments are legally enacted through passage of an ordinance authorizing the City Manager to administer the budget and to transfer necessary appropriations among funds. Additional budget appropriations must be approved by Council, and at the fund level, expenditures may not legally exceed budgeted appropriations.

All budget amounts presented in the accompanying financial statements and supplementary information have been adjusted for legally authorized revisions of the annual budget during and after the year. All unused appropriations lapse at year end. Encumbrances are re-appointed on a yearly basis and are reflected as an increase in budgeted expenditures in the next year.

The final budget amendments presented are necessary based on the operating activities of the City. The budget was amended to reflect the increase of budgeted amount of transfers in, the decrease in the amount of transfers out, and the increase in the amount of capital expenditures. These amendments have been approved by City Council authorizations.

**Schedule of Changes in Appropriated Budget
Year Ended June 30, 2017**

	<u>Original Adopted Budget</u>	<u>Final Budget Amendments</u>	<u>Revised Budget</u>
General Fund	\$ 138,800,368	\$ 14,923,393	\$ 153,723,761

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULES OF THE CITY'S CONTRIBUTIONS
YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

**SOUTH CAROLINA RETIREMENT SYSTEM
LAST 4 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually required contributions	\$ 6,888,470	\$ 6,155,138	\$ 5,815,863	\$ 5,669,535
Contributions made to the pension plan	<u>6,888,470</u>	<u>6,155,138</u>	<u>5,815,863</u>	<u>5,669,535</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll during the most recent fiscal year	\$ 59,588,839	\$ 55,652,247	\$ 53,480,622	\$ 52,411,010
Contributions as a percentage of covered employee payroll	11.56%	11.06%	10.87%	10.82%

**POLICE OFFICER'S RETIREMENT SYSTEM
LAST 4 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually required contributions	\$ 5,784,601	\$ 5,548,189	\$ 5,031,606	\$ 4,736,002
Contributions made to the pension plan	<u>5,784,601</u>	<u>5,548,189</u>	<u>5,031,606</u>	<u>4,736,002</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll during the most recent fiscal year	\$ 41,200,865	\$ 40,976,282	\$ 37,437,424	\$ 36,688,676
Contributions as a percentage of covered employee payroll	14.04%	13.54%	13.44%	12.91%

The City implemented GASB 68 during fiscal year 2015; as such only the last four years of data are available. Each year the City will add an additional year of data until a total of ten years is presented.

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULES OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2017
(UNAUDITED)

SOUTH CAROLINA RETIREMENT SYSTEM
LAST 4 FISCAL YEARS
(UNAUDITED)

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
The City's percentage of the net pension liability	0.575439%	0.570267%	0.589139%	0.589139%
The City's proportionate share of the net pension liability	\$ 122,912,706	\$ 108,153,887	\$ 101,430,204	\$ 105,670,520
The City's covered employee payroll	\$ 55,652,247	\$ 53,480,622	\$ 52,411,010	\$ 51,204,018
The City's proportionate share of the net pension liability as a percentage of its covered payroll	220.86%	202.23%	193.53%	206.37%
The Plan's fiduciary net position as a percentage of the total pension liability	52.90%	57.00%	59.92%	59.92%

POLICE OFFICER'S RETIREMENT SYSTEM
LAST 4 FISCAL YEARS
(UNAUDITED)

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
The City's percentage of the net pension liability	3.17559%	3.03491%	3.06671%	3.06671%
The City's proportionate share of the net pension liability	\$ 80,547,962	\$ 66,145,819	\$ 58,710,014	\$ 63,572,138
The City's covered employee payroll	\$ 40,976,282	\$ 37,437,424	\$ 36,688,676	\$ 35,432,581
The City's proportionate share of the net pension liability as a percentage of its covered payroll	196.57%	176.68%	160.02%	179.42%
The Plan's fiduciary net position as a percentage of the total pension liability	60.40%	64.60%	67.55%	67.55%

The City implemented GASB 68 during fiscal year 2015, as such only the last four years of data are available. Each year the City will add an additional year of data until a total of ten years is presented.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Liquor Permit Fee accounts for receipts from the sale of temporary permits to allow the possession, sale, and consumption of alcoholic liquors for a period not to exceed 24 hours.

Business Improvement District accounts for the Business Improvement District taxes assessed on the business in the downtown area of the City to promote downtown beautification.

Accommodations Tax accounts for the 2% State Hotel Accommodations Tax receipts to promote tourism-related activities of City organizations.

Confiscated Drug Program accounts for the disposition of forfeited property and money seized in Columbia by law enforcement agencies.

Hospitality Tax accounts for a 2% gross sales tax on prepared food and beverages sold in establishments to promote tourism-related activities of City organizations.

Community Development grants and awards accounts for the Community Development Block Grants and other community development type grants.

Federal Grants accounts for the receipt of Federal grants except for Community Development Block Grants.

Other Programs accounts for miscellaneous programs for park improvements and special events.

Tourism Development Convention Center accounts for a 3% Tourism Development Fee imposed upon the rental of hotels, motels, and other lodging establishments in the City. This fee is dedicated to the attraction of and improvement of the services provided to tourists and to the retirement of the Series 2012 Certificates of Participation revenue bonds.

Debt Service Funds

Debt Service accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City, other than debt service payments financed by the Tourism Development Convention Center fund and the proprietary fund types. Ad valorem taxes, interest earnings on the investments of the Debt Service Fund, and interest earned on investments of certain Capital Projects Funds are used for the payment of principal, interest, and fiscal agent expenditures on the City's general obligation and revenue bonds.

Capital Project Funds

Congaree Vista District accounts for the construction and development of parks and infrastructure within the Congaree Vista District funded by tax increment district property tax revenues.

Streetscaping accounts for capital improvements to street landscaping.

General Capital Projects accounts for various capital improvements in the City.

Miscellaneous Projects accounts for various capital projects funded by the General Fund.

Permanent Trust

Anna Dickson Park Fund accounts for an endowment for which the investment income must be used to purchase flowers for the parks.

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Special Revenue									
	Liquor Permit Fee	Business Improvement District	Accommoda- tions Tax	Confiscated Drug Program	Hospitality Tax	Community Development	Federal Grants	Other Programs	Tourism Development Convention Center	Total Nonmajor Special Revenue Funds
ASSETS										
Cash and cash equivalents	\$ 691,218	\$ -	\$ -	\$ 435,278	\$ 1,016,912	\$ -	\$ 9,004	\$ 404,747	\$ 3,500,547	\$ 6,057,706
Investments	-	-	-	78,609	-	-	-	-	1,802,695	1,881,304
Receivables										
Federal government	-	-	-	-	-	919,312	1,442,029	-	-	2,361,341
State government	12,185	-	920,516	-	-	-	25,496	-	-	958,197
County	-	-	-	-	-	-	-	-	640,562	640,562
Accounts, net	-	-	-	-	2,708	894	372	-	-	3,974
Accrued interest receivable	-	-	-	-	-	-	-	-	729	729
Due from component units	-	-	-	-	-	-	21,164	-	-	21,164
TOTAL ASSETS	<u>\$ 703,403</u>	<u>\$ -</u>	<u>\$ 920,516</u>	<u>\$ 513,887</u>	<u>\$ 1,019,620</u>	<u>\$ 920,206</u>	<u>\$ 1,498,065</u>	<u>\$ 404,747</u>	<u>\$ 5,944,533</u>	<u>\$ 11,924,977</u>
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ -	\$ 426,862	\$ 4,573	\$ -	\$ 175,000	\$ 212,045	\$ 1,085	\$ 13,777	\$ 833,342
Accrued salaries and benefits	-	-	-	-	-	8,018	43,334	6,322	-	57,674
Refundable advances	-	-	-	78,609	7,354	-	48,364	-	-	134,327
Due to other funds	-	-	127,646	-	-	737,188	1,194,322	-	-	2,059,156
Total liabilities	-	-	554,508	83,182	7,354	920,206	1,498,065	7,407	13,777	3,084,499
Fund balances										
Restricted	703,403	-	366,008	430,705	1,012,266	-	-	397,340	5,930,756	8,840,478
Total fund balances	703,403	-	366,008	430,705	1,012,266	-	-	397,340	5,930,756	8,840,478
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 703,403</u>	<u>\$ -</u>	<u>\$ 920,516</u>	<u>\$ 513,887</u>	<u>\$ 1,019,620</u>	<u>\$ 920,206</u>	<u>\$ 1,498,065</u>	<u>\$ 404,747</u>	<u>\$ 5,944,533</u>	<u>\$ 11,924,977</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2017**

	<u>Capital Projects</u>					<u>Total Nonmajor Capital Projects Funds</u>	<u>Permanent Trust</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Debt Service Fund</u>	<u>Congaree Vista District</u>	<u>Streetscaping</u>	<u>General Capital Projects</u>	<u>Miscellaneous Projects</u>		<u>Dickson Trust</u>	
ASSETS								
Cash and cash equivalents	\$ 2,866,838	\$ 5,130,620	\$ 6,628,118	\$ 12,020,790	\$ 1,107,966	\$ 24,887,494	\$ 5,605	\$ 33,817,643
Investments	1,098,569	-	-	-	4,171,819	4,171,819	-	7,151,692
Receivables								
Federal government	-	-	-	-	-	-	-	2,361,341
State government	-	-	-	-	-	-	-	958,197
County	-	-	804,863	-	-	804,863	-	1,445,425
Accounts, net	-	-	-	1,283	-	1,283	-	5,257
Accrued interest receivable	-	-	-	-	456	456	-	1,185
Due from other funds	-	100,000	-	514,134	-	614,134	-	614,134
Due from component units	-	-	-	-	-	-	-	21,164
TOTAL ASSETS	<u>\$ 3,965,407</u>	<u>\$ 5,230,620</u>	<u>\$ 7,432,981</u>	<u>\$ 12,536,207</u>	<u>\$ 5,280,241</u>	<u>\$ 30,480,049</u>	<u>\$ 5,605</u>	<u>\$ 46,376,038</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ 804,863	\$ 1,007,428	\$ -	\$ 1,812,291	\$ -	\$ 2,645,633
Accrued salaries and benefits	-	-	-	-	-	-	-	57,674
Retainage payable	-	-	-	185,586	-	185,586	-	185,586
Bond anticipation notes payable	-	-	-	-	3,000,000	3,000,000	-	3,000,000
Refundable advances	-	-	-	-	25	25	-	134,352
Due to other funds	-	-	-	-	614,134	614,134	-	2,673,290
Total liabilities	<u>-</u>	<u>-</u>	<u>804,863</u>	<u>1,193,014</u>	<u>3,614,159</u>	<u>5,612,036</u>	<u>-</u>	<u>8,696,535</u>
Fund balances								
Nonspendable	-	-	-	-	-	-	5,000	5,000
Restricted	3,965,407	5,230,620	-	-	1,666,082	6,896,702	605	19,703,192
Assigned	-	-	6,628,118	11,343,193	-	17,971,311	-	17,971,311
Total fund balances	<u>3,965,407</u>	<u>5,230,620</u>	<u>6,628,118</u>	<u>11,343,193</u>	<u>1,666,082</u>	<u>24,868,013</u>	<u>5,605</u>	<u>37,679,503</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,965,407</u>	<u>\$ 5,230,620</u>	<u>\$ 7,432,981</u>	<u>\$ 12,536,207</u>	<u>\$ 5,280,241</u>	<u>\$ 30,480,049</u>	<u>\$ 5,605</u>	<u>\$ 46,376,038</u>

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue									
	Liquor Permit Fee	Business Improvement District	Accommo- dations Tax	Confiscated Drug Program	Hospitality Tax	Community Development	Federal Grants	Other Programs	Tourism Development Convention Center	Total Nonmajor Special Revenue Funds
REVENUES										
General property taxes	\$ -	\$ 881,067	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 881,067
Hospitality and admission taxes	-	-	-	-	11,556,951	-	-	-	-	11,556,951
Accommodations tax	-	-	2,496,308	-	-	-	-	-	-	2,496,308
Tourism development fee	-	-	-	-	-	-	-	3,911,428	-	3,911,428
Liquor permit fee	478,973	-	-	-	-	-	-	-	-	478,973
Intergovernmental revenue	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	79,912	-	-	79,912
Fines and forfeitures	-	-	-	251,672	-	-	123,329	-	-	375,001
Federal government	-	-	-	-	-	3,514,078	3,345,324	-	-	6,859,402
State government	-	-	-	-	-	-	-	-	-	-
County government	-	-	-	-	-	-	-	2,790,931	-	2,790,931
Promotions	-	-	-	-	-	-	212,247	-	-	212,247
Interest income	-	-	-	48	8,653	-	-	2,965	-	11,666
Other revenues	-	-	-	-	-	-	109,415	-	-	109,415
Total revenues	478,973	881,067	2,496,308	251,720	11,565,604	3,514,078	3,454,739	415,488	6,705,324	29,763,301
EXPENDITURES										
Current										
General government	-	-	-	-	-	-	1,248,189	12,733	-	1,260,922
Public safety	-	-	-	150,964	-	-	1,433,646	212,260	-	1,796,870
Parks and recreation	-	-	-	-	-	-	-	11,604	-	11,604
Public services	-	-	-	-	-	-	774,897	-	-	774,897
Tourism and community development	-	881,067	2,404,378	-	5,360,649	2,661,805	-	63,173	3,390,305	14,761,377
Debt service										
Principal payment on bonds	-	-	-	-	-	-	-	2,380,000	-	2,380,000
Interest on bonds	-	-	-	-	-	-	-	346,248	-	346,248
Fiscal agent charges	-	-	-	-	-	-	-	1,650	-	1,650
Debt issuance costs	-	-	-	-	-	-	-	-	-	-
Capital outlay										
Capital outlay	-	-	-	29,777	-	-	333,958	-	-	363,735
Total expenditures	-	881,067	2,404,378	180,741	5,360,649	2,661,805	3,790,690	299,770	6,118,203	21,697,303
Excess (deficiency) of revenues over (under) expenditures	478,973	-	91,930	70,979	6,204,955	852,273	(335,951)	115,718	587,121	8,065,998
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	5,925	-	403,202	335,951	88,931	-	834,009
Transfers (out)	(684,743)	-	(25,000)	-	(5,600,643)	(1,255,475)	-	(22,687)	-	(7,588,548)
Total other financing sources (uses)	(684,743)	-	(25,000)	5,925	(5,600,643)	(852,273)	335,951	66,244	-	(6,754,539)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(205,770)	-	66,930	76,904	604,312	-	-	181,962	587,121	1,311,459
Beginning fund balances	909,173	-	299,078	353,801	407,954	-	-	215,378	5,343,635	7,529,019
Ending fund balances	<u>\$ 703,403</u>	<u>\$ -</u>	<u>\$ 366,008</u>	<u>\$ 430,705</u>	<u>\$ 1,012,266</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,340</u>	<u>\$ 5,930,756</u>	<u>\$ 8,840,478</u>

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2017

	Capital Projects					Permanent Trust	Total Nonmajor Governmental Funds
	Debt Service Fund	Congaree Vista District	Streetscaping	General Capital Projects	Miscellaneous Projects	Total Nonmajor Capital Projects Funds	
REVENUES							
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 881,067
Hospitality and admission taxes	-	-	-	-	-	-	11,556,951
Accommodations tax	-	-	-	-	-	-	2,496,308
Tourism development fee	-	-	-	-	-	-	3,911,428
Liquor permit fee	-	-	-	-	-	-	478,973
Intergovernmental revenue	-	-	4,657,292	49,000	-	4,706,292	4,706,292
Charges for services	-	-	-	-	-	-	79,912
Fines and forfeitures	-	-	-	-	-	-	375,001
Federal government	-	-	-	-	-	-	6,859,402
State government	-	-	-	35,593	-	35,593	35,593
County government	-	-	-	-	-	-	2,790,931
Promotions	-	-	-	-	-	-	212,247
Interest income	995	-	-	-	5,345	5,345	13,019
Other revenues	-	-	757,008	700,294	389,069	1,846,371	1,955,786
Total revenues	995	-	5,414,300	784,887	394,414	6,593,601	13,365,791
EXPENDITURES							
Current							
General government	-	-	-	-	1,772	1,772	1,262,694
Public safety	-	-	-	-	-	-	1,796,870
Parks and recreation	-	-	-	-	-	-	11,604
Public services	-	-	-	-	-	-	774,897
Tourism and community development	-	-	-	173,317	108,938	282,255	15,043,632
Debt service							
Principal payment on bonds	6,475,000	-	-	-	-	-	8,855,000
Interest on bonds	2,698,768	-	-	-	-	-	3,045,016
Fiscal agent charges	11,749	-	-	-	2,100	2,100	15,499
Debt issuance costs	-	-	-	-	68,500	68,500	68,500
Capital outlay							
Capital outlay	-	-	4,265,275	2,571,511	-	6,836,786	7,200,521
Total expenditures	9,185,517	-	4,265,275	2,744,828	181,310	7,191,413	13,380,743
Excess (deficiency) of revenues over (under) expenditures	(9,184,522)	-	1,149,025	(1,959,941)	213,104	(597,812)	(1,716,323)
OTHER FINANCING SOURCES (USES)							
Transfers in	8,936,779	-	-	8,305,858	494,270	8,800,128	18,570,916
Transfers (out)	-	(329,830)	(3,340,307)	(111,424)	(4,448,921)	(8,230,482)	(15,819,030)
Total other financing sources (uses)	8,936,779	(329,830)	(3,340,307)	8,194,434	(3,954,651)	569,646	2,751,886
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(247,743)	(329,830)	(2,191,282)	6,234,493	(3,741,547)	(28,166)	1,035,563
Beginning fund balances	4,213,150	5,560,450	8,819,400	5,108,700	5,407,629	24,896,179	5,592,366,439
Ending fund balances	<u>\$ 3,965,407</u>	<u>\$ 5,230,620</u>	<u>\$ 6,628,118</u>	<u>\$ 11,343,193</u>	<u>\$ 1,666,082</u>	<u>\$ 24,868,013</u>	<u>\$ 5,605,37,679,503</u>

NONMAJOR PROPRIETARY FUNDS

Nonmajor Proprietary Funds are used to account for operations of the City (a) that are financed and operated in a manner similar to private business where the intent is for the cost of providing goods or services to be recovered, in whole or in part, through user charges; or (b) where the City Council has 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. These funds include:

Hydro-electric Facilities Fund accounts for hydro-electric plant activities.

Stormwater Facilities Fund accounts for stormwater utility activities.

Redevelopment Programs Fund accounts for various home rehabilitation and mortgage lending programs funded from various sources.

Parks and Recreation Camp Fund accounts for the parks and recreations camp activities.

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2017**

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Proprietary Funds
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 171,881	\$ 10,608,471	\$ 5,153,745	\$ 119,408	\$ 16,053,505
Investments	-	6,378,956	-	-	6,378,956
Accounts receivable, net	-	425	-	-	425
Mortgage notes receivable, net	-	-	521,093	-	521,093
Accrued interest receivable	-	18,062	-	-	18,062
Due from component units	-	-	170,071	-	170,071
Prepaid expenses	-	9,614	-	-	9,614
Real estate held for resale	-	-	99,036	-	99,036
Total current assets	171,881	17,015,528	5,943,945	119,408	23,250,762
Noncurrent Assets					
Mortgage notes receivable, net	-	-	22,125,777	-	22,125,777
Capital assets					
Land	327,169	220,085	-	-	547,254
Buildings, improvements and utility plant	14,664,065	17,963,358	-	-	32,627,423
Machinery and equipment	-	3,953,547	-	-	3,953,547
Less accumulated depreciation	(4,771,124)	(6,522,679)	-	-	(11,293,803)
Construction in progress	-	5,484,621	-	-	5,484,621
Net capital assets	10,220,110	21,098,932	-	-	31,319,042
Total noncurrent assets	10,220,110	21,098,932	22,125,777	-	53,444,819
TOTAL ASSETS	10,391,991	38,114,460	28,069,722	119,408	76,695,581
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to the net pension liability	-	629,175	50,027	37,675	716,877
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	629,175	50,027	37,675	716,877

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2017**

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Proprietary Funds
LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION					
Current Liabilities					
Accounts payable	\$ 25,573	\$ 745,013	\$ 6,026	\$ 6,016	\$ 782,628
Accrued salaries and benefits	-	43,555	2,785	42,015	88,355
Compensated absences	-	-	-	8	8
Retainage payable	-	2,500	-	-	2,500
Total current liabilities	<u>25,573</u>	<u>791,068</u>	<u>8,811</u>	<u>48,039</u>	<u>873,491</u>
Noncurrent Liabilities					
Compensated absences	-	87,865	-	31	87,896
Net pension liability	-	3,397,793	262,650	203,461	3,863,904
Total noncurrent liabilities	<u>-</u>	<u>3,485,658</u>	<u>262,650</u>	<u>203,492</u>	<u>3,951,800</u>
Total liabilities	<u>25,573</u>	<u>4,276,726</u>	<u>271,461</u>	<u>251,531</u>	<u>4,825,291</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to the net pension liability	<u>-</u>	<u>38,579</u>	<u>2,752</u>	<u>2,310</u>	<u>43,641</u>
FUND NET POSITION					
Net investment in capital assets	10,220,110	21,096,432	-	-	31,316,542
Unrestricted	<u>146,308</u>	<u>13,331,898</u>	<u>27,845,536</u>	<u>(96,758)</u>	<u>41,226,984</u>
Total fund net position	<u><u>\$ 10,366,418</u></u>	<u><u>\$ 34,428,330</u></u>	<u><u>\$ 27,845,536</u></u>	<u><u>\$ (96,758)</u></u>	<u><u>\$ 72,543,526</u></u>

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Proprietary Funds
Operating revenues					
Charges for service	\$ -	\$ 7,413,183	\$ 563,544	\$ 335,505	\$ 8,312,232
Other operating revenue	-	-	11,364	-	11,364
Total operating revenues	<u>-</u>	<u>7,413,183</u>	<u>574,908</u>	<u>335,505</u>	<u>8,323,596</u>
Operating expenses					
Personnel services	-	2,992,953	176,332	269,086	3,438,371
Materials and supplies	-	308,882	3,415	43,691	355,988
Other services and charges	283,307	2,022,470	875,687	36,054	3,217,518
Heat, light and power	-	1,203	-	-	1,203
Depreciation	323,466	1,175,554	-	-	1,499,020
Bad debt expense	-	-	127,621	-	127,621
Total operating expenses	<u>606,773</u>	<u>6,501,062</u>	<u>1,183,055</u>	<u>348,831</u>	<u>8,639,721</u>
Operating income (loss)	<u>(606,773)</u>	<u>912,121</u>	<u>(608,147)</u>	<u>(13,326)</u>	<u>(316,125)</u>
Nonoperating revenues (expenses)					
Investment income (loss)	-	73,652	(27)	-	73,625
Rental income	-	18,920	-	-	18,920
Other nonoperating revenue	-	-	10,000	-	10,000
Federal grant revenue	-	-	138,763	-	138,763
Gain (loss) from sale of assets	-	-	90,477	-	90,477
Insurance recoveries	151,890	-	-	-	151,890
Total nonoperating revenues (expenses)	<u>151,890</u>	<u>92,572</u>	<u>239,213</u>	<u>-</u>	<u>483,675</u>
Income (loss) before contributions and transfers	<u>(454,883)</u>	<u>1,004,693</u>	<u>(368,934)</u>	<u>(13,326)</u>	<u>167,550</u>
Capital contributions and transfers					
Transfers in	-	-	1,095,370	-	1,095,370
Transfers out	-	(436,141)	(403,202)	(19,211)	(858,554)
Total capital contributions and transfers	<u>-</u>	<u>(436,141)</u>	<u>692,168</u>	<u>(19,211)</u>	<u>236,816</u>
Extraordinary item					
Asset impairment cost	(1,509,235)	-	-	-	(1,509,235)
Change in net position	(1,964,118)	568,552	323,234	(32,537)	(1,104,869)
Net position - beginning	<u>12,330,536</u>	<u>33,859,778</u>	<u>27,522,302</u>	<u>(64,221)</u>	<u>73,648,395</u>
Net position - ending	<u>\$ 10,366,418</u>	<u>\$ 34,428,330</u>	<u>\$ 27,845,536</u>	<u>\$ (96,758)</u>	<u>\$ 72,543,526</u>

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017**

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Proprietary Funds
Cash Flows From Operating Activities					
Receipts from customers and users	\$ -	\$ 7,422,285	\$ 574,908	\$ 335,505	\$ 8,332,698
Internal activity - payments to other funds	-	(928,541)	(28,336)	(12,654)	(969,531)
Payments to suppliers	(260,586)	(1,649,947)	(846,874)	(63,941)	(2,821,348)
Payments to employees	-	(3,066,410)	(180,493)	(263,027)	(3,509,930)
Net cash provided by (used in) operating activities	<u>(260,586)</u>	<u>1,777,387</u>	<u>(480,795)</u>	<u>(4,117)</u>	<u>1,031,889</u>
Cash Flows From Noncapital Financing Activities					
Other nonoperating revenues	151,890	-	148,763	-	300,653
Transfers in	-	-	1,095,370	-	1,095,370
Transfers out	-	(436,141)	(403,202)	(19,211)	(858,554)
Net cash provided by (used in) noncapital financing activities	<u>151,890</u>	<u>(436,141)</u>	<u>840,931</u>	<u>(19,211)</u>	<u>537,469</u>
Cash Flows From Capital And Related Financing Activities					
Purchase of capital assets	-	(2,936,643)	-	-	(2,936,643)
Net cash used in capital and related financing activities	<u>-</u>	<u>(2,936,643)</u>	<u>-</u>	<u>-</u>	<u>(2,936,643)</u>
Cash Flows From Investing Activities					
Purchase of investments	-	(1,066,246)	-	-	(1,066,246)
Receipts from property rentals	-	18,920	-	-	18,920
Advances of mortgage notes receivable	-	-	(3,471,360)	-	(3,471,360)
Collections of mortgage notes receivable	-	-	2,473,793	-	2,473,793
Interest received	-	68,581	-	-	68,581
Sale of real estate held for resale	-	-	90,477	-	90,477
Net cash used in investing activities	<u>-</u>	<u>(978,745)</u>	<u>(907,090)</u>	<u>-</u>	<u>(1,885,835)</u>
Net decrease in cash and cash equivalents	<u>(108,696)</u>	<u>(2,574,142)</u>	<u>(546,954)</u>	<u>(23,328)</u>	<u>(3,253,120)</u>
Cash and cash equivalents, July 1, 2016	<u>280,577</u>	<u>13,182,613</u>	<u>5,700,699</u>	<u>142,736</u>	<u>19,306,625</u>
Cash and cash equivalents, June 30, 2017	<u><u>\$ 171,881</u></u>	<u><u>\$ 10,608,471</u></u>	<u><u>\$ 5,153,745</u></u>	<u><u>\$ 119,408</u></u>	<u><u>\$ 16,053,505</u></u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Program Fund	Parks and Recreation Camp Fund	Total Nonmajor Proprietary Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	<u>\$ (606,773)</u>	<u>\$ 912,121</u>	<u>\$ (608,147)</u>	<u>\$ (13,326)</u>	<u>\$ (316,125)</u>
Adjustments to reconcile operating income to net cash (loss) provided by (used in) operating activities:					
Depreciation	323,466	1,175,554	-	-	1,499,020
Accrued benefits related to net pension liability	-	114,304	9,662	6,845	130,811
Bad debt expense	-	-	127,621	-	127,621
Change in operating assets and liabilities					
Accounts receivable	-	9,102	-	-	9,102
Prepaid expenses	-	(1,571)	-	-	(1,571)
Accounts payable	22,721	(361,166)	(5,770)	(3,695)	(347,910)
Accrued salaries	-	(74,794)	(4,161)	6,059	(72,896)
Accrued compensated absences	-	1,337	-	-	1,337
Accrued expenses	-	2,500	-	-	2,500
Total adjustments	<u>346,187</u>	<u>865,266</u>	<u>127,352</u>	<u>9,209</u>	<u>1,348,014</u>
Net cash provided by (used in) operating activities	<u><u>\$ (260,586)</u></u>	<u><u>\$ 1,777,387</u></u>	<u><u>\$ (480,795)</u></u>	<u><u>\$ (4,117)</u></u>	<u><u>\$ 1,031,889</u></u>

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies in the City, or to other governments, on a user charge basis. These funds include:

Fleet Management accounts for the maintenance and repair of vehicles.

Support Services accounts for a decentralized governmental and enterprise inventory system, a central supply facility, procurement functions, and the City's general maintenance functions.

Risk Management accounts for the costs associated with self-funded liability plans for employee health, worker's compensation, and tort liability for all City departments.

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2017**

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 3,790,604	\$ 887,430	\$ 66,458,668	\$ 71,136,702
Accounts receivable, net	77,022	-	255,533	332,555
Inventory	-	688,203	-	688,203
Prepaid expenses	4,601	120,785	-	125,386
Total current assets	<u>3,872,227</u>	<u>1,696,418</u>	<u>66,714,201</u>	<u>72,282,846</u>
Noncurrent Assets				
Deposits	-	-	78,745	78,745
Capital assets				
Buildings, improvements and utility plant	903,586	10,990	-	914,576
Machinery and equipment	455,308	1,270,641	-	1,725,949
Less accumulated depreciation	<u>(1,065,893)</u>	<u>(921,227)</u>	<u>-</u>	<u>(1,987,120)</u>
Net capital assets	<u>293,001</u>	<u>360,404</u>	<u>-</u>	<u>653,405</u>
Total noncurrent assets	<u>293,001</u>	<u>360,404</u>	<u>78,745</u>	<u>732,150</u>
TOTAL ASSETS	<u>4,165,228</u>	<u>2,056,822</u>	<u>66,792,946</u>	<u>73,014,996</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to the net pension liability				
	<u>629,175</u>	<u>301,401</u>	<u>52,745</u>	<u>983,321</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 629,175</u>	<u>\$ 301,401</u>	<u>\$ 52,745</u>	<u>\$ 983,321</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)
JUNE 30, 2017**

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Nonmajor Proprietary Funds
LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION				
Current Liabilities				
Accounts payable	\$ 1,239,136	\$ 228,117	\$ 399,947	\$ 1,867,200
Accrued salaries and benefits	38,151	24,698	9,699	72,548
Compensated absences	23,865	15,179	10,790	49,834
Due to other funds	-	405,380	-	405,380
Accrued liability for claims	-	-	17,405,626	17,405,626
Total current liabilities	<u>1,301,152</u>	<u>673,374</u>	<u>17,826,062</u>	<u>19,800,588</u>
Noncurrent Liabilities				
Compensated absences	95,459	60,714	43,160	199,333
Net pension liability	3,397,793	1,627,686	284,845	5,310,324
Net OPEB obligation	-	-	53,796,196	53,796,196
Total noncurrent liabilities	<u>3,493,252</u>	<u>1,688,400</u>	<u>54,124,201</u>	<u>59,305,853</u>
Total liabilities	<u>4,794,404</u>	<u>2,361,774</u>	<u>71,950,263</u>	<u>79,106,441</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to the net pension liability	<u>38,579</u>	<u>18,481</u>	<u>3,234</u>	<u>60,294</u>
FUND NET POSITION				
Net investment in capital assets	293,001	360,404	-	653,405
Unrestricted	<u>(331,581)</u>	<u>(382,436)</u>	<u>(5,107,806)</u>	<u>(5,821,823)</u>
Total fund net position	<u>\$ (38,580)</u>	<u>\$ (22,032)</u>	<u>\$ (5,107,806)</u>	<u>\$ (5,168,418)</u>

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
Operating revenues				
Charges for service	\$ 9,920,694	\$ 1,462,327	\$ 36,900,136	\$ 48,283,157
Total operating revenues	<u>9,920,694</u>	<u>1,462,327</u>	<u>36,900,136</u>	<u>48,283,157</u>
Operating expenses				
Personnel services	2,504,813	1,484,952	547,370	4,537,135
Materials and supplies	7,490,542	448,840	129,146	8,068,528
Other services and charges	195,194	1,785,591	4,286,060	6,266,845
Heat, light and power	45,569	-	4,112	49,681
Depreciation	52,960	178,422	-	231,382
Claims and premiums	-	-	41,658,400	41,658,400
Total operating expenses	<u>10,289,078</u>	<u>3,897,805</u>	<u>46,625,088</u>	<u>60,811,971</u>
Operating income (loss)	<u>(368,384)</u>	<u>(2,435,478)</u>	<u>(9,724,952)</u>	<u>(12,528,814)</u>
Transfers				
Transfers in	480,281	2,561,389	10,757,298	13,798,968
Transfers out	<u>(513,538)</u>	<u>(321,865)</u>	<u>(1,066,018)</u>	<u>(1,901,421)</u>
Total transfers	<u>(33,257)</u>	<u>2,239,524</u>	<u>9,691,280</u>	<u>11,897,547</u>
Change in net position	(401,641)	(195,954)	(33,672)	(631,267)
Net position - beginning	<u>363,061</u>	<u>173,922</u>	<u>(5,074,134)</u>	<u>(4,537,151)</u>
Net position - ending	<u><u>\$ (38,580)</u></u>	<u><u>\$ (22,032)</u></u>	<u><u>\$ (5,107,806)</u></u>	<u><u>\$ (5,168,418)</u></u>

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017**

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 287,945	\$ -	\$ -	\$ 287,945
Internal activity - receipts from other funds	9,623,760	1,462,327	36,989,572	48,075,659
Internal activity - payments to other funds	(593,142)	(323,333)	(7,069)	(923,544)
Payments to suppliers	(6,619,850)	(2,152,379)	(3,998,040)	(12,770,269)
Claims paid	-	-	(39,917,489)	(39,917,489)
Payments to employees	(2,484,170)	(1,431,442)	(534,244)	(4,449,856)
Net cash provided by (used in) operating activities	<u>214,543</u>	<u>(2,444,827)</u>	<u>(7,467,270)</u>	<u>(9,697,554)</u>
Cash Flows From Noncapital Financing Activities				
Advances from other funds	-	405,380	-	405,380
Transfers in	480,281	2,561,389	10,757,298	13,798,968
Transfers out	(513,538)	(321,865)	(1,066,018)	(1,901,421)
Net cash provided by (used in) noncapital financing activities	<u>(33,257)</u>	<u>2,644,904</u>	<u>9,691,280</u>	<u>12,302,927</u>
Net increase in cash and cash equivalents	181,286	200,077	2,224,010	2,605,373
Cash and cash equivalents, July 1, 2016	<u>3,609,318</u>	<u>687,353</u>	<u>64,234,658</u>	<u>68,531,329</u>
Cash and cash equivalents, June 30, 2017	<u>\$ 3,790,604</u>	<u>\$ 887,430</u>	<u>\$ 66,458,668</u>	<u>\$ 71,136,702</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Nonmajor Proprietary Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	<u>\$ (368,384)</u>	<u>\$ (2,435,478)</u>	<u>\$ (9,724,952)</u>	<u>\$ (12,528,814)</u>
Adjustments to reconcile operating income to net cash (loss) provided by (used in) operating activities:				
Depreciation	52,960	178,422	-	231,382
Accrued benefits related to net pension liability	114,304	54,757	9,582	178,643
Change in operating assets and liabilities				
Accounts receivable	(8,989)	-	89,436	80,447
Inventory	-	(25,558)	-	(25,558)
Prepaid expenses	(2,507)	(41,237)	-	(43,744)
Accounts payable	520,820	(174,487)	(1,047,225)	(700,892)
Accrued salaries	(86,403)	(15,570)	(8,065)	(110,038)
Accrued compensated absences	(7,258)	14,324	11,608	18,674
OPEB liability	-	-	1,461,434	1,461,434
Accrued liability for claims	-	-	1,740,912	1,740,912
Total adjustments	<u>582,927</u>	<u>(9,349)</u>	<u>2,257,682</u>	<u>2,831,260</u>
Net cash provided by (used in) operating activities	<u><u>\$ 214,543</u></u>	<u><u>\$ (2,444,827)</u></u>	<u><u>\$ (7,467,270)</u></u>	<u><u>\$ (9,697,554)</u></u>

FIDUCIARY FUNDS

Private-Purpose Trust Funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Breast Cancer Awareness fund – accounts for contributions made and revenue raised on behalf of breast cancer awareness in the Midlands region.

Employee Special Activity fund –accounts for contributions made and revenue raised to support educational activities and benevolent events.

Mayor's Commission Employ People with Disabilities fund – accounts for contributions made to help individuals with disabilities find jobs.

Agency Funds are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government.

Agency fund - to account for contributions collected by the City on behalf of other entities.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2017

	Private-Purpose Trust Funds			
	Breast Cancer Awareness Fund	Employee Special Activity Fund	Mayor's Commission Employ People with Disabilities Fund	Total Private-Purpose Trust Funds
ASSETS				
Cash and cash equivalents	\$ 12,193	\$ 7,467	\$ 2,505	\$ 22,165
Total assets	12,193	7,467	2,505	22,165
NET POSITION				
Held in trust - other purposes	\$ 12,193	\$ 7,467	\$ 2,505	\$ 22,165

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2017

	Private-Purpose Trust Funds			
	Breast Cancer Awareness Fund	Employee Special Activity Fund	Mayor's Commission Employ People with Disabilities Fund	Total Private-Purpose Trust Funds
ADDITIONS				
Contributions:				
Private Donations	\$ 14,282	\$ 1,032	\$ -	\$ 15,314
Total contributions	<u>14,282</u>	<u>1,032</u>	<u>-</u>	<u>15,314</u>
DEDUCTIONS				
Program expenses	4,860	5,880	125	10,865
Total deductions	<u>4,860</u>	<u>5,880</u>	<u>125</u>	<u>10,865</u>
Change in net position	9,422	(4,848)	(125)	4,449
Net position - beginning	<u>2,771</u>	<u>12,315</u>	<u>2,630</u>	<u>17,716</u>
Net position - ending	<u>\$ 12,193</u>	<u>\$ 7,467</u>	<u>\$ 2,505</u>	<u>\$ 22,165</u>

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED JUNE 30, 2017

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
ASSETS				
Cash and cash equivalents	\$ 36,933	\$ 141,856	\$ 143,404	\$ 35,385
Total assets	<u>36,933</u>	<u>141,856</u>	<u>143,404</u>	<u>35,385</u>
LIABILITIES				
Accounts payable	36,933	141,856	143,404	35,385
Total liabilities	<u>\$ 36,933</u>	<u>\$ 141,856</u>	<u>\$ 143,404</u>	<u>\$ 35,385</u>

OTHER SCHEDULE

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
YEAR ENDED JUNE 30, 2017**

Court Fines and Assessments

Fines Collected	\$ 806,566
Assessments	906,896
Surcharges	304,410
	304,410

Total Court Fines and Assessments Collected

\$ 2,017,872

Surcharges and Assessments Remitted to State Treasurer

Fines, Fees and Filing Fee / Assessment	
Municipal Conditional Discharge Fee	\$ 21,905
DUI/DUS/BUI	
Municipal DUS DPS Pullout	25,722
Municipal DUI Assessment	1,328
Municipal DUI Surcharge	11,066
DUS DPS Pullout - DUIHP	11,066
DUI/DUAC Breathalyzer Test Conviction Fee - SLED	2,772
Surcharges	
Municipal Drug Surcharge	26,029
Municipal Law Enforcement Surcharge	218,284
Criminal Justice Academy Surcharge	8,916
Other Assessments - State Shared	760,890
	760,890

Total Revenue Remitted to State Treasurer

\$ 1,087,978

Fines, Surcharges, and Assessments Retained by City

Fines	\$ 806,566
Assessments	95,607
Surcharges	27,721
	27,721

Total Revenue Retained by City

\$ 929,894

Funds Allocated to Victims Assistance

Carryover Funds from Prior Year	\$ -
Assessments Retained	95,607
Surcharges Retained	27,721
Expenditures	(212,260)
Transfers from General Fund	88,932
	88,932

Total Carryover

\$ -

STATISTICAL SECTION
(UNAUDITED)

**City of Columbia, South Carolina
Statistical Section**

This part of the City of Columbia's 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's overall financial health.

Contents

Financial Trends (Schedule 1 through 4)

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity (Schedule 5 through 8)

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity (Schedule 9 through 15)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information (Schedule 16 through 18)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information (Schedule 19 through 20)

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year.

**Schedule 1
CITY OF COLUMBIA, SOUTH CAROLINA
Net Position by Component (unaudited)**

**Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets ¹	\$ 133,392,515	\$ 150,922,216	\$ 141,865,590	\$ 142,944,260	\$ 155,989,971	\$ 155,118,428	\$ 156,454,488	\$ 162,102,481	\$ 163,832,021	\$ 172,110,861
Restricted for:										
Public safety	5,435	5,528	5,575	701,466	386,158	2,294,259	4,233,960	231,622	353,801	617,492
Community development	-	-	-	-	-	209,030	107,259	1,051,042	628,926	1,069,540
Tourism	-	-	-	5,323,341	5,187,200	5,149,465	3,155,058	6,127,487	6,551,888	7,646,425
Debt service	-	-	-	4,940,501	3,480,333	3,512,035	3,339,548	3,978,932	4,213,150	3,965,407
Capital projects	-	-	-	16,940,012	17,701,662	15,264,573	19,833,612	42,264,148	13,276,860	11,246,571
Unrestricted ²	45,278,383	36,636,210	44,723,202	20,963,118	18,967,653	25,840,430	26,906,641	(109,340,207)	(81,441,812)	(83,246,776)
Total governmental activities net position	\$ 178,676,333	\$ 187,563,954	\$ 186,594,367	\$ 191,812,698	\$ 201,712,977	\$ 207,388,220	\$ 214,030,566	\$ 106,415,505	\$ 107,414,834	\$ 113,409,520
Business-type activities										
Net investment in capital assets ¹	\$ 402,973,904	\$ 445,685,893	\$ 438,133,821	\$ 414,942,578	\$ 389,423,595	\$ 373,649,773	\$ 375,763,776	\$ 368,742,602	\$ 401,468,909	\$ 443,267,179
Restricted for debt service	-	-	9,231,571	9,231,571	9,292,810	9,315,421	9,330,640	9,352,281	9,404,442	1,252,137
Unrestricted	156,426,859	144,213,396	145,389,137	168,441,129	195,789,983	237,703,681	252,831,152	224,972,741	208,565,893	182,771,075
Total business-type activities net position	\$ 559,400,763	\$ 589,899,289	\$ 592,754,529	\$ 592,615,278	\$ 594,506,388	\$ 620,668,875	\$ 637,925,568	\$ 603,067,624	\$ 619,439,244	\$ 627,290,391
Primary government										
Net investment in capital assets ¹	\$ 536,366,419	\$ 596,608,109	\$ 579,999,411	\$ 557,886,838	\$ 545,413,566	\$ 528,768,201	\$ 532,218,264	\$ 530,845,083	\$ 565,300,930	\$ 615,378,040
Restricted for:										
Public safety	5,435	5,528	5,575	701,466	386,158	2,294,259	4,233,960	231,622	353,801	617,492
Community development	-	-	-	-	-	209,030	107,259	1,051,042	628,926	1,069,540
Tourism related expenditures	-	-	-	5,323,341	5,187,200	5,149,465	3,155,058	6,127,487	6,551,888	7,646,425
Debt service	-	-	9,231,571	14,172,072	12,773,143	12,827,456	12,670,188	13,331,213	13,617,592	5,217,544
Capital projects	-	-	-	16,940,012	17,701,662	15,264,573	19,833,612	42,264,148	13,276,860	11,246,571
Unrestricted ²	201,705,242	180,849,606	190,112,339	189,404,247	214,757,636	263,544,111	279,737,793	115,632,534	127,124,081	99,524,299
Total primary government net position	\$ 738,077,096	\$ 777,463,243	\$ 779,348,896	\$ 784,427,976	\$ 796,219,365	\$ 828,057,095	\$ 851,956,134	\$ 709,483,129	\$ 726,854,078	\$ 740,699,911

¹ Net of related debt

² Years 2008 through 2013 have been restated to reflect the adoption of GASB Statement 65

Schedule 2
CITY OF COLUMBIA, SOUTH CAROLINA
Changes in Net Position (unaudited)

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General government	\$ 37,178,955	\$ 41,427,388	\$ 53,883,052	\$ 35,131,885	\$ 10,877,738	\$ 17,577,215	\$ 8,049,816	\$ 8,050,355	\$ 16,584,496	\$ 21,967,466
Judicial	2,131,608	2,364,353	2,360,125	2,697,932	2,447,105	2,601,919	2,615,194	2,749,136	2,821,703	3,515,045
Finance department	2,474,302	2,647,689	1,986,467	2,235,981	2,348,922	2,051,555	1,726,481	1,886,778	1,872,071	1,857,440
Community promotions	9,744,750	8,321,723	8,990,842	7,843,093	11,899,487	11,915,733	12,872,657	10,660,364	14,374,726	8,847,034
Planning and development	-	-	-	-	-	-	-	-	-	4,267,580
Public safety	55,514,924	57,138,835	50,615,722	58,762,428	75,783,788	73,682,870	84,053,096	87,251,472	93,500,619	92,143,229
Parks and recreation	11,544,030	11,142,423	8,681,126	11,445,882	9,912,910	11,329,817	12,290,401	13,081,872	13,936,365	13,884,956
Public services	20,835,435	20,798,283	17,884,065	21,229,705	24,168,009	23,483,659	21,960,858	24,282,518	23,134,424	16,558,862
General services	4,018,322	3,919,228	3,598,839	3,924,144	4,193,394	4,540,814	4,933,285	5,269,511	5,423,712	2,539,388
Tourism and community development	4,012,966	4,192,966	4,017,482	4,365,542	4,760,642	5,855,023	5,787,850	5,791,062	5,523,831	14,411,919
Interest and other charges	4,459,396	3,824,725	3,413,317	3,763,963	2,366,916	3,027,411	2,955,994	4,491,254	4,289,910	3,732,649
Non departmental	11,904,001	1,694,525	1,936,148	2,644,113	2,401,408	2,455,260	2,515,184	2,141,310	3,656,099	4,984,358
Total governmental activities expense	163,818,689	157,472,138	157,367,185	154,044,668	151,160,319	158,521,276	159,760,816	165,655,632	185,117,956	188,709,926
Business-type Activities:										
Water and sewer facilities	85,963,177	85,747,245	103,530,941	107,934,251	106,594,059	107,410,948	100,389,819	113,273,814	133,177,028	138,965,008
Hydro-electric plant	3,037,803	5,989,066	3,310,407	1,615,222	1,547,093	1,544,804	3,012,376	2,422,544	525,056	2,116,008
Stormwater	3,383,853	3,148,296	4,117,396	5,169,916	4,595,847	4,692,223	5,668,819	4,814,419	6,371,047	6,755,544
Parking facilities	5,213,105	5,740,304	6,959,024	7,234,418	6,336,721	6,330,524	6,162,449	7,678,876	7,300,521	7,424,017
Transportation	433,773	-	-	-	-	-	-	-	-	-
Redevelopment programs	3,611,769	960,872	4,704,419	606,265	1,966,452	734,283	848,141	835,812	811,683	1,092,578
Parks and recreation camps	-	-	248,705	268,639	305,939	271,271	324,209	306,219	325,053	362,485
Total business-type expenses	101,643,480	101,585,783	122,870,892	122,828,711	121,346,111	120,984,053	116,405,813	129,331,684	148,510,388	156,715,640
Total primary government expenses	\$ 265,462,169	\$ 259,057,921	\$ 280,238,077	\$ 276,873,379	\$ 272,506,430	\$ 279,505,329	\$ 276,166,629	\$ 294,987,316	\$ 333,628,344	\$ 345,425,566
Program revenues										
Governmental Activities										
Charges for services										
General government	\$ 10,150,599	\$ 7,900,830	\$ 6,461,975	\$ 9,042,002	\$ 771,459	\$ 940,028	\$ 758,177	\$ 726,487	\$ 810,592	\$ 2,594,500
Finance	28,351,828	28,850,804	26,306,361	27,706,315	28,328,937	30,505,679	31,467,056	37,837,666	38,659,299	-
Tourism and community development	1,623,669	1,478,580	1,112,332	1,052,569	721,425	793,431	832,159	799,663	908,359	619,541
Public safety	12,384,856	12,926,072	13,953,062	14,123,994	16,154,103	21,387,115	22,040,936	22,811,461	23,078,568	47,392,478
Parks and recreation	718,288	656,535	629,982	644,895	583,471	728,247	818,304	822,319	779,008	833,501
Public services	1,038,433	1,060,884	860,914	762,632	350,100	247,570	344,718	258,211	169,512	615,441
General services	-	-	-	-	-	-	-	-	-	888,200
Non departmental	3,091,810	440,682	154,783	170,256	-	-	-	-	-	-
Operating grants and contributions	27,663,920	29,022,624	34,616,143	35,000,087	33,702,068	33,701,772	34,448,202	34,980,295	38,004,041	9,680,648
Capital grants and contributions	5,649,457	11,318,774	5,851,833	3,618,198	4,112,450	1,295,665	766,837	3,069,436	6,399,622	10,004,812
Total Governmental Activities Program Revenue	90,672,860	93,655,785	89,947,385	92,120,948	84,724,013	89,599,507	91,476,389	101,305,538	108,809,001	72,629,121
Business-type Activities										
Charges for services										
Water and sewer facilities	112,790,238	106,434,644	109,044,457	107,976,683	112,750,717	121,723,711	116,644,423	119,716,789	133,482,271	137,198,161
Hydro-electric plant	784,235	4,094,441	1,346,041	851,431	2,622,234	2,731,475	4,843,922	3,037,971	54,435	151,890
Stormwater facilities	3,980,323	4,725,468	4,800,452	4,778,442	4,861,153	6,685,838	6,958,281	7,521,149	7,316,201	7,432,103
Parking facilities	6,916,956	6,265,683	5,765,996	6,441,140	6,520,866	6,864,323	6,495,064	7,145,520	7,365,470	8,250,439
Redevelopment programs	934,614	918,809	881,876	646,954	599,950	921,759	564,456	680,111	543,626	574,908
Parks and recreation camps	-	-	207,707	226,238	262,582	253,150	275,182	300,931	320,265	335,505
Operating grants and contributions	-	-	-	-	-	-	-	-	6,248,115	6,029,439
Capital grants and contributions	12,847,905	8,358,175	5,154,530	4,038,585	4,066,060	5,831,240	5,431,910	3,872,664	16,229,517	10,159,405
Total Business-type Activities Revenues	138,254,271	130,797,220	127,201,059	124,959,473	131,683,562	145,011,496	141,213,238	142,275,135	171,559,900	170,131,850
Total Primary Government Revenues	\$ 228,927,131	\$ 224,453,005	\$ 217,148,444	\$ 217,080,421	\$ 216,407,575	\$ 234,611,003	\$ 232,689,627	\$ 243,580,673	\$ 280,368,901	\$ 242,760,971
Net (expense) revenue										
Governmental activities	\$ (73,145,829)	\$ (63,816,353)	\$ (67,419,800)	\$ (61,923,720)	\$ (66,436,306)	\$ (68,921,769)	\$ (68,284,427)	\$ (64,350,094)	\$ (76,308,955)	\$ (116,080,805)
Business-type activities	36,610,791	29,211,437	4,330,167	2,130,762	10,337,451	24,027,443	24,807,425	12,943,451	23,049,512	13,416,210
Total Primary Government Net Expense	\$ (36,535,038)	\$ (34,604,916)	\$ (63,089,633)	\$ (59,792,958)	\$ (56,098,855)	\$ (44,894,326)	\$ (43,477,002)	\$ (51,406,643)	\$ (53,259,443)	\$ (102,664,595)

Schedule 2 (Continued)
CITY OF COLUMBIA, SOUTH CAROLINA
Changes in Net Position (unaudited)

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
General property taxes	\$ 30,888,940	\$ 35,042,668	\$ 34,096,781	\$ 35,775,181	\$ 35,831,679	\$ 34,462,835	\$ 34,353,070	\$ 34,178,067	\$ 32,871,757	\$ 31,793,590
Local Option Sales Tax	14,988,418	13,616,717	15,722,327	13,947,099	14,874,049	15,781,749	16,465,463	16,385,254	18,152,618	20,946,748
Hospitality and admission taxes	-	-	-	-	-	-	-	-	-	11,990,432
Accommodations tax	-	-	-	-	-	-	-	-	-	2,496,308
Tourism development fee	-	-	-	-	-	-	-	-	-	3,911,428
Liquor permit fees	-	-	-	-	-	-	-	-	-	478,973
Utility franchise fees	-	-	-	-	-	-	-	-	-	13,133,923
Business privilege license fee	-	-	-	-	-	-	-	-	-	24,986,525
Sales tax	8,061,364	8,070,790	7,941,705	8,359,028	14,216,318	11,498,370	12,072,024	12,626,419	13,398,593	-
Alcoholic beverages	254,562	323,644	261,200	-	-	-	-	-	-	-
Motor fuel	1,275	1,059	11,024	4,976	3,436	3,566	1,381	3,348	3,054	-
State shared revenue	3,796,780	3,622,407	3,037,888	2,604,423	2,363,791	2,788,097	2,805,133	2,829,726	2,853,350	3,019,209
Investment income	3,481,543	1,282,669	417,459	1,068,106	537,702	26,022	89,001	163,175	227,683	(20,184)
Other	(1,159,745)	1,891,037	-	-	156,323	188,511	109,361	254,447	222,106	-
Special items	-	-	-	-	-	-	-	-	-	2,592,856
Transfers	2,788,348	8,580,988	4,838,083	6,126,263	7,826,063	9,739,875	9,031,340	8,889,857	9,566,317	6,758,489
Total Governmental Activities	<u>63,101,485</u>	<u>72,431,979</u>	<u>66,326,467</u>	<u>67,885,076</u>	<u>75,809,361</u>	<u>74,489,025</u>	<u>74,926,773</u>	<u>75,330,293</u>	<u>77,295,478</u>	<u>122,088,297</u>
Business-type Activities										
Investment income	8,194,017	5,589,423	5,146,089	3,389,883	2,899,062	231,513	1,158,475	1,226,558	2,511,346	1,193,414
Gain (loss) on sale of capital assets	(228,140)	3,843,432	17,476	143,088	(2,609,759)	10,922,099	322,133	103,766	377,079	-
Transfers	(2,788,348)	(8,580,988)	(4,838,083)	(6,126,263)	(7,826,063)	(9,739,875)	(9,031,340)	(8,889,857)	(9,566,317)	(6,758,489)
Total Business-type Activities	<u>5,177,529</u>	<u>851,867</u>	<u>325,482</u>	<u>(2,593,292)</u>	<u>(7,536,760)</u>	<u>1,413,737</u>	<u>(7,550,732)</u>	<u>(7,559,533)</u>	<u>(6,677,892)</u>	<u>(5,565,075)</u>
Total Primary Government	<u>\$ 68,279,014</u>	<u>\$ 73,283,846</u>	<u>\$ 66,651,949</u>	<u>\$ 65,291,784</u>	<u>\$ 68,272,601</u>	<u>\$ 75,902,762</u>	<u>\$ 67,376,041</u>	<u>\$ 67,770,760</u>	<u>\$ 70,617,586</u>	<u>\$ 116,523,222</u>
Change in Net Position										
Governmental activities	\$ (10,044,344)	\$ 8,615,626	\$ (1,093,333)	\$ 5,961,356	\$ 9,373,055	\$ 5,567,256	\$ 6,642,346	\$ 10,980,199	\$ 986,523	\$ 6,007,492
Business-type activities	41,788,320	30,063,304	4,655,649	(462,530)	2,800,691	25,441,180	17,256,693	5,383,918	16,371,620	7,851,135
Total Primary Government	<u>\$ 31,743,976</u>	<u>\$ 38,678,930</u>	<u>\$ 3,562,316</u>	<u>\$ 5,498,826</u>	<u>\$ 12,173,746</u>	<u>\$ 31,008,436</u>	<u>\$ 23,899,039</u>	<u>\$ 16,364,117</u>	<u>\$ 17,358,143</u>	<u>\$ 13,858,627</u>

Schedule 3
CITY OF COLUMBIA, SOUTH CAROLINA
Fund Balances - Governmental Funds (unaudited)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010 **	2011	2012	2013	2014	2015	2016	2017***
General Fund										
Reserved	\$ 2,083,436	\$ 1,523,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	10,463,453	5,300,625	-	-	-	-	-	-	-	-
Nonspendable	-	-	246,160	493,807	280,272	298,252	233,945	696,389	433,224	445,780
Restricted	-	-	-	-	-	-	-	4,880,662	1,579,244	4,837,243
Committed	-	-	-	2,126,479	-	-	72,975	4,810,356	4,876,045	5,207,060
Assigned	-	-	1,538,430	-	190,599	2,159,860	3,627,442	3,654,109	3,603,701	4,054,048
Unassigned	-	-	13,668,226	11,424,065	14,972,196	22,380,727	25,059,965	22,352,224	19,412,644	15,076,661
Total general fund	<u>\$ 12,546,889</u>	<u>\$ 6,823,895</u>	<u>\$ 15,452,816</u>	<u>\$ 14,044,351</u>	<u>\$ 15,443,067</u>	<u>\$ 24,838,839</u>	<u>\$ 28,994,327</u>	<u>\$ 36,393,740</u>	<u>\$ 29,904,858</u>	<u>\$ 29,620,792</u>
County Services Fund										
Reserved	\$ -	\$ 445,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	(862,306)	(445,261)	-	-	-	-	-	-	-	-
Nonspendable	-	-	35,374	4,378	14,536	71,775	56,905	64,376	66,437	74,580
Assigned	-	-	303,617	481,073	735,023	1,704,488	2,089,901	-	-	-
Unassigned	-	-	-	-	-	-	-	(1,016,105)	(3,197,450)	(2,562,075)
Total county services fund	<u>\$ (862,306)</u>	<u>\$ -</u>	<u>\$ 338,991</u>	<u>\$ 485,451</u>	<u>\$ 749,559</u>	<u>\$ 1,776,263</u>	<u>\$ 2,146,806</u>	<u>\$ (951,729)</u>	<u>\$ (3,131,013)</u>	<u>\$ (2,487,495)</u>
Miscellaneous Projects ***										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,407,629	\$ -
Columbia Parking Facilities Corporation Fund *										
Unreserved	<u>\$ 176,310</u>	<u>\$ 1,068,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All Other Governmental Funds										
Reserved	\$ 7,670,827	\$ 16,065,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	40,903,607	27,174,124	-	-	-	-	-	-	-	-
Nonspendable	-	-	6,943	19,080	16,433	5,000	5,000	5,000	5,000	5,000
Restricted	-	-	5,575	27,900,320	26,750,353	24,724,874	28,565,017	48,767,569	18,032,753	19,703,192
Committed	-	-	-	3,864,378	-	-	-	-	-	-
Assigned	-	-	39,198,661	16,417,601	17,744,836	12,603,593	12,668,482	16,570,606	13,198,560	17,971,311
Unassigned	-	-	(31,068)	(14,080)	(225,792)	(152,559)	-	-	-	-
Total all other governmental funds	<u>\$ 48,574,434</u>	<u>\$ 43,239,977</u>	<u>\$ 39,180,111</u>	<u>\$ 48,187,299</u>	<u>\$ 44,285,830</u>	<u>\$ 37,180,908</u>	<u>\$ 41,238,499</u>	<u>\$ 65,343,175</u>	<u>\$ 31,236,313</u>	<u>\$ 37,679,503</u>

* The Columbia Parking Facilities Fund became a major fund in fiscal year 2007 and was considered not to be a major fund in fiscal year 2010 and thereafter and was therefore included with the General Fund.

** Beginning in fiscal year 2010, GASB 54 was implemented and the Governmental Fund balances are presented accordingly.

*** The Miscellaneous Projects Fund became a major fund in fiscal year 2016 and was considered not to be a major fund in fiscal year 2017 and was therefore included with All Other Governmental Funds.

Schedule 4
CITY OF COLUMBIA, SOUTH CAROLINA
Changes in Fund Balances - Governmental Funds (unaudited)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
General property taxes	\$ 45,540,299	\$ 48,292,387	\$ 48,930,564	\$ 49,728,075	\$ 50,496,237	\$ 50,644,107	\$ 50,884,644	\$ 50,563,321	\$ 51,024,375	\$ 31,689,159
Local option sales tax	-	-	-	-	-	-	-	-	-	20,946,748
Hospitality and admission taxes	8,061,364	8,070,790	7,941,705	8,359,028	14,216,318	11,498,370	12,072,024	12,626,419	13,398,593	11,990,432
Accommodations tax	-	-	-	-	-	-	-	-	-	2,496,308
Tourism development fee	-	-	-	-	-	-	-	-	-	3,911,428
Liquor permit fee	-	-	-	-	-	-	-	-	-	478,973
License and permits	29,961,967	29,591,085	27,418,693	28,758,883	28,329,064	30,505,429	31,466,856	37,837,446	38,659,049	26,580,332
Franchise fees	-	-	-	-	-	-	-	-	-	13,133,923
Intergovernmental revenue	11,401,560	11,689,903	11,961,868	11,734,994	12,974,392	13,540,185	14,380,520	15,682,389	15,970,472	19,529,145
Charges for services	7,200,753	7,166,064	7,004,163	6,945,737	6,915,049	11,983,172	12,692,387	12,622,954	12,579,623	13,134,829
Fines and forfeitures	910,061	922,675	864,112	889,048	1,139,209	1,230,219	1,334,420	1,237,153	941,713	1,262,355
Federal revenues	8,143,042	15,391,313	16,205,021	12,019,998	7,905,552	5,452,069	3,942,851	3,434,392	4,965,775	6,979,415
State revenues	2,988,092	2,002,864	1,634,625	1,971,391	417,851	380,553	1,010,674	3,381,680	1,074,349	35,593
County revenues	18,674,699	20,093,357	21,084,511	21,626,422	25,013,335	26,530,590	27,742,117	25,652,150	30,232,460	26,788,407
Promotions	148,073	192,721	144,639	220,148	392,947	89,314	78,047	121,928	109,255	733,355
Private grants	-	-	-	-	-	-	-	-	-	89,496
Confiscated funds	192,623	291,003	74,057	671,961	403,311	533,541	267,863	279,147	274,392	-
Cost recovery fees	2,735,000	2,270,000	2,270,000	-	-	-	-	-	-	-
Interest	3,451,240	1,282,669	417,458	1,068,106	539,145	26,386	89,104	163,266	227,762	(20,184)
Rental income	-	-	-	-	-	-	-	-	-	103,343
Other revenues	5,158,653	4,789,277	3,355,276	8,279,105	2,970,687	1,688,232	1,415,305	1,738,208	4,241,505	2,036,909
Total revenues	144,567,426	152,046,108	149,306,692	152,272,896	151,713,097	154,102,167	157,376,812	165,340,453	173,699,323	181,899,966
Expenditures:										
Current:										
General government	30,673,629	32,129,878	32,931,032	33,091,576	6,222,202	6,644,937	7,109,837	7,184,601	8,280,304	12,306,378
Judicial	2,276,204	2,279,449	2,264,446	2,267,244	2,387,018	2,494,267	2,481,917	2,539,958	2,601,829	3,334,061
Finance department	2,583,820	2,601,962	1,953,988	1,974,835	1,978,427	1,978,474	1,668,970	1,779,283	1,756,891	1,787,470
Planning and development	4,311,401	4,027,245	3,898,247	3,635,412	3,939,862	4,041,701	4,013,337	3,228,917	3,071,520	4,106,820
Public safety	56,694,907	54,665,050	48,782,688	52,391,812	73,865,581	73,409,740	76,120,091	78,340,960	85,837,873	85,707,105
Parks and recreation	11,172,199	9,889,048	9,133,653	9,135,419	9,349,169	9,486,586	10,075,127	10,525,782	11,367,618	11,631,927
Public services	21,341,887	19,926,127	17,257,530	19,094,868	20,637,713	20,561,911	17,476,210	16,958,389	19,979,648	15,413,189
General services	3,873,214	3,847,700	3,537,722	3,644,002	4,109,575	4,476,134	4,757,553	4,680,453	5,189,301	2,416,883
Tourism and community development	-	-	-	-	-	-	-	-	-	20,154,312
Community promotion	9,744,750	8,321,723	8,990,842	7,843,093	12,745,631	14,114,668	15,149,073	13,409,862	17,175,029	748,739
Nondepartmental	5,348,207	1,395,676	1,066,644	1,666,009	2,388,824	2,475,304	2,835,449	2,279,518	3,785,304	-
Other charges	6,464,433	8,357	729,482	825,212	-	11,079	-	-	-	-
Debt service:										
Principal payment on bonds	16,741,585	9,144,966	5,205,034	5,655,000	7,205,000	8,260,000	8,989,992	9,326,791	10,334,259	24,947,898
Interest payments on bonds	4,838,956	3,899,408	3,444,234	3,776,747	4,069,181	2,778,884	2,909,808	3,172,846	3,832,744	3,793,816
Fiscal agent charges	4,072	27,424	8,040	9,040	8,913	4,975	4,587	5,461	5,732	15,499
Debt issuance costs	-	-	-	276,774	2,122,842	550,421	243,479	904,310	580,569	129,500
Capital outlay:										
Capital outlay:	11,293,382	16,773,619	9,410,916	6,081,858	13,338,436	11,293,853	8,425,531	20,507,125	45,467,704	15,426,860
Total expenditures	187,362,646	168,937,632	148,614,498	151,368,901	164,368,374	162,582,934	162,260,961	174,844,256	219,266,325	201,920,457
Excess of revenues over (under) expenditures	(42,795,220)	(16,891,524)	692,194	903,995	(12,655,277)	(8,480,767)	(4,884,149)	(9,503,803)	(45,567,002)	(20,020,491)

Schedule 4 (Continued)
CITY OF COLUMBIA, SOUTH CAROLINA
Changes in Fund Balances - Governmental Funds (unaudited)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other financing sources (uses):										
Transfers in	\$ 57,336,108	\$ 25,317,909	\$ 22,801,863	\$ 28,197,309	\$ 31,021,933	\$ 28,738,040	\$ 26,160,749	\$ 30,526,833	\$ 34,532,789	\$ 27,615,263
Transfers out	(46,409,322)	(22,775,520)	(19,811,164)	(31,220,308)	(27,084,972)	(24,286,578)	(21,206,734)	(29,926,951)	(38,628,587)	(31,893,386)
Issuance of debt	13,143,195	2,429,249	-	9,375,000	5,575,000	6,375,000	7,315,000	26,175,000	10,645,000	1,460,000
Issuance of capital lease	-	-	-	-	-	-	-	7,000,000	-	8,100,000
Premium on debt issued	-	-	-	662,383	343,785	401,659	816,175	3,747,839	1,707,916	-
Refunding bonds issued	-	3,625,000	-	9,945,000	14,825,000	24,260,000	-	-	6,260,000	-
Payment to refunded bond escrow agent	-	(3,540,000)	-	(10,262,899)	(14,436,356)	(23,915,684)	-	-	(6,666,502)	-
Insurance recoveries	-	-	-	-	-	-	-	-	-	92,831
Sales of assets	9,021,764	2,531,802	156,782	144,703	170,409	225,883	382,589	386,636	348,987	167,063
Total other financing sources (uses)	<u>33,091,745</u>	<u>7,588,440</u>	<u>3,147,481</u>	<u>6,841,188</u>	<u>10,414,799</u>	<u>11,798,320</u>	<u>13,467,779</u>	<u>37,909,357</u>	<u>8,199,603</u>	<u>5,541,771</u>
Special items										
Collections on capital leases	-	-	-	-	-	-	-	-	-	13,280,875
Rental income	-	-	-	-	-	-	-	-	-	2,592,856
Total special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,873,731</u>
Net change in fund balance	<u>\$ (9,703,475)</u>	<u>\$ (9,303,084)</u>	<u>\$ 3,839,675</u>	<u>\$ 7,745,183</u>	<u>\$ (2,240,478)</u>	<u>\$ 3,317,553</u>	<u>\$ 8,583,630</u>	<u>\$ 28,405,554</u>	<u>\$ (37,367,399)</u>	<u>\$ 1,395,011</u>
Debt service as a percentage of noncapital expenditures	<u>12%</u>	<u>9%</u>	<u>6%</u>	<u>6%</u>	<u>7%</u>	<u>7%</u>	<u>8%</u>	<u>8%</u>	<u>8%</u>	<u>15%</u>

Schedule 5

CITY OF COLUMBIA, SOUTH CAROLINA

Assessed Value and Estimated Actual Value of Taxable Property (unaudited)

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Year	Real Property		Personal Property		Total		Assessed Value as a Percentage of Actual Value	Total Direct Rate
		Assessed Value	Estimated Actual Value	Assessed Value ¹	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2008	2007	\$ 308,221,850	\$ 6,240,046,571	\$ 112,847,593	\$ 1,353,108,906	\$ 421,069,443	\$ 7,593,155,477	5.55%	102.5
2009	2008	344,361,680	7,060,929,803	113,237,212	1,354,280,788	457,598,892	8,415,210,591	5.44%	106.3
2010	2009	386,566,370	7,933,397,705	111,006,869	1,308,826,126	497,573,239	9,242,223,831	5.38%	98.1
2011	2010	395,897,190	8,042,557,033	101,465,789	1,231,433,192	497,362,979	9,273,990,225	5.36%	98.1
2012	2011	399,357,360	8,240,197,133	105,214,744	1,241,437,184	504,572,104	9,481,634,317	5.32%	98.1
2013	2012	400,610,960	8,131,722,177	110,571,977	1,297,785,551	511,182,937	9,429,507,728	5.42%	98.1
2014	2013	404,719,630	8,212,659,856	110,356,777	1,315,979,478	515,076,407	9,528,639,334	5.41%	98.1
2015	2014	394,221,790	7,949,097,129	117,043,195	1,709,777,055	511,264,985	9,658,874,184	5.29%	98.1
2016	2015	406,028,080	8,164,834,273	123,473,420	1,480,591,620	529,501,500	9,645,425,893	5.49%	96.1
2017	2016	414,181,670	8,319,747,629	122,245,699	1,472,158,558	536,427,369	9,791,906,187	5.48%	96.1

Source: Richland County and Lexington County Auditor's office

Note: Neither Richland County nor Lexington County assess tax exempt property.
 Total assessed value based upon assessment ratios set by state statutes.
 Reassessment took place in 2014 for Richland County and 2015 for Lexington County.

¹ The total taxable assessed value does not include Merchant's Inventory Value of \$6,667,290; however, it is included in the value used to calculate the legal debt limit in Schedule 12.

Schedule 6
CITY OF COLUMBIA, SOUTH CAROLINA
Direct and Overlapping Property Tax Rates (unaudited)

Last Ten Fiscal Years
(Rate per \$1,000 of assessed value)

Year Ended June 30,	City Direct Millage	Overlapping Rates ¹				
		Counties		School Districts		
		Richland County	Lexington County	Richland County School District Number 1	Richland County School District Number 2	Richland/Lexington School District Number 5
2008	102.5	100.1	109.7	276.9	288.9	252.5
2009	106.3	104.0	114.2	283.2	301.3	261.5
2010	98.1	101.8	115.2	284.4	342.3	265.0
2011	98.1	102.8	109.7	288.4	343.3	266.3
2012	98.1	105.3	112.7	289.7	349.4	274.4
2013	98.1	84.2	118.5	296.1	367.5	274.4
2014	98.1	111.5	122.1	301.7	385.5	281.8
2015	98.1	121.2	125.0	300.9	406.0	288.3
2016	96.1	123.1	124.0	309.0	412.0	304.0
2017	96.1	124.6	123.5	316.0	427.0	304.0

Source: Richland County Auditor's office and Lexington County Auditor's office.

¹ Overlapping rates are those of county governments that apply to property owners with the City of Columbia. Not all overlapping rates apply to all City property owners (e.g. the rates for the counties and school districts apply only to the property owners whose property is located within the geographical boundaries of that county or school district). The majority of the property owners in the City of Columbia are within the geographical boundaries of Richland County and Richland County School District Number 1.

**Schedule 7
CITY OF COLUMBIA, SOUTH CAROLINA
Principal Property Taxpayers (unaudited)**

Current Year and Nine Years Ago

Taxpayer	2017			2008		
	Taxable Assessed Value ¹	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value ²	Rank	Percentage of Total Taxable Assessed Value
South Carolina Electric and Gas	\$ 16,983,910	1	3.17%	\$ 11,144,210	1	2.65%
HPT Sunbelt Portfolio LLC	3,782,530	2	0.71%	-		
Bellsouth Telecommunications LLC	3,580,600	3	0.67%	9,621,400	2	2.28%
GGP Columbiana Trust	3,410,390	4	0.64%	2,963,010	4	0.70%
CORE Campus Columbia LLC	2,682,940	5	0.50%	-		
UNUM Group	2,572,370	6	0.48%	-		
Sprintcom Inc.	2,514,940	7	0.47%	-		
Spirit SPE SCOA2013-8 LLC	2,310,000	8	0.43%	-		
Assembly Station Columbia LLC	2,234,910	9	0.42%	-		
US REIF/MJW Capital Center Fee	2,181,610	10	0.41%	-		
Cingular Wireless	-			4,215,830	3	1.00%
Main Street Associates	-			2,334,900	5	0.55%
Baker and Baker	-			2,279,890	6	0.54%
Time Warner Entertainment-Advanced	-			2,060,060	7	0.49%
Unumprovident Corporation	-			1,774,758	8	0.42%
Colonial Life & Accident	-			1,726,610	9	0.41%
Parkway Properties LP	-			1,696,410	10	0.40%
	<u>\$ 42,254,200</u>		<u>7.88%</u>	<u>\$ 39,817,078</u>		<u>9.46%</u>

Source: The assessed valuations for the taxpayers listed above were provided by either Richland or Lexington County Assessor's Office.

¹ Total assessed valuation was \$536,427,369

² Total assessed valuation was \$421,069,443

Schedule 8
CITY OF COLUMBIA, SOUTH CAROLINA
Property Tax Levies and Collections (unaudited)

Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 43,166,262	\$ 42,270,086	97.92%	\$ 1,348,627	\$ 43,618,713	101.05%
2009	48,642,762	46,502,075	95.60%	1,322,443	47,824,518	98.32%
2010	49,514,889	46,637,386	94.19%	2,293,178	48,930,564	98.82%
2011	49,454,262	47,105,225	95.25%	2,622,850	49,728,075	100.55%
2012	50,201,476	48,564,952	96.74%	1,931,285	50,496,237	100.59%
2013	50,179,312	48,712,822	97.08%	1,058,584	49,771,406	99.19%
2014	50,554,312	49,826,060	98.56%	1,070,102	50,896,162	100.68%
2015	50,167,100	49,493,219	98.66%	1,094,527	50,587,746	100.84%
2016	50,915,070	48,401,467	95.06%	810,926	49,212,393	96.66%
2017	51,618,738	51,377,395	99.53%	-	51,377,395	99.53%

Sources: Richland County Finance Department and Lexington County Finance Department
Neither Richland County nor Lexington County report delinquent collections by tax year.

Schedule 9
CITY OF COLUMBIA, SOUTH CAROLINA
Ratios of Outstanding Debt by Type (unaudited)

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds ¹	Tax Increment Bonds ¹	General Obligation Bond Anticipation Notes	Notes Payable	Capital Lease	Revenue Bonds ¹	Total Governmental Activities Debt
2008	\$ 28,885,543	\$ 3,760,000	\$ -	\$ 4,658,191	\$ 1,518,235	\$ 61,888,539	\$ 100,710,508
2009	26,302,152	-	-	6,747,474	-	59,071,248	92,120,874
2010	23,688,812	-	-	6,009,142	-	56,324,804	86,022,758
2011	30,756,608	-	-	5,814,142	-	53,949,135	90,519,885
2012	32,020,777	-	-	5,619,142	-	50,811,284	88,451,203
2013	33,848,474	-	-	5,424,142	-	48,082,505	87,355,121
2014	37,494,897	-	-	5,229,142	-	43,580,000	86,304,039
2015	32,242,297	-	-	5,034,142	6,603,209	69,696,682	113,576,330
2016	39,021,630	-	-	4,804,142	5,630,642	65,712,446	115,168,860
2017	33,373,934	-	3,000,000	675,000	11,831,886	53,438,210	102,319,030

¹ 2008 through 2013 have been restated for the implementation of GASB 65

Schedule 9 (Continued)
CITY OF COLUMBIA, SOUTH CAROLINA
Ratios of Outstanding Debt by Type (unaudited)

Last Ten Fiscal Years

Fiscal Year	Other Business-Type Activities Debt		Total Business-type Activities	Total Primary Government	Percentage of Personal Income ²	Debt Per Capita ³
	Revenue Bonds ¹	Notes Payable				
2008	\$ 186,593,978	\$ 1,866,018	\$ 188,459,996	\$ 289,170,504	6.71%	\$ 2,276
2009	175,862,492	933,009	176,795,501	268,916,375	6.12%	2,117
2010	357,487,401	-	357,487,401	443,510,159	9.84%	3,429
2011	345,878,897	-	345,878,897	436,398,782	9.62%	3,376
2012	444,643,320	-	444,643,320	533,094,523	11.51%	4,082
2013	435,639,889	-	435,639,889	522,995,010	11.23%	3,972
2014	505,105,688	-	505,105,688	591,409,727	12.50%	4,435
2015	493,735,898	-	493,735,898	607,312,228	12.19%	4,599
2016	482,521,108	-	482,521,108	597,689,968	11.61%	4,467
2016	549,199,566	-	549,199,566	651,518,596	11.82%	4,851

¹ 2008 through 2013 have been restated for the implementation of GASB 65

² Personal income is disclosed on Schedule 16

³ Population is disclosed on Schedule 16

Source for Personal Income: U.S. Department of Commerce, Bureau of Economic Analysis
 Population Data: U.S. Census

Schedule 10
CITY OF COLUMBIA, SOUTH CAROLINA
Ratios of General Bonded Debt Outstanding (unaudited)

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt				Percentage of Estimated Actual Taxable Value of Property ²	Per Capita ³
	Governmental Activities		Less: Amount Available in Debt Service Funds	Total		
	General Obligation Bonds ¹	General Obligation BAN				
2008	\$ 28,885,543	\$ -	\$ 4,687,280	\$ 24,198,263	0.32%	\$ 190.49
2009	26,302,152	-	1,288,755	25,013,397	0.30%	196.91
2010	23,688,812	-	3,013,132	20,675,680	0.22%	159.86
2011	30,756,608	-	4,940,502	25,816,106	0.28%	199.70
2012	32,020,777	-	3,481,333	28,539,444	0.30%	218.54
2013	33,848,474	-	3,512,035	30,336,439	0.32%	230.37
2014	37,494,897	-	3,339,548	34,155,349	0.36%	256.12
2015	32,242,297	-	3,978,932	28,263,365	0.29%	214.01
2016	39,021,630	-	4,213,150	34,808,480	0.36%	260.15
2017	33,373,934	3,000,000	3,965,407	32,408,527	0.33%	241.30

¹ 2008 through 2013 have been restated for the implementation of GASB 65

² Estimated value of property is disclosed on Schedule 5

³ Population is disclosed on Schedule 16

Schedule 11
CITY OF COLUMBIA, SOUTH CAROLINA
Direct and Overlapping Governmental Activities Debt (unaudited)

June 30, 2017

Jurisdiction	Total Assessed Value	Assessed Value Within the City	Net Governmental Activities Debt Outstanding ¹	Percentage Applicable to the City	Estimated Amount Applicable to the City
Direct:					
City of Columbia	\$ 536,427,369	\$ 536,427,369	\$ 102,319,030	100.00%	\$ 102,319,030
Overlapping					
Counties:					
Richland County	1,567,413,138	513,076,099	105,730,000	32.73%	34,609,596
Lexington County	1,164,437,370	23,351,270	38,631,159	2.01%	774,697
School Districts:					
Lexington Richland SD 5	193,776,320	19,583,100	212,918,000	10.11%	21,517,565
Richland School District One	828,010,217	450,198,432	446,395,000	54.37%	242,709,963
Richland School District Two	545,626,601	43,294,567	404,735,000	7.93%	32,115,052
Special Districts:					
Airport District	1,567,413,138	513,076,099	7,060,000	32.73%	2,311,016
Riverbanks Park District	2,731,850,508	536,427,369	31,970,000	19.64%	6,277,643
Total Overlapping Debt					<u>340,315,532</u>
Total Direct and Overlapping Debt					<u><u>\$ 442,634,562</u></u>

Source: Richland County Treasurer, Lexington County Treasurer, Richland County Auditor and Lexington County Auditor

¹ The estimated amount of overlapping debt applicable to the City is determined by computing the percentage of property for each government that lies within the City. The resulting percentage is then multiplied by the amount of governmental activities debt of each government.

Schedule 12
CITY OF COLUMBIA, SOUTH CAROLINA
Legal Debt Margin (unaudited)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Net Debt Outstanding¹</u>	<u>Legal Debt Margin</u>	<u>Ratio of Net Debt Outstanding to the Debt Limit</u>
2008	\$ 34,218,939	\$ 28,155,000	\$ 6,063,939	82.28%
2009	37,162,628	25,695,000	11,467,628	69.14%
2010	40,339,242	23,125,000	17,214,242	57.33%
2011	40,322,422	30,055,000	10,267,422	74.54%
2012	40,899,152	31,505,000	9,394,152	77.03%
2013	41,428,018	33,515,000	7,913,018	80.90%
2014	41,564,012	35,680,000	5,884,012	85.84%
2015	41,434,582	30,665,000	10,769,582	74.01%
2016	42,893,503	36,025,000	6,868,503	83.99%
2017	43,447,573	33,710,000	9,737,573	77.59%

Source: Richland County Auditor's Office and Lexington County Auditor's Office

¹ Excludes debt not applicable to the limit.

Legal Debt Margin Calculation for the Year Ended June 30, 2017:

Assessed value in Richland County	\$ 513,076,099
Assessed value in Lexington County	<u>23,351,270</u>
Subtotal	536,427,369
Business inventory 1987 assessed value	<u>6,667,290</u>
Total assessed value	543,094,659
	<u>8.00%</u>
Debt Limit	43,447,573
Net debt outstanding subject to the debt limit	<u>33,710,000</u>
Legal debt margin as of June 30, 2017	<u><u>\$ 9,737,573</u></u>

Schedule 13
CITY OF COLUMBIA, SOUTH CAROLINA
Governmental Revenue Bond ² Debt Coverage (unaudited)

Last Ten Fiscal Years

Fiscal Year	Allowable Revenues ¹	Debt Service Requirement			COPS Debt Coverage
		Principal	Interest	Total	
2008	\$ 13,375,022	\$ 2,175,000	\$ 2,365,080	\$ 4,540,080	2.9
2009	13,026,184	2,250,000	2,274,105	4,524,105	2.9
2010	12,519,790	2,335,000	2,191,986	4,526,986	2.8
2011	12,875,743	2,480,000	2,012,205	4,492,205	2.9
2012	13,760,410	2,635,000	1,976,483	4,611,483	3.0
2013	14,655,101	3,700,000	1,720,250	5,420,250	2.7
2014	15,260,239	3,225,000	848,193	4,073,193	3.7
2015	16,283,694	3,300,000	772,230	4,072,230	4.0
2016	17,432,339	3,465,000	1,701,448	5,166,448	3.4
2017	18,259,310	3,905,000	1,969,812	5,874,812	3.1

¹ Allowable revenues include hospitality fees and tourism development fees.

² Governmental revenue bonds include the Certificates of Participation Series 2012

Schedule 14
CITY OF COLUMBIA, SOUTH CAROLINA
Water and Sewer Department
Schedule of Revenue Bond Coverage (unaudited)

Last Ten Fiscal Years

Fiscal Year	Allowable Revenues ¹	Current Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirement			Revenue Bond Coverage	
				Principal	Interest ³	Net Swap Payments ⁴		
2008	\$ 118,014,221	\$ 61,347,698	\$ 56,666,523	\$ 9,865,000	\$ 7,419,673	\$ -	\$ 17,284,673	3.3
2009	110,181,495	58,541,111	51,640,384	10,410,000	6,880,982	-	17,290,982	3.0
2010	113,389,385	76,393,887	36,995,498	11,295,000	7,673,174	(49,865)	18,918,309	2.0
2011	110,749,377	79,584,775	31,164,602	11,905,000	12,724,467	(56,216)	24,573,251	1.3
2012	115,271,396	80,373,777	34,897,619	12,150,000	13,873,881	(29,306)	25,994,575	1.3
2013	121,878,086	74,400,785	47,477,301	6,465,000	17,047,580	(828)	23,511,752	2.0
2014	117,924,265	66,189,697	51,734,568	8,810,000	18,790,180	(1,811)	27,598,369	1.9
2015	118,178,523	67,105,722	51,072,801	8,095,000	20,219,738	(7,406)	28,307,332	1.8
2016	140,727,628	80,492,473	60,235,155	8,750,000	19,684,734	(7,125)	28,427,609	2.1
2017	144,141,119	83,406,757	60,734,362	10,545,000	18,057,893	(8,750)	28,594,143	2.1

¹ Represents total operating revenues as well as all nonoperating revenues and investment income.

² Represents total operating expenses less depreciation expense.

³ Includes capitalized interest.

⁴ The City has a pay fixed interest rate swap associated with the Series 2009 revenue bond.

Schedule 15
CITY OF COLUMBIA, SOUTH CAROLINA
Parking Department
Schedule of Revenue Bond Coverage (unaudited)

Last Ten Fiscal Years

Fiscal Year	Allowable Revenues ¹	Current Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirement			Revenue Bond Coverage
				Principal	Interest ³	Total	
2008	\$ 5,765,193	\$ 1,046,949	\$ 4,718,244	\$ 740,000	\$ 2,429,153	\$ 3,169,153	1.5
2009	6,190,809	1,571,323	4,619,486	780,000	2,388,322	3,168,322	1.5
2010	4,549,663	1,616,796	2,932,867	825,000	2,344,732	3,169,732	0.9
2011	4,365,608	760,577	3,605,031	870,000	2,298,059	3,168,059	1.1
2012	4,487,992	863,010	3,624,982	310,000	2,152,618	2,462,618	1.5
2013	6,911,985	3,299,708	3,612,277	970,000	2,184,910	3,154,910	1.1
2014	6,592,455	3,073,503	3,518,952	1,030,000	2,128,167	3,158,167	1.1
2015	7,040,165	3,576,578	3,463,587	1,065,000	2,000,288	3,065,288	1.1
2016	5,602,137	1,909,118	3,693,019	1,115,000	1,698,549	2,813,549	1.3
2017	6,318,830	1,794,354	4,524,476	1,160,000	1,677,500	2,837,500	1.6

¹ Represents total operating revenues as well as all nonoperating revenues and investment income less revenues from parking fines and late fees. Definition of allowable revenues was revised during fiscal year 2013.

² For the year 2008 represents total operating expenses less depreciation expense less operating expenses paid with revenues from parking fines and late fees. Definition of current operating expenses was revised during fiscal year 2013.

³ Includes capitalized interest

Schedule 16
CITY OF COLUMBIA, SOUTH CAROLINA
Demographic and Economic Statistics (unaudited)

Last Ten Fiscal Years

<u>Year</u>	<u>Population¹</u>	<u>Personal Income²</u>	<u>Per Capita Personal Income</u>	<u>Public School Enrollment³</u>	<u>Unemployment Rate⁴</u>
2008	127,029	\$ 4,311,745,347	\$ 33,943	24,179	5.80%
2009	127,029	4,395,203,400	34,600	24,590	9.80%
2010	129,333	4,506,867,051	34,847	23,119	9.20%
2011	129,272	4,536,930,112	35,096	22,898	10.50%
2012	130,591	4,632,454,543	35,473	22,475	8.50%
2013	131,686	4,655,100,100	35,350	24,166	8.00%
2014	133,358	4,730,608,334	35,473	24,171	5.50%
2015	132,067	4,980,378,637	37,711	24,320	6.30%
2016	133,803	5,147,267,607	38,469	24,326	6.50%
2017	134,309	5,510,026,725	41,025	23,978	4.20%

Source of data:

- ¹ U.S. Census Bureau
- ² U.S. Census Bureau
- ³ S.C. State Department of Education
- ⁴ S.C. Department of Employment and Workforce

**Schedule 17
CITY OF COLUMBIA, SOUTH CAROLINA
Principal Employers**

Current Year and Nine Years Ago

Employer	2017 ¹			2008 ²		
	Employees	Rank	Percentage to Total City Employment ³	Employees	Rank	Percentage to Total City Employment
Palmetto Health	12,500	1	10.20%	N/A	N/A	N/A
Blue Cross Blue Shield	10,500	2	8.57%	N/A	N/A	N/A
University of South Carolina	8,500	3	6.94%	N/A	N/A	N/A
Richland County School District One	4,226	4	3.45%	N/A	N/A	N/A
Richland County School District Two	3,600	5	2.94%	N/A	N/A	N/A
Allied Universal Security	3,300	6	2.69%	N/A	N/A	N/A
City of Columbia, South Carolina	2,523	7	2.06%	N/A	N/A	N/A
AT&T South Carolina	2,400	8	1.96%	N/A	N/A	N/A
Richland County, South Carolina	1,879	9	1.53%	N/A	N/A	N/A
Providence Health	1,809	10	1.48%	N/A	N/A	N/A

Source of data:

¹ Central South Carolina Alliance

² 2008 Data not available per Central Midlands Council of Governments

³ 122,507 total workers were reported living in Columbia, South Carolina, per the 2010 PHC-T-40 Estimated Daytime Population and Employment - Residence Ratios: 2000, published by the U.S.

Census Bureau

N/A Data not available

Schedule 18
CITY OF COLUMBIA, SOUTH CAROLINA
Full-Time Equivalent Employees By Function/Program

Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	93.25	100.00	99.00	93.97	99.00	101.00	105.00	104.25	97.25	99.25
Judicial	41.00	36.00	35.00	36.00	37.00	36.00	37.00	37.00	41.00	41.00
Finance	58.00	57.00	56.00	51.50	53.50	51.50	71.50	79.50	82.50	45.50
¹ Procurement and Contracts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19.00
¹ Customer Care	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	31.00
Development services and planning	64.30	56.00	63.00	63.00	63.00	63.00	63.00	43.00	43.00	42.00
Public safety	743.50	757.50	757.50	747.50	757.50	770.00	770.50	792.50	797.50	807.00
Parks and recreation	155.75	156.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	152.00
Public works	301.00	303.00	275.00	269.00	270.00	269.00	268.00	269.00	269.00	275.00
General services	11.00	11.00	11.00	11.00	15.00	14.00	14.00	17.00	17.00	17.00
Fleet services	47.00	47.00	41.00	44.00	46.00	46.00	48.00	48.00	48.00	48.00
Risk Management	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	6.00	6.00
County fire	198.00	233.00	236.00	236.00	235.00	235.50	235.50	235.50	235.50	235.00
County emergency communications	35.50	35.50	38.50	38.50	38.50	45.50	45.00	45.00	45.00	48.00
Economic & Community development	53.04	51.20	43.50	44.63	39.60	36.50	41.50	44.50	44.50	44.50
Parking	41.66	46.00	42.00	41.00	41.00	42.00	43.00	44.25	41.25	45.25
Utilities & Engineering	489.00	499.80	482.50	501.90	498.90	519.00	504.00	504.50	504.50	543.50
Summer Programs	21.00	21.00	18.50	20.00	24.50	24.50	23.50	23.50	23.50	23.75
Total	<u>2,356.00</u>	<u>2,413.00</u>	<u>2,350.50</u>	<u>2,349.00</u>	<u>2,369.50</u>	<u>2,404.50</u>	<u>2,420.50</u>	<u>2,438.50</u>	<u>2,444.50</u>	<u>2,522.75</u>

Years 2008-2014 have been re-stated to reflect budgeted positions

¹ Prior to 2017, Procurement and Contracts and Customer Care full-time equivalent employees were included with Finance.

Schedule 19
CITY OF COLUMBIA, SOUTH CAROLINA
Operating Indicators By Function/Program

Last Ten Fiscal Years

Function/Program	Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police physical arrests	N/A	6,418	6,734	7,259	8,024	10,652	5,301	5,658	5,230	4,453
Citations written	N/A	34,357	29,522	25,985	30,996	33,111	37,307	32,497	24,288	23,436
911 call volume	1,032,664	1,021,541	1,171,433	1,197,141	1,102,640	1,317,008	1,222,436	1,096,117	1,122,002	1,205,005
Fire calls answered	28,982	28,746	30,208	30,629	31,265	31,240	35,785	34,500	40,374	34,926
Number of inspections	3,630	4,410	6,943	7,911	7,726	6,261	5,292	6,482	4,618	6,825
Sanitation										
Refuse collected (in tons)	96,140	90,222	63,507	57,903	N/A	43,157	51,106	43,924	47,370	45,344
Recyclables collected (in tons)	3,779	3,538	3,932	4,223	N/A	3,867	4,591	4,021	5,672	5,805
Fleet Management										
Fleet maintained	3,164	3,329	3,668	3,925	4,055	2,802	2,893	3,005	3,165	3,298
Fleet workdays	13,385	13,747	13,336	13,309	12,901	12,608	12,052	12,048	12,587	12,466
Streets and highways										
Potholes repaired	1,120	2,757	1,524	1,416	920	1,231	1,453	1,598	1,361	805
Water										
Number of service connections	124,414	125,846	134,910	140,721	136,220	137,701	140,009	139,990	140,908	143,472
Average daily consumption (in millions of gallons)	0.349	0.436	0.352	0.315	0.320	0.440	0.458	0.449	0.452	0.451
Sewer										
Number of service connections	67,786	68,550	74,865	69,199	69,508 ¹	67,698	60,239	59,677	60,777	61,352
Average daily treatment (in millions of gallons)	0.127	0.136	0.139	0.134	0.152	0.169	0.189	0.182	0.327	0.202
Economic development										
Permits issued	4,667	4,404	4,204	4,129	4,181	4,950	4,262	5,438	7,675	5,892
Building inspections	11,612	9,472	10,544	40,018	10,277	15,735	14,514	10,025	11,355	10,231

¹ During the year ended June 30, 2013, the City of Columbia sold a portion of its sewer system to a private contractor.

Source: Various City departments

Schedule 20
CITY OF COLUMBIA, SOUTH CAROLINA
Capital Asset Statistics By Function

Last Ten Fiscal Years

Function/Program	Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Police stations	22	14	14	14	16	10	12	13	13	13
Patrol units	N/A	N/A	N/A	N/A	N/A	205	238	296	264	323
Vehicles	206	233	244	305	371	358	395	483	449	523
Fire										
Fire stations	11	12	12	12	12	12	12	12	12	12
Vehicles	194	210	215	219	236	251	270	270	283	315
Public works										
Vehicles	457	486	518	553	603	600	600	626	640	684
Streets (miles)	219.00	219.00	219.00	220.00	220.00	275.00	275.00	275.00	195.00	194.20
Sidewalks (miles)	120.45	120.45	120.45	120.45	139.56	139.46	139.46	139.50	145.00	145.50
Traffic signals	262	262	262	262	265	364	364	331	356	356
Street lights	9,250	9,437	9,859	10,190	10,325	11,724	11,363	11,483	11,669	11,805
Parks and recreation										
Parks - acreage	598	600	600	600	600	600	600	600	600	600
Park facilities	58	59	59	59	60	60	60	60	60	60
Tennis courts	54	54	54	54	54	57	55	55	55	55
Swimming pools/splash pads	3	4	4	4	4	15	16	16	17	17
Playground	30	30	30	30	31	31	31	31	31	31
Parking										
Garages	7	8	8	8	9	9	8	8	8	8
Lots	5	5	5	5	5	5	4	5	5	5
Metered spaces	4,602	4,703	4,736	4,728	4,704	4,502	4,487	4,198	4,690	4,940
Stormwater										
Storm drains (miles)	137.00	137.00	137.00	137.00	137.00	254.00	254.00	366.00	356.32	356.35
Vehicles	55	55	70	67	69	63	64	68	66	68
Wastewater										
Sanitary sewer (miles)	1,036.90	1,047.97	1,053.75	1,100.00	1,108.50	1,059.00	1,077.00	1,109.00	1,125.53	1,135.27
Vehicles	183	200	212	278	331	300	277	278	287	282
Treatment plants	1	1	1	1	1	1	1	1	1	1
Solid Waste										
Vehicles	85	94	95	117	128	130	125	127	124	137
Water										
Water lines (miles)	1,935.69	1,954.68	1,966.58	1,966.58	1,978.45	2,250.00	2,301.00	2,356.00	2,403.50	2,425.15
Vehicles	209	228	237	256	281	291	285	298	318	334
Fire hydrants	3,307	5,200	5,300	5,300	5,350	5,450	4,300	4,390	4,494	4,546
Treatment plants	2	2	2	2	2	2	2	2	2	2

Source: Various City departments

Vehicle data includes both licensed and unlicensed vehicles