

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

CITY OF COLUMBIA, SOUTH CAROLINA

FISCAL YEAR ENDED JUNE 30, 2018

Prepared by the City's Finance Department

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2018**

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INTRODUCTORY SECTION



We Are Columbia

January 23, 2019

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, 2018. 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, 2018, 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, 2018, 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

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Guidance governing Single Audit engagements requires the independent 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 133,100 in the City and approximately 817,500 within the metropolitan statistical area according to the 2017 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 951,000 people according to the 2017 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 mission of the City is to provide high quality municipal services efficiently, effectively, and responsively to the citizens of Columbia.

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. On January 1, 2019 the City will become a member of the State of South Carolina State Health Plan administered by PEBA.

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.

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Economic Development

Columbia is one of the fastest growing metro areas in the Southeast. The City has below-average unemployment, above-average population growth, and gross domestic product per capita in line with the national average.

The City benefits from its role as the state capital and the presence of the University of South Carolina's flagship campus, employing nearly 6,000 individuals and servicing approximately 32,000 students. The City is further stabilized by the presence of Fort Jackson, the United States Army's largest training installation, with 3,000 active duty soldiers and civilian employees, and their 12,000 family members assigned to the installation.

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.

Quality of Life

The National Civic League announced the City of Columbia as a finalist for the 2018 All-America City Awards. All-America City finalists represent the diversity of American communities from the largest cities to the smallest towns. The City of Columbia is part of the twenty finalists that share a common bond of working to create equitable communities through inclusive civic engagement.

During fiscal year 2018, the Columbia Empowerment Zone, Inc., a component unit of the City of Columbia, was the first City Development Corporation to be awarded Low Income Housing Tax Credits (LIHTC) for the Veranda at North Main, a ten million dollar senior housing project. The Empowerment Zone, Inc. received the highest score in South Carolina and was awarded more than \$860,000 in tax credit funding through the SC State Housing, Finance, and Development Authority to assist with the financing and development of this project. The Columbia Empowerment Zone, Inc. along with the development team, The Integral Group, LLC, secured \$6,040,000 in private investment to help fund this project. The Veranda at North Main will be comprised of fifty-eight senior apartments with an eligible age of fifty-five years old. The three-story building complex will be mixed income and comprised of one and two bedroom units. A ground breaking ceremony was held on February 19, 2018, to kick-off construction on this project.

The City started construction on the Busby Street Community Resource and Training Complex in fiscal year 2018. Opened in November 2018, this multi-purpose venue will be used by local residents to host community meetings and social gatherings. The City's Parks and Recreation Department and the Police Department will partner to provide programming and training opportunities for the community.

On November 18, 2017, the Columbia Police Department was awarded an Advanced Law Enforcement Accreditation by the Commission on Accreditation for Law Enforcement Agencies at its national conference in Jacksonville, Florida. This achievement signifies the Columbia Police Department's commitment to professional excellence. This accreditation is only awarded after an extensive, comprehensive, and voluntary process focusing on the areas of policy, procedure, operations, and management. The Commission on Accreditation for Law Enforcement Agencies Assessment Team, comprised of law enforcement practitioners from out-of-state agencies, conducted on-site inspections of the Department's physical facilities, reviewed written policies and procedures, and met with officers and community members.

Several community policing initiatives and programs were unveiled by the Columbia Police Department during the year ended June 30, 2018. Through the Front Porch Roll Call program, police squads host pre-shift roll calls at a

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home in the neighborhood where the squads patrol. Anyone in the community is able to request that a shift roll call be held at their residence or business. These interactions help foster understanding and collaboration between the community and the officers who serve them. The Columbia Police Department was one of fifteen departments selected to participate in the Safer Neighborhoods through Precision Policing Initiative (SNPPI). SNPPI provides policy review, assessments, training, and technical assistance to a cohort of law enforcement agencies across the nation. The four goals of the initiative are to identify promising strategies that reduce crime, protect police officer's safety and wellness, establish productive interagency partnerships with law enforcement and community stakeholders, and implement innovative and effective technologies to help police departments safeguard neighborhoods.

The Columbia Police Department added a new vehicle to its fleet in July 2017. Outfitted with free frozen treats and uniformed officers, the truck is used for community engagement efforts by the Columbia Police Department and the Parks and Recreation Department at public events.

The Customer Care department of Columbia Water began its Customer Advocate program during the year ended June 30, 2018. Two full-time staff members were added to work with customers who have billing issues or complaints. Customers who need additional assistance are assigned to an Advocate who walks them through high billing issues, how to look for leaks, and avenues they can use to help with billing assistance. This improved Customer Dispute Resolution Process has helped to cut-down on the number of repeat complaints and has been positively reviewed by water customers.

The Utility Communications department of Columbia Water rolled out its new Knowledge on Tap program. This program for Columbia Water customers was created to proactively engage customers by providing information on billing, meters, and water quality, some of the more common customer complaints. This program gives the customers the tools they need to understand the water system, water billing process, and the impact leaks can have on their bills. The program includes a booklet with helpful information, water audit kits to help identify high water use at home, and online videos that walk customers through the process of finding and reading their water meter and looking for leaks around the house.

Major Initiatives and Financial Planning

The total 2018-2019 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 2019 fiscal year.

The City's fiscal year 2019 general fund budget is approximately \$148,101,200, which is an increase of approximately \$5,420,800 (4.0%) from the fiscal year 2018 budget. Even though the 2019 general fund budget does not contain a property tax millage increase, property tax revenues are expected to increase by approximately \$1,711,300. The City expects higher assessed values and new construction to play a part in achieving this 3% increase. The City budgeted for an eight million dollar capital lease obligation to be issued in fiscal year 2019 to help fund capital expenditures. The City budgeted the use of fund balance in the amount of \$1,790,534 in the 2019 fiscal year budget. This is a reduction of \$1,209,466 from the original fiscal year 2018 budget.

The General Fund departmental expenditure budget for fiscal year 2019 totals approximately \$124,133,700. This increase of \$1,244,514 (1.00%) from the prior year is expected to maintain current service levels. The Non-departmental expenditure budget totals approximately \$6,227,800. This increase of \$992,317 represents a 19.00% increase from the prior year. The largest portion of this increase is due to increased amounts of capital lease payments for debt service.

The City projects water and sewer revenues for fiscal year 2019 to total approximately \$161,996,000, an increase of approximately \$9,110,000 (6.00%) over the fiscal year 2018 budgeted amounts. The City expects to maintain the target debt service coverage ratio of 2:1. Debt service expenditures are expected to account for 22% of the expected fiscal year 2019 operating expenditures. Operating expenditures are expected to total approximately \$94,336,700. This is an increase of approximately \$3,728,800 (4.10%) from fiscal year 2018 budgeted amounts.

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Operating and capital expenditures are expected to focus on Clean Water 2020 programs to meet the EPA Consent Decree requirements; additional funding for water quality projects and continued funding for the phased-in implementation of an automated meter reading system. Customer care is also expected to be an area of priority. Improvements are expected in mobile field services so that water crews are better able to send and receive information remotely.

The Stormwater operating revenues are expected to total approximately \$13,466,500. This represents an increase of approximately \$836,400 (6.60%) from the prior year. The stormwater fee of \$12.54 per equivalent residential unit (ERU) represents a \$.74 increase per ERU from the prior year. This rate increase reflects the continuation of the proposed rate adjustment for the comprehensive storm water improvement program. Operating and capital improvement expenditures are expected to focus on projects that meet the initiatives of alleviating nuisance flooding and promoting water quality.

Parking revenues are expected to total approximately \$8,693,000 in fiscal year 2019. This increase of approximately \$684,800 (9.00%) from the prior year budgeted amounts is expected to come from the Passport parking system, new and enforced parking service contracts. The Passport parking system will allow residents to make parking payments with their mobile devices. Improved technology is expected to make the collection and citation process more efficient. Two new positions for the enforcement of residential area parking violations are expected to be added during fiscal year 2019.

The City prepares a Capital Improvement Program ("CIP") which is a five year fiscal planning document that is used to identify needed capital projects and their funding sources. The capital improvement budget is adopted annually, encompassing appropriations for the projects scheduled for the first year of the plan.

The CIP for water and sewer is expected to total \$120,000,000 for fiscal year 2019. It is expected there will be \$40,000,000 in water CIP expenditures and \$80,000,000 in sewer CIP expenditures. These projects are expected to be funded with funds on hand (\$21,500,000) and bond proceeds (\$98,500,000). Major water projects for fiscal year 2019 include phase two and phase three of the automated meter reading/automated metering infrastructure (\$28,000,000) and the widening of Leesburg Road (\$2,600,000). Major sewer projects for fiscal year 2019 include phase two of the East Rocky Branch improvements (\$15,750,000), Smith Branch SSES (\$9,040,000), and the annual rehabilitation on sewer lines less than 15" (\$7,500,000).

The CIP for stormwater is expected to total approximately \$11,345,000 and funded primarily with bond proceeds. The proposed projects are expected to improve drainage in primarily the Rocky Branch area and the Smith Brank area.

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, 2017. 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.

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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, 2017

Christopher P. Morill

Executive Director/CEO

**CITY OF COLUMBIA, SOUTH CAROLINA
CITY LEADERS
As of June 30, 2018**

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

Assistant City Manager for Columbia Water
Assistant City Manager for Operations
Assistant City Manager Finance & Economic Svc/CFO

Clint Shealy
Melissa Gentry-Smith, P.E
Jeff Palen

Department Directors

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

Pamela Benjamin, CPM
Melisa Caughman
Teresa Knox
Gloria Saeed
Judge Dana Turner
Krista Hampton
Ryan Coleman, CEcD
Kimberly Gathers
Jan Alonso, CGFO
Aubrey Jenkins
Terence Murchison, PMP
Melissa Lindler
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.

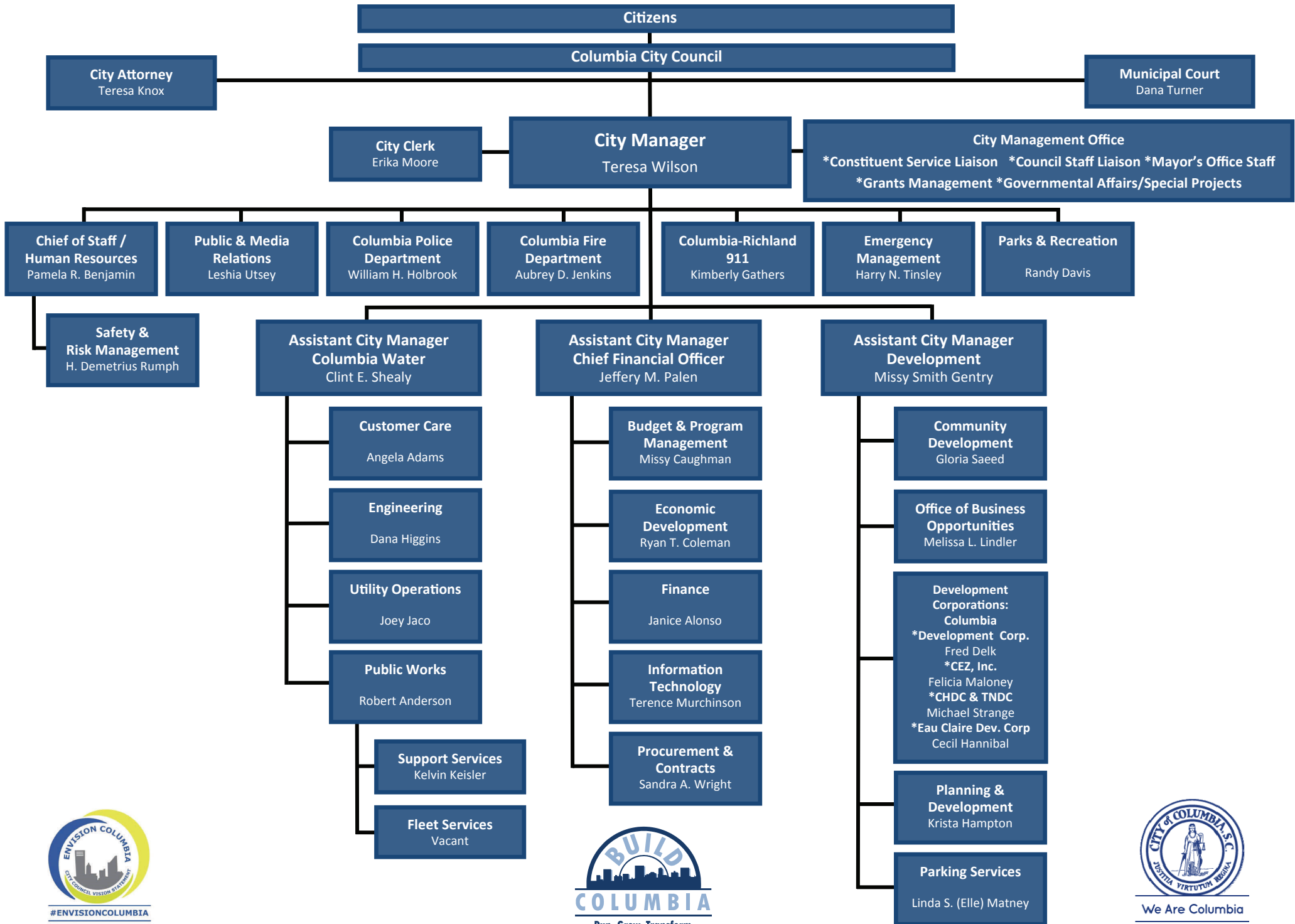
Fred Delk
Michael Strange
Cecil Hannibal

Other Directors

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

Felicia Maloney
Bill Ellen

CITY OF COLUMBIA ORGANIZATIONAL CHART

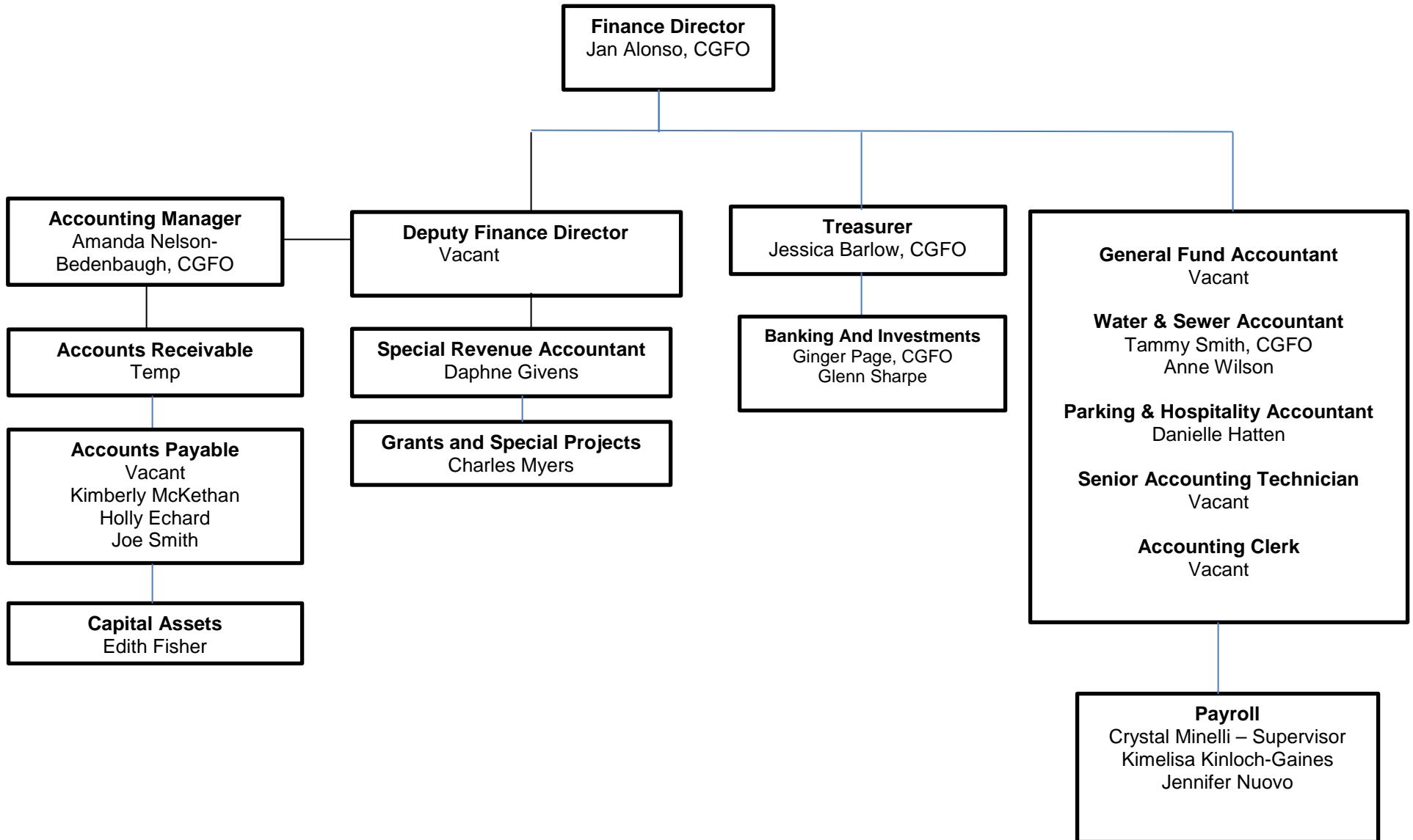


Effective: 6/30/2018



CITY OF COLUMBIA, SOUTH CAROLINA
Finance Department
Organizational Chart

As of June 30, 2018



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, 2018, 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 52.58%, 61.27%, and 83.54%, 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, 2018, 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

SC Association of Certified Public Accountants
NC Association of Certified Public Accountants

Members

Division for CPA Firms, AICPA

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Change in Accounting Principle

As discussed in Note III G and VII C in the notes to the financial statements, during the year ended June 30, 2018, the City adopted the provisions of Governmental Accounting Standards Board Statement (“GASB”) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

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; Schedule of Changes in the City’s Total OPEB Liability and Related Ratios; 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 Uniform Schedule of Court 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 22, 2019, 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 22, 2019

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2018

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, 2018, as part of the overall Comprehensive Annual Financial Report (CAFR). This overview compares the year ended June 30, 2018, with the year ended June 30, 2017. 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 2018 by \$622,605,020. This amount represents the City's net position. Due primarily to the adoption of GASB Statement No. 75 the City has a deficit balance of \$(8,932,749) in unrestricted net position as of June 30, 2018.
- The City's total net position decreased by \$118,094,891 (\$112,905,042 from governmental activities and \$5,189,849 from business-type activities). This decrease is primarily due to the adoption of GASB Statement No. 75 (GASB 75) during the year ended June 30, 2018, in the governmental activities and from an excess of expenses over revenues in the business-type activities. The adoption of GASB 75 resulted in a decrease to beginning net position of \$108,997,448. Total revenues of \$355,315,656 were exceeded by total expenses of \$364,413,099. This resulted in a decrease in net position for the year ended June 30, 2018, of \$9,097,443. This change in net position for the current year is approximately \$23,005,100 less than the prior year. This \$22,956,100 decrease is the result of a decrease of approximately \$9,915,100 in the governmental activities and a decrease of approximately \$13,041,000 in business-type activities. Charges for services revenue for the year ended June 30, 2018, was similar to the amount reported in the prior year for most enterprise funds. The main exception was the stormwater facilities fund, which increased by approximately \$5,276,800 due to a rate increase. This rate increase was done in anticipation of the revenue bond that was issued in December 2018. Water and sewer operating grant revenue decreased by \$5,880,676 due to no Federal Emergency Management Agency (FEMA) funds being received during fiscal year 2018. Capital contributions decreased by approximately \$4,341,600 as there was less real estate development in the current year. The increase in water and sewer 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, increased retirement and health care costs, increased depreciation expense on completed construction projects related to the Clean Water 2020 program, increased claims costs, and costs associated with the issuance of a revenue bond. Parking revenues increased approximately \$199,800 (2.42%) as the economy overall and the development of the downtown area specifically remained strong during fiscal year 2018. Parking expenses increased approximately \$570,100 (7.13%). This increase resulted primarily from increased retirement and health care costs as well as an increase in maintenance costs due to the age of some of the parking garages. As a result of the damages caused by Hurricane Matthew and the resulting heavy rains, expenses for the Hydro-electric fund repair costs increased approximately \$1,825,200 from the prior year. Stormwater revenue increased approximately \$5,276,800 due to the rate increase put in effect during fiscal year 2018. The rate increase was

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necessary to provide sufficient funds to service the debt that was issued in December 2018. Operating costs of the Stormwater Facilities fund decreased by approximately \$724,900 (12.02%). The system incurred less repair costs during the current fiscal year as most of the damage caused by Hurricane Matthew and the heavy rains was repaired during fiscal year 2017. This decrease in repairs and maintenance was offset slightly by an increase in retirement and health care costs. Revenues from governmental activities increased by approximately \$1,326,400 during fiscal year 2018. The main sources of increased revenue from the governmental activities came from an increase of approximately \$3,528,500 in general property tax revenue due to a two mill increase in property tax rates and an increase of approximately \$1,255,500 in business privilege license revenue as downtown businesses continued to improve during the current fiscal year. These increases were offset by the fact the City received a one-time \$2,592,856 lump sum payment from the University of South Carolina's Foundation in settlement of a future revenue obligation in fiscal year 2017. There was no similar revenue in the current fiscal year. The City also received approximately \$5,917,600 less in capital grants during the current fiscal year. This decrease is primarily due to less FEMA funds being received in fiscal year 2018. The City also incurred a \$4,000,000 capital lease obligation during fiscal year 2018. The proceeds from this lease will be used to fund capital asset purchases. Total Governmental Activities expenses incurred by the City increased approximately \$9,923,200 during fiscal year 2018. The increased costs incurred by the City related to increased health care costs, retirement costs, and other post-employment benefit costs. There was an overall decrease in expenses for community promotions and tourism and community development as less funding was provided to community development and tourism related organizations during the current year. Nondepartmental expenses decreased due to fewer contracts that benefited the City as a whole during the year ended June 30, 2018.

- As of June 30, 2018, the City's governmental funds reported combined ending fund balances of \$62,093,053. The unrestricted General Fund balance (i.e., committed, assigned, and unassigned) of \$28,645,038 is available for spending at the City's discretion and represents approximately 20.85% of the General Fund's actual expenditures and transfers out for the year ended June 30, 2018.
- The City's total capital assets were \$1,217,575,040 as of June 30, 2018, increasing \$14,885,659 (1.24%). This increase was the result of additions of \$14,154,147 in governmental activities and \$62,376,164 in business-type activities offset by depreciation expense and net disposals of \$17,315,937 in governmental activities and \$44,328,715 in business-type activities.
- The City's long-term debt at June 30, 2018, totaled \$724,791,681, a net increase of \$76,273,085 or 11.76% from the balance at June 30, 2017, of \$648,518,596. This net increase was the result of \$22,900,130 in principal payments, \$2,365,797 in premium amortization, and \$4,000,000 in capital lease obligations issued in the general fund. The water and sewer facilities fund issued \$97,539,012 (including premiums of \$10,199,012) of revenue bonds.
- As of June 30, 2018, 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 36. 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

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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 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 27. The fund financial statements beginning on page 36 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

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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 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

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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.

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 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 \$622,605,020 as of June 30, 2018. The City's overall financial position degraded, and net position decreased by \$9,097,443 during the year ended June 30, 2018 (excluding the effects of adoption of GASB 75). This overall decrease of \$9,097,443 is a decrease from the prior year. This overall decrease is the result of a \$3,907,594 decrease in governmental activities and a \$5,189,849 decrease in the business activities. The decrease in the governmental activities is due to a slight increase in revenues, an increase in expenses, a decrease in special items, and an increase in net transfers in. The overall decrease in revenues and special item is due to an increase in property tax revenues, due to a millage increase, and increased business license revenue due to the continuing development of the downtown and Vista areas. These increases in revenue were offset by decreases in grant revenue, primarily FEMA funds and a one-time settlement of a future revenue obligation that was received in fiscal year 2017, and nothing similar was received in fiscal year 2018. The increase in expenses was due to increased personnel related costs. Health care costs, retirement costs, and other postemployment benefit costs increased during the current year. Other postemployment benefit costs increased due to the adoption of GASB Statement No. 75 during the year ended June 30, 2018. The increased retirement costs were due to rate increases enacted by the State of South Carolina during the current year.

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 \$3,965,700 during the current fiscal year when compared to the prior year. This year to year decrease was the result of approximately \$5,398,900 in decreased non-operating revenues due to a decrease in FEMA grant revenue and a decrease in capital contributions of approximately \$4,341,600 due to decreased real estate development. This overall decrease in revenues of approximately \$9,625,400 in conjunction with increased personnel costs, increased depreciation expense of approximately \$2,200,000 on completed water and sewer

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projects related to the 2014 EPA Consent Decree, and increased interest expense of approximately \$3,719,900 resulted in a change in net position decrease of approximately \$18,458,900 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 increased repair costs to repair the damages caused to the hydro-electric plant by the heavy rains that resulted from Hurricane Matthew. The results of the Parking Facilities Fund reported an increase in parking fees of approximately \$210,200 due to the continued development of the downtown and Vista areas. This increase in revenues was more than offset by an increase in expenses. Operating expenses increased approximately \$658,600 from the prior year due to increased personnel and repair costs. Interest expense decreased slightly from the prior year due to a decrease in the amount of debt outstanding. The Stormwater Facilities fund reported an increase in the change in net position from the prior year. This increase is primarily due to an increase in stormwater revenues of approximately \$5,276,800 due to a rate increase placed in effect during the current year. Fund expenses decreased by approximately \$724,800 due to a decrease in repair costs to the system. Repair costs and clean-up costs were higher than normal in fiscal year 2017 due to the damages to the system caused by Hurricane Matthew and the resulting heavy rains.

In the governmental activities, the increase in collections from property taxes resulted from the two mill increase enacted during the current year. Economic conditions continued to improve which resulted in an increase in the collection of business license fees. These increases were more than offset by a decrease of approximately 5.5 million dollars in grant revenue. This was the result primarily of a significant reduction in FEMA funds received during the current year. There was also a one-time gain of approximately \$2,592,900 during fiscal year 2017 that was not repeated in fiscal year 2018. Expenses increased approximately \$9,926,200 (5.260%) due mainly to increased retirement costs, health care costs, and other postemployment benefit costs. The increase in other postemployment benefit costs resulted from the adoption of GASB Statement No. 75. Retirement costs increases resulted from rate increases by the South Carolina Retirement System and the Police Officers Retirement System. Health care costs increased due to general increase in health care costs and more significant medical procedures than normal.

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.

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Table 1
City of Columbia
Statement of Net Position
As of June 30, 2018 and June 30, 2017

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017
Current and other assets	\$ 181,078,794	\$ 175,846,735	\$ 350,359,336	\$ 288,953,889	\$ 531,438,130	\$ 464,800,624
Capital assets, net of depreciation	<u>255,457,386</u>	<u>258,619,176</u>	<u>962,117,654</u>	<u>944,070,205</u>	<u>1,217,575,040</u>	<u>1,202,689,381</u>
Total assets	<u>436,536,180</u>	<u>434,465,911</u>	<u>1,312,476,990</u>	<u>1,233,024,094</u>	<u>1,749,013,170</u>	<u>1,667,490,005</u>
Deferred outflows of resources	<u>34,155,013</u>	<u>29,772,326</u>	<u>57,009,669</u>	<u>62,431,360</u>	<u>91,164,682</u>	<u>92,203,686</u>
Total assets and deferred outflows of resources	<u>470,691,193</u>	<u>464,238,237</u>	<u>1,369,486,659</u>	<u>1,295,455,454</u>	<u>1,840,177,852</u>	<u>1,759,693,691</u>
Long-term liabilities outstanding	424,962,467	421,113,601	711,810,898	630,342,375	1,136,773,365	1,051,455,976
Other liabilities	<u>34,701,739</u>	<u>33,850,264</u>	<u>34,575,369</u>	<u>37,237,556</u>	<u>69,277,108</u>	<u>71,087,820</u>
Total liabilities	<u>459,664,206</u>	<u>454,963,865</u>	<u>746,386,267</u>	<u>667,579,931</u>	<u>1,206,050,473</u>	<u>1,122,543,796</u>
Deferred inflow of resources	<u>10,522,509</u>	<u>4,862,300</u>	<u>999,850</u>	<u>585,132</u>	<u>11,522,359</u>	<u>5,447,432</u>
Net position						
Net investment in capital assets	173,383,176	172,110,861	434,302,299	443,267,179	607,685,475	615,378,040
Restricted	22,581,397	24,545,435	1,270,897	1,252,137	23,852,294	25,797,572
Unrestricted	<u>(195,460,095)</u>	<u>(192,244,224)</u>	<u>186,527,346</u>	<u>182,771,075</u>	<u>(8,932,749)</u>	<u>(9,473,149)</u>
Total net position	<u>\$ 504,478</u>	<u>\$ 4,412,072</u>	<u>\$ 622,100,542</u>	<u>\$ 627,290,391</u>	<u>\$ 622,605,020</u>	<u>\$ 631,702,463</u>

As of June 30, 2018, 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, \$607,685,475 (97.60%), reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related liabilities 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 liabilities, it should be noted that the resources needed to repay these liabilities 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, \$23,852,294 (3.83%), represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$(8,932,749) (-1.43%) in unrestricted net position may be used to meet the ongoing obligations of the City. The deficit balance in unrestricted net position is primarily due to the adoption of GASB Statement No. 75 during the current year.

For governmental activities, the City reported a deficit balance in unrestricted net position of \$(195,460,095). This deficit resulted primarily from the adoption of GASBS 68 in prior years and GASBS 75 during the current year. GASBS 75 required the City to recognize a total OPEB liability, any related deferred outflows/inflows of resources, and a more comprehensive measure of OPEB expense for the City's OPEB plan. For business-type activities, the City reported a positive balance in unrestricted net position of \$186,527,346.

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The City reported a positive balance of \$28,645,038 in unrestricted fund balance (committed plus assigned plus unassigned fund balance) for the general fund as of June 30, 2018. 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, 2018, which totaled approximately \$355,315,700, decreased from the year ended June 30, 2017. The decrease for the City as a whole was approximately \$1,375,700 which was a decrease of 0.39%. Revenues for the business-type activities decreased approximately \$2,702,100 (1.60%). Water and sewer operating revenues increased approximately \$181,600 (0.13%) as there was no change in rates during the current year and consumption was little changed from the prior year as there was little growth in the number of customers. This small increase in operating revenues was offset by a decrease of approximately \$5,880,700 in federal grants and a decrease in capital contributions of approximately \$4,341,600 due to decreased real estate development. The Hydro-electric Facilities Fund reported an increase in revenue during the current fiscal year. Practically all of this revenue was from various settlements related to damages from the heavy rains from Hurricane Matthew. 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. Due to the decreased flow in the canal, along with the damages sustained from Hurricane Matthew, the hydro plant was not able to return to normal operations during the year ended June 30, 2018. Due to these damages, higher than normal repair costs were incurred on the plant during the current year. Total stormwater revenues increased during the fiscal year. Operating revenues increased approximately \$5,276,800 (71.00%) due to a rate increase during the current fiscal year. This rate increase was needed to generate enough funds to service the debt on the revenue bond issued in December 2018. Parking operating revenues increased approximately \$199,800 (2.42%) during the fiscal year primarily due to activity in the downtown and Vista areas continuing to remain strong due to continued commercial development in these areas. Revenue from governmental activities for the year ended June 30, 2018, which totaled approximately \$186,692,500, represented an increase from the year ended June 30, 2017, of approximately \$1,326,400 (0.726%). The change in revenues was primarily the net result of an increase in revenues from property taxes due to a millage increase and an increase in business license revenue as the downtown and Vista area revitalization continued to attract additional business and the overall general economy continued to show improvement. These increases were offset by a decrease of approximately \$5,078,700 in federal grant revenue and a decrease of approximately \$2,592,900 in rental revenue.

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Table 2
City of Columbia
Changes in Net Position
Years Ended June 30, 2018 and June 30, 2017

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2018	Year Ended June 30, 2017
Revenues:						
Program revenues						
Charges for services						
General government	\$ 2,768,252	\$ 2,594,500	\$ -	\$ -	\$ 2,768,252	\$ 2,594,500
Community promotion	165,358	-	-	-	165,358	-
Public safety	48,314,997	47,392,478	-	-	48,314,997	47,392,478
Parks and recreation	876,137	833,501	-	-	876,137	833,501
Public services	596,340	615,441	-	-	596,340	615,441
General services	212,115	888,200	-	-	212,115	888,200
Tourism and community development	71,225	619,541	-	-	71,225	619,541
Water/sewer facilities	-	-	137,379,745	137,198,161	137,379,745	137,198,161
Hydro-electric plant	-	-	993,569	151,890	993,569	151,890
Stormwater facilities	-	-	12,708,897	7,432,103	12,708,897	7,432,103
Parking facilities	-	-	8,450,211	8,250,439	8,450,211	8,250,439
Redevelopment programs	-	-	561,668	574,908	561,668	574,908
Parks and recreation camps	-	-	319,316	335,505	319,316	335,505
Operating grants and contributions						
General government	793,450	252,365	-	-	793,450	252,365
Public safety	1,804,642	1,857,360	-	-	1,804,642	1,857,360
General services	36,493	180,334	-	-	36,493	180,334.00
Tourism and community development	7,561,175	7,390,589	-	-	7,561,175	7,390,589
Water/sewer facilities	-	-	-	5,880,676	-	5,880,676
Stormwater facilities	-	-	127,343	-	127,343	-
Redevelopment programs	-	-	-	148,763	-	148,763
Capital grants and contributions						
General government	4,087,256	10,004,812	-	-	4,087,256	10,004,812
Public services	838,875	-	-	-	838,875	-
Water/sewer facilities	-	-	5,817,810	10,159,405	5,817,810	10,159,405
Stormwater facilities	-	-	272,070	-	272,070	-
General revenues						
General property taxes	35,292,150	31,793,590	-	-	35,292,150	31,793,590
Local Option Sales Tax	20,811,587	20,946,748	-	-	20,811,587	20,946,748
Hospitality and admission taxes	12,287,708	11,990,432	-	-	12,287,708	11,990,432
Accommodations tax	2,753,342	2,496,308	-	-	2,753,342	2,496,308
Tourism development revenue	4,080,751	3,911,428	-	-	4,080,751	3,911,428
Liquor permit revenue	350,825	478,973	-	-	350,825	478,973
Utility franchise revenue	12,904,332	13,133,923	-	-	12,904,332	13,133,923
Business privilege license revenue	26,242,063	24,986,525	-	-	26,242,063	24,986,525
State shared revenue	3,575,571	3,019,209	-	-	3,575,571	3,019,209
Unrestricted investment earnings	267,877	(20,184)	1,992,506	1,193,414	2,260,383	1,173,230
Total revenues	<u>\$ 186,692,521</u>	<u>\$ 185,366,073</u>	<u>\$ 168,623,135</u>	<u>\$ 171,325,264</u>	<u>\$ 355,315,656</u>	<u>\$ 356,691,337</u>

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Table 2
City of Columbia
Changes in Net Position (Continued)
Years Ended June 30, 2018 and June 30, 2017

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2018	Year Ended June 30, 2017
Expenses:						
General government	\$ 23,520,903	\$ 21,967,466	\$ -	\$ -	\$ 23,520,903	\$ 21,967,466
Judicial	3,643,690	3,515,045	-	-	3,643,690	3,515,045
Finance	1,932,607	1,857,440	-	-	1,932,607	1,857,440
Community promotion	352,199	8,847,034	-	-	352,199	8,847,034
Planning and development	4,373,279	4,267,580	-	-	4,373,279	4,267,580
Public safety	98,570,019	92,143,229	-	-	98,570,019	92,143,229
Parks and recreation	15,065,745	13,884,956	-	-	15,065,745	13,884,956
Public services	18,823,400	16,558,862	-	-	18,823,400	16,558,862
General services	2,620,596	2,539,388	-	-	2,620,596	2,539,388
Tourism and community development	22,554,550	14,411,919	-	-	22,554,550	14,411,919
Interest on long-term debt	3,814,060	3,732,649	-	-	3,814,060	3,732,649
Non-departmental	3,365,104	4,984,358	-	-	3,365,104	4,984,358
Water/sewer facilities	-	-	146,392,932	138,965,008	146,392,932	138,965,008
Hydro-electric plant	-	-	3,941,247	2,116,008	3,941,247	2,116,008
Stormwater facilities	-	-	6,030,694	6,755,544	6,030,694	6,755,544
Parking facilities	-	-	7,994,100	7,424,017	7,994,100	7,424,017
Redevelopment programs	-	-	1,032,076	1,092,578	1,032,076	1,092,578
Parks and recreation camps	-	-	385,898	362,485	385,898	362,485
Total expenses	198,636,152	188,709,926	165,776,947	156,715,640	364,413,099	345,425,566
Change in net position before transfers and special item	(11,943,631)	(3,343,853)	2,846,188	14,609,624	(9,097,443)	11,265,771
Special item	-	2,592,856	-	-	-	2,592,856
Transfers	8,036,037	6,758,489	(8,036,037)	(6,758,489)	-	-
Change in net position	(3,907,594)	6,007,492	(5,189,849)	7,851,135	(9,097,443)	13,858,627
Net position, beginning of period, as previously reported	113,409,520	107,402,028	627,290,391	619,439,256	740,699,911	726,841,284
Change in accounting principle	(108,997,448)	-	-	-	(108,997,448)	-
Net position, beginning of period as restated	4,412,072	107,402,028	627,290,391	619,439,256	631,702,463	726,841,284
Net position, end of period	\$ 504,478	\$ 113,409,520	\$ 622,100,542	\$ 627,290,391	\$ 622,605,020	\$ 740,699,911

Total expenses for the City were approximately \$364,413,100 for the year ended June 30, 2018. This represents an increase of approximately \$18,987,500 (5.50%) when compared to the year ended June 30, 2017. This overall increase in expenses resulted from an increase of approximately \$9,926,200 in governmental activities and an increase of approximately \$9,061,300 in business-type activities. Most of the increase in governmental activities is related to fringe benefit costs. The City experienced increases in retirement costs, due to a rate increase, health care costs, due to a general increase in health care costs, and postemployment benefit costs due to the adoption of GASB Statement No. 75. Expenses for business-type activities increased by approximately \$9,061,300, or 5.47%, compared to the year ended June 30, 2017. The overall increase in expenses was primarily in the Water and Sewer Facilities Fund, the Hydro-electric Facilities Fund, and the Parking Facilities Fund. The Water and Sewer Facilities Fund, like other City funds, experienced an increase in retirement and health care costs. Depreciation expense increased during the current year due to the increased number of Clean Water 2020 capital projects completed in recent years. Interest expense also increased during the current year due to additional debt issued during the year. This also resulted in increased debt issuance costs. Due to damages caused by Hurricane Matthew to the hydro-electric plant in the prior year, there were significant repair costs incurred on the hydro-electric plant during the current year. Increased maintenance costs were also the primary reason the Parking Facilities Fund experienced an increase in expenses during the current year. The preceding factors were the primary reasons for an increase of

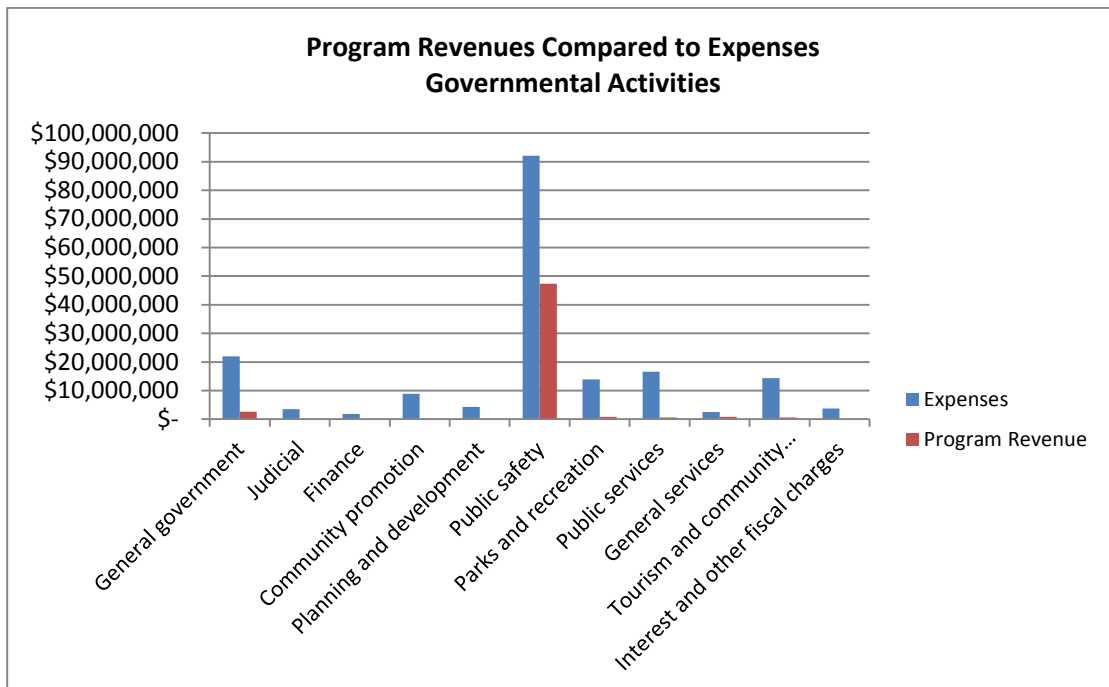
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approximately \$7,427,900 (5.07%) in expenses in the Water and Sewer Facilities Fund, approximately \$1,825,200 (46.31%) in the Hydro-electric Facilities Fund, and approximately \$570,100 (7.13%) in the Parking Facilities Fund. The expenses in the Stormwater Facilities Fund decreased approximately \$724,800 (12.02%) due to a decrease in repairs and maintenance. Repair costs were significantly higher than normal in the prior year due to damages to the system from Hurricane Matthew. The expenses for the Redevelopment Program Fund and the Parks and Recreation Camps Fund remained virtually unchanged when compared to the year ended June 30, 2017.

The City's net position decreased by \$9,097,443 during the year ended June 30, 2018. The net position for governmental activities decreased by \$3,907,594, while the change in net position of business-type activities decreased by \$5,189,849. The overall net position decrease of the City was approximately \$22,956,100 more when compared to the prior fiscal year. This increase was due to an approximate \$9,915,100 increase in the governmental activities and an approximate \$13,041,000 increase in business-type activities. The main factors contributing to the overall increase 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 increased expenses, resulted in a decrease in net position for both the governmental activities and business-type activities. As discussed previously, most of the increase in expenses was the result of increased retirement cost, health care costs, other postemployment benefit costs, depreciation expense, and interest expense. Decreased federal grant revenue and capital contributions offset gains in property tax revenue, business license revenue, and stormwater operating revenues. As a result of these factors, overall revenue decreased slightly when compared to the prior year.

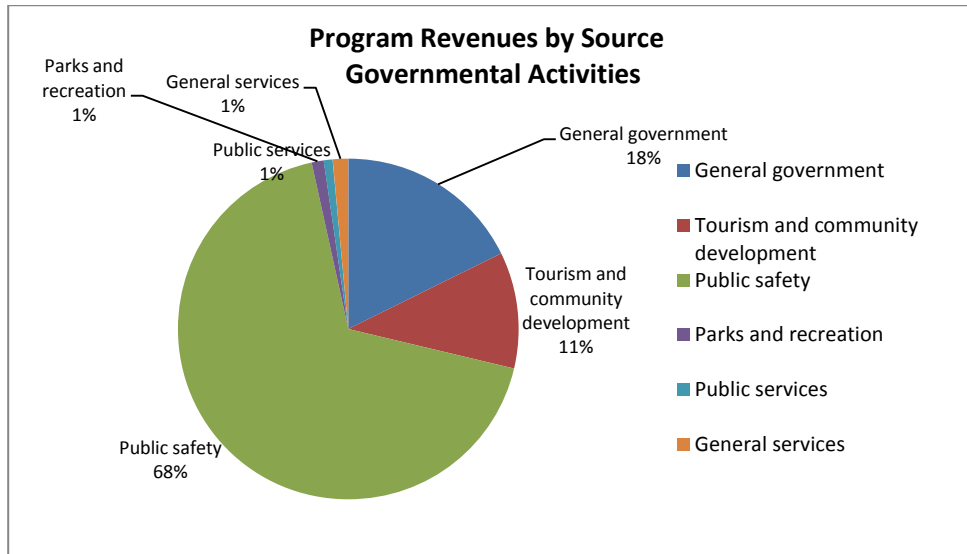
Governmental Activities – A comparative analysis of the governmental activities expenses and program revenues is presented below.

Figure 1
Program Revenues Compared to Expenses
Governmental Activities
Year Ended June 30, 2018



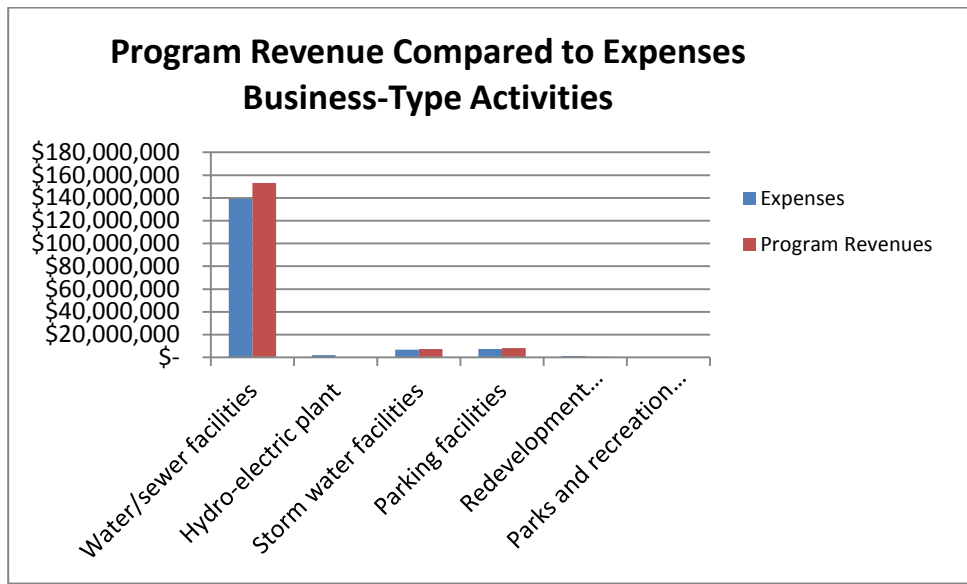
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Figure 2
Program Revenues by Source
Governmental Activities
Year Ended June 30, 2018



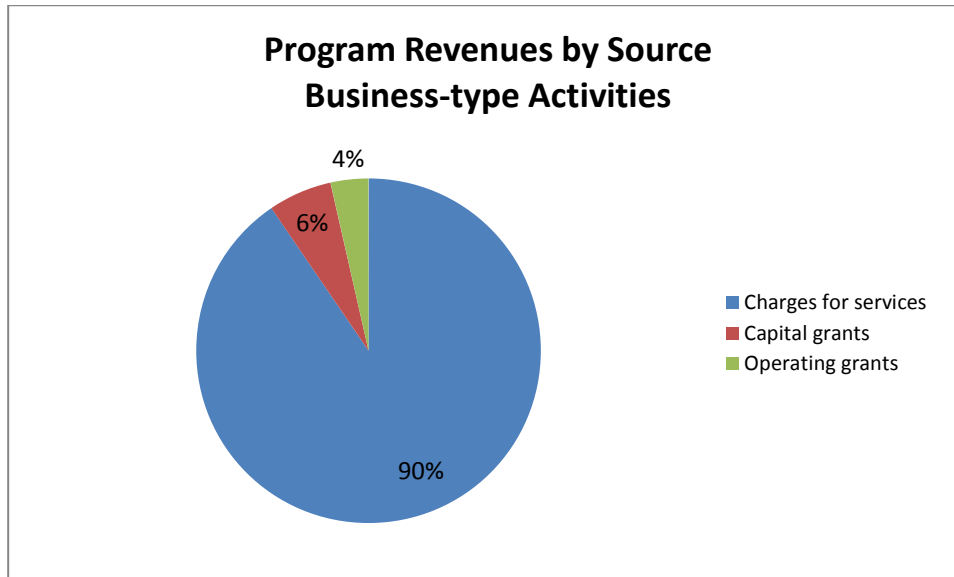
Business-type Activities – The net position of the City's business-type activities decreased by approximately \$5,189,800 for the year ended June 30, 2018. This decrease is primarily attributable to the operations of the water and sewer, hydro-electric, and parking operations. A comparative analysis 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, 2018



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Figure 4
Program Revenues by Source
for Business-type Activities
Year Ended June 30, 2018



Water and Sewer Facilities Fund – The net position for the water and sewer facilities fund for the year ended June 30, 2018, decreased by approximately \$18,458,900.

Table 3
Water and Sewer Facilities Fund Revenues and Expenses
Years Ended June 30, 2018 and June 30, 2017

	Year Ended June 30,	
	2018	2017
Revenues		
Total operating revenues	\$ 137,061,459	\$ 136,946,280
Non-operating revenues	1,795,899	7,194,839
Development contributions and capital grants	5,817,810	10,159,405
Total revenues	<u>144,675,168</u>	<u>154,300,524</u>
Expenses		
Total operating expenses	125,074,940	120,710,352
Interest and amortization expense	16,747,249	13,027,389
Transfers, net	6,818,649	6,069,520
Total expenses	<u>148,640,838</u>	<u>139,807,261</u>
Change in net position	<u>\$ (3,965,670)</u>	<u>\$ 14,493,263</u>

Total operating revenues, which primarily consist of water and sewer fees, increased by approximately \$115,200, or 0.08%, to \$137,061,459. This slight increase in operating revenues was due to no significant change in either the customer base or consumption amount when compared to the prior year. The decrease in non-operating revenues was due to the fact no federal grant revenue was received in fiscal year 2018, and approximately \$5,880,700 was received in fiscal year 2017. Development contribution revenue decreased

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approximately \$4,341,600 from the year ended June 30, 2017, due to decreased real estate development in fiscal year 2018. Total revenues for the year ended June 30, 2018, decreased approximately \$9,625,400, or 6.24%, to \$144,675,168.

Total operating expenses increased by approximately \$4,364,600, or 3.62%, to \$125,074,940 when compared to the year ended June 30, 2017. This increase was primarily the result of increase in retirement costs, health care costs, depreciation expense, interest expense, and debt issuance costs. The increase in retirement costs was due to a contractually required rate increase in the current year. The increase in health care cost was primarily due to the overall increase in health care costs for the year. The increase in depreciation was the result of the completion of a significant number of large capital projects completed in prior years, debt issuance costs increase was the result of revenue bonds issued during the year ended June 30, 2018. The increase in operating expenses, along with the decrease in operating revenues, resulted in an operating margin decrease of approximately \$4,249,400 when compared to the year ended June 30, 2017.

Interest expense, which increased by approximately \$3,719,900 during the current fiscal year, was due to the combination of the City issuing additional debt during the year and a decrease in premium amortization due to the debt refunded in the prior year. Net transfers in fiscal year 2018 increased by approximately \$749,100 from fiscal year 2017 primarily due to increased transfers to the general fund and to the internal service funds to cover health care costs and other claims. Total expenses increased by approximately \$8,833,600, or 6.32%, to approximately \$148,640,800. The slight increase in water and sewer operating revenues, along with the decrease in federal grant revenue and development contributions, the increase in retirement costs, healthcare cost, depreciation expense and interest expense were the primary reasons the change in net position decreased by \$18,458,933 for the year ended June 30, 2018.

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, 2018, decreased by approximately \$349,142.

Table 4
Parking Facilities Fund Revenue and Expenses
Years Ended June 30, 2018 and June 30, 2017

	Year Ended June 30,	
	2018	2017
Revenues		
Total operating revenues	\$ 8,344,518	\$ 8,134,306
Non-operating revenues	196,021	181,805
Gain (loss) on sale of assets	1,800	2,295
Total revenues	8,542,339	8,318,406
Expenses		
Total operating expenses	6,100,793	5,442,216
Interest and amortization expense	1,656,649	1,704,260
Transfers, net	887,894	925,785
Total expenses	8,645,336	8,072,261
Change in net position	\$ (102,997)	\$ 246,145

Total operating revenues, which primarily consist of parking fees and fines, increased by approximately \$210,200, or 2.58%, to \$8,344,518. The increase in operating revenues was due primarily to the continued interest and development in the downtown and Vista areas. Non-operating revenue increased by approximately

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\$14,200 due primarily to increased investment income received during the current fiscal year. Total revenues for the year ended June 30, 2018, increased approximately \$223,900, or 2.69%, to \$8,542,339 primarily as a result of the continued interest by the general public and 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 by approximately \$658,600, or 12.10%, to \$6,100,793 when compared to the year ended June 30, 2017. This was primarily the result of employee benefit costs and increased maintenance work performed on the parking garages. The increase in operating expenses, being more than the increase in operating revenues, resulted in an operating margin decrease of approximately \$448,400 compared to the year ended June 30, 2017.

Interest and amortization expense decreased in fiscal year 2018 by approximately \$47,600, or 2.79%, when compared to fiscal year 2017 due to a reduction in the debt outstanding. Net transfers in fiscal year 2018 were slightly less than the amount of transfers for fiscal year 2017 due to fewer transfers to the internal service funds. Total expenses increased by approximately \$573,100, or 7.10%, to \$8,645,336. Increases in retirement costs, health care costs, and maintenance costs were the primary reasons 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, 2018, the City's governmental funds reported combined ending fund balances of approximately \$62,093,100, a decrease of approximately \$2,719,700. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2018, the City had an unassigned fund balance of approximately \$18,831,900, an increase of approximately \$6,317,300 compared to the year ended June 30, 2017.

The general fund is the chief operating fund of the City. During the year ended June 30, 2018, the fund balance of the general fund increased by approximately \$4,097,800 to approximately \$33,718,500. The increase in fund balance was due primarily to unspent capital lease proceeds as total expenditures exceeded total revenues only slightly. Total revenues increased approximately \$5,913,100 (4.87%) from the prior year. The majority of this increase was from four sources. Property taxes increased approximately \$3,603,600 due to a two mill increase during the current year. The continued development of the downtown and Vista areas resulted in business license revenue increasing by approximately \$1,309,200. Increased funding from the State of South Carolina resulted in an increase in intergovernmental revenue of approximately \$1,330,100. Federal grant revenues increased by approximately \$464,200. This increase was primarily due to additional funding from the Federal Emergency Management Agency (FEMA) of approximately \$464,200. Total expenditures decreased by approximately \$12,959,000 from the prior year. The main source of this decrease was from principal payments on debt as the City retired some debt early in fiscal year 2017. As a result of this early retirement, principal payments in fiscal year 2018 were approximately \$13,752,800 less than in fiscal year 2017. This reduction in debt in the prior year resulted in interest expenditures decreasing approximately \$709,300 in fiscal year 2018. Capital expenditures in the general fund decreased approximately \$2,111,600 from the prior year due mainly to unspent proceeds from the capital lease obligation incurred in 2018. These decreases were somewhat offset by increases in salary expenditures of approximately \$2,074,700, retirement costs of approximately \$1,291,100, health care costs of approximately \$960,779, and other postemployment benefit costs of approximately \$1,209,300. The unassigned fund balance, which is available for use without restriction, increased by approximately \$6,488,300 to approximately \$21,565,000. Unrestricted fund balance is the combination of

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unassigned fund balance (\$21,565,000), assigned fund balance (\$2,205,300), and committed fund balance (\$4,874,700), and totals approximately \$28,645,000. The remainder of the fund balance in the general fund is comprised of approximately \$4,637,500 in restricted fund balance and \$436,052 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. Revenue payments from Richland County for the year ended June 30, 2018, decreased by approximately \$354,200, or 1.47%, due to the City and Richland County renegotiating the budget. Revenue payments to the City from Richland County are based on the agreed upon budgeted amounts. Expenditures for the year ended June 30, 2018, increased by approximately \$678,400 primarily due to personnel cost being higher than expected. If actual expenditures exceed the expected amounts during the fiscal year, the City can try and recover some of these costs in subsequent year contract negotiations. Net transfers to the risk management fund for health care costs decreased by approximately \$218,200 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 other financing sources for the year ended June 30, 2018, were approximately \$142,680,400, approximately \$10,552,700, or 7.40%, less than the final budget of approximately \$153,233,100. The increase in total revenue was the result of an increase in property tax revenue, license and permit fees, and intergovernmental revenues.

Total general fund budgeted expenditures and other financing uses were approximately \$142,680,400 for the year ended June 30, 2018, approximately \$3,949,00, or 2.77%, less than the final budgeted expenditures and other financing uses of approximately \$146,629,900. Closely monitoring of expenditures resulted in most city departments being under budget. The two exceptions were expenditures related to community promotions which exceeded budget by approximately \$39,100 due to the City deciding to fund an unbudgeted event and transfers out which exceeded budget by approximately \$340,800 due to unbudgeted transfers. Public safety was under budget due primarily to personnel vacancies. General services were under budget due to anticipated grant funds not being received.

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, 2018, totaled \$1,217,575,040 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, 2018, was approximately \$14,885,700, or 1.24%.

Major capital asset events during the year ended June 30, 2018, included the following:

- Construction in progress (CIP) decreased by a net \$40,898,548. This decrease was the result of several significant uncompleted projects as of June 30, 2017, being completed during the year ended June 30, 2018. Major business-type activities completed projects included a \$10,358,398 forcemain

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from Mill Creek pump stations to the waste water treatment plant, a new \$7,783,237 administrative building, construction of multiple elevated water tanks at a cost of \$16,842,493, a \$8,614,376 building on Beltline Blvd., and \$25,533,187 in improvements to the Lake Murray Water Treatment Plant pumps and disinfection system. Major completed construction projects in the governmental projects included the completion of a fountain at Finley Park at a cost of \$310,650, \$1,408,425 in improvements to the convention center, and the completion of a new fencing and lighting system at Earlewood Park at a cost of \$319,387. Major business-type activities construction projects started during fiscal year 2018 included a \$3,044,427 sewer rehabilitation project and a \$17,170,446 automated meter reading project. Major governmental activities projects started during the current fiscal year included improvements to Finley Park. There was an approximate increase of \$4,849,100 in the governmental CIP balance. There was a net decrease of approximately \$45,747,600 in the business-type activities CIP balance as the City completed more projects than were started. This decrease was due to the majority of capital improvements required under the consent decree had been completed by June 30, 2018.

- Buildings and improvements additions totaled approximately \$105,128,600 during the year ended June 30, 2018. Most of these were the result of completed construction projects started in prior years. Significant additions included renovation of the forcemain system from Bluff Road to Mill Creek, the West Beltline administrative building and warehouse, the Killian Road water tank, the Ballentine water tank, the Genstar water tank, and a generator at the Lake Murray water treatment plant. There were no significant disposals of buildings and improvements during the current fiscal year.
- Machinery and equipment additions totaled approximately \$8,917,900 during the year ended June 30, 2018. These additions consisted mainly of vehicles, backhoes, a rotating centrifuge, tandem dump trucks, street sweepers, a mass spectrometer, a fire engine, and a bucket truck. Disposals consisted mainly of fully depreciated items, a street sweeper, a track loader, a tilt cab, a wheel loader, and a link belt excavator.
- Depreciation expense totaled approximately \$59,799,000 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, 2018 and June 30, 2017

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017
Land	\$ 37,104,644	\$ 36,845,828	\$ 31,609,113	\$ 30,834,259	\$ 68,713,757	\$ 67,680,087
Construction in progress	17,047,405	12,198,323	148,929,240	194,676,870	165,976,645	206,875,193
Buildings and improvements	159,078,332	164,926,624	757,906,213	689,132,717	916,984,545	854,059,341
Infrastructure	22,103,103	22,963,793	-	-	22,103,103	22,963,793
Machinery and equipment	20,123,902	21,684,608	23,673,088	29,426,359	43,796,990	51,110,967
Total	<u>\$ 255,457,386</u>	<u>\$ 258,619,176</u>	<u>\$ 962,117,654</u>	<u>\$ 944,070,205</u>	<u>\$ 1,217,575,040</u>	<u>\$ 1,202,689,381</u>

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 \$76,273,100, or 11.76%, as shown in Table 6. This net increase was the result of \$22,900,130 in principal payments and \$2,365,838 in amortization of bond premiums. The City also received proceeds of \$97,539,012, including a premium of \$10,199,012, from the issuance of a water and sewer revenue bond. This revenue bond is backed by the revenues received from the water and sewer system of the City. Principal payments of \$11,705,000 were made on business-type activity revenue bonds. Principal payments of \$2,165,130 were made on governmental activities capital lease obligations. Principal payments of \$9,030,000 were made on governmental activities bonds and notes payable. Total governmental activities debt had a net

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decrease of approximately \$7,654,800, while business-type activities debt had a net increase of approximately \$83,927,900. The capital lease was issued to fund the purchase of various capital asset items. The Series 2018 Water and Sewer Revenue Bonds were issued for the purposes of funding certain improvements, extensions and enlargements to the Waterworks and Sewer System of the City (the "System") and paying the costs incurred in connection with the issuance of the 2018 Bonds. The 2018 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.

Table 6
Outstanding Indebtedness
As of June 30, 2018 and June 30, 2017

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017
Notes payable	\$ 600,000	\$ 675,000	\$ -	\$ -	\$ 600,000	\$ 675,000
General obligation bonds	25,345,000	30,710,000	-	-	25,345,000	30,710,000
Bond premiums	2,333,434	2,663,934	-	-	2,333,434	2,663,934
Revenue bonds	46,445,000	50,035,000	-	-	46,445,000	50,035,000
Bond premiums	3,273,973	3,403,210	-	-	3,273,973	3,403,210
Parking Facilities revenue bonds	-	-	38,340,000	39,500,000	38,340,000	39,500,000
Bond premiums	-	-	36,272	38,216	36,272	38,216
Waterworks and Sewer System revenue bonds	-	-	547,890,000	471,095,000	547,890,000	471,095,000
Bond premiums	-	-	46,861,245	38,566,389	46,861,245	38,566,389
Capital leases payable	13,666,757	11,831,886	-	-	13,666,757	11,831,886
Total	\$ 91,664,164	\$ 99,319,030	\$ 633,127,517	\$ 549,199,605	\$ 724,791,681	\$ 648,518,635

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, 2018, 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, 2018, were rated "BBB+" by Standard and Poor's Rating Service and "A2" by Moody's Investor Service, Inc. In July 2018, both Standard and Poor's Rating Service and Moody's Rating Service upgraded the City's bond rating for its parking revenue bonds. Moody's upgraded their rating to A1, and Standard and Poor's upgraded their rating to A-.

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, 2018, had \$25,345,000 in debt subject to this limitation which is less than the \$45,785,750 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, 2018. The City has below-average unemployment, above average population growth, and gross domestic product in line with the national average. These trends are expected to continue into fiscal year 2019.

In developing its fiscal year 2019 budget, the City had three main budget development goals.

1. Resiliency - Providing services today while preparing for the long term.
2. Sustainability – Moving beyond a budget that is balanced.
3. Providing quality services – Providing high quality municipal services, efficiently, effectively, and responsively.

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2018

The City's adopted budget for all funds for the year ending June 30, 2019, is \$346,956,771. The adopted budget for the general fund for the year ending June 30, 2019, is \$148,101,152. This represents an increase from the prior year of approximately \$5,420,800 or 4%. Revenues are expected to increase approximately \$2,630,200 or 2%. The largest increase is expected to be property tax revenue which is projected to increase approximately \$1,711,164 or 4%. The fiscal year 2019 budget reflects funding to maintain current service levels. Expenditure increases are limited to areas of known increases. These areas include the increase in State retirement rates, the Employee Merit program, capital replacements, and annualized costs for previously established programs. The General Fund millage rate for fiscal year 2019 is 98.1 mills, representing no change from the prior year. In keeping with its sustainability budget development goal, the projected use of fund balance in fiscal year 2019 totals \$1,790,534. This represents a reduction of \$1,209,466 from the prior year.

In developing the fiscal year 2019 budget, the City focused on five main 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 residents, visitors, and businesses.
5. Provide high quality municipal services efficiently, effectively, and responsively.

Key elements that factored into the preparation of the fiscal year 2019 are detailed below:

- Water and sewer rates will increase 9.76% from the fiscal year 2018 rates.
- Stormwater fee will increase 74 cents per equivalent residential unit (ERU) per month, from \$11.80 per month to \$12.54 per month.
- Two new positions for enforcement of parking violations in residential parking areas will be added.
- Additional water and sewer customer advocate positions will be added and improvements made to mobile field service operations that will enable water and sewer crews to better send and receive customer information remotely.
- General fund capital expenditures will increase by \$4,000,000 from the prior year and will include the purchase of one fire ladder truck, one fire reserve engine truck, three side loader trash trucks, and 22 police patrol cars. Funding for these items are expected to come from an \$8,000,000 capital lease obligation.
- South Carolina Retirement System contribution rate will increase one percentage point from the fiscal year 2018 rate of 13.41% of earnable compensation.
- Police Officer Retirement System contribution rate will increase one percentage point from the fiscal year 2018 rate of 15.84% of earnable compensation.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2018

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, 2018

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
ASSETS				
Current Assets				
Cash and equivalents	\$ 131,904,179	\$ 153,877,628	\$ 285,781,807	\$ 10,030,992
Certificates of deposit	-	-	-	500,000
Cash on deposit with escrow agent	-	-	-	10,560,595
Investments	14,115,659	80,011,254	94,126,913	-
Receivables				
Property taxes, net of allowance	1,711,600	-	1,711,600	-
Federal government	2,107,337	4,953,149	7,060,486	-
State government	3,852,269	996,321	4,848,590	-
County government	659,721	-	659,721	-
Accounts, net of allowance	1,431,744	8,131,245	9,562,989	1,694,828
Accrued interest	41,795	302,557	344,352	-
Mortgage notes, net of allowance	-	547,932	547,932	109,912
Due from component units	-	585,817	585,817	-
Due from grantee agency	49,059	-	49,059	-
Internal balances	22,038,979	(22,038,979)	-	-
Prepaid expenses	511,484	169,614	681,098	621,543
Inventory	731,950	2,275,001	3,006,951	-
Real estate held for sale and development	-	643,680	643,680	-
Restricted assets				
Real estate held for sale and development	-	-	-	67,045
Total current assets	179,155,776	230,455,219	409,610,995	23,584,915
Noncurrent Assets				
Investments	1,844,273	97,510,259	99,354,532	-
Mortgage notes receivable, net of current portion	-	22,063,418	22,063,418	2,219,876
Deposits	78,745	-	78,745	-
Other assets				
Prepaid bond insurance costs	-	330,440	330,440	-
Organizational costs	-	-	-	3,230
Real estate held for sale or development	-	-	-	2,453,301
Security deposits	-	-	-	10,349
Investment in joint venture	-	-	-	100
Capital assets not being depreciated				
Land	37,104,644	31,609,113	68,713,757	2,285,968
Construction in progress	17,047,405	148,929,240	165,976,645	-
Capital assets net of accumulated depreciation				
Buildings, improvements and utility plant	159,078,332	757,906,213	916,984,545	9,406,966
Infrastructure	22,103,103	-	22,103,103	-
Machinery and equipment	20,123,902	23,673,088	43,796,990	-
Total noncurrent assets	257,380,404	1,082,021,771	1,339,402,175	16,379,790
TOTAL ASSETS	436,536,180	1,312,476,990	1,749,013,170	39,964,705
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	1,380,244	23,812,464	25,192,708	-
Deferred outflows related to net pension liability	32,774,769	11,125,506	43,900,275	-
Accumulated decrease in fair value of hedging derivatives	-	22,071,699	22,071,699	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	34,155,013	57,009,669	91,164,682	-

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION (CONTINUED)
June 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	\$ 10,612,315	\$ 18,313,396	\$ 28,925,711	\$ 943,887
Accrued salaries and benefits	3,630,269	727,562	4,357,831	-
Accrued liability for claims	18,414,801	23,600	18,438,401	-
Accrued interest	743,036	9,508,696	10,251,732	-
Retainage payable	158,349	5,553,670	5,712,019	-
Unearned revenue	745,018	325,492	1,070,510	930,648
Due to primary government	-	-	-	585,817
Refundable advances	335,594	-	335,594	-
Compensated absences	1,534,060	389,579	1,923,639	200,800
Due to grantor agency	-	-	-	220,409
Due to others	42,553	-	42,553	-
Deposits payable	19,804	122,953	142,757	67,386
Current notes payable	75,000	-	75,000	791,551
General obligation bonds, current portion	4,030,000	-	4,030,000	-
Revenue bonds, current portion	3,730,000	13,105,000	16,835,000	-
Obligation under capital leases - current portion	2,695,359	-	2,695,359	-
Liabilities payable from restricted assets				
Due to grantor agency	-	-	-	6,501
Total current liabilities	46,766,158	48,069,948	94,836,106	3,746,999
Noncurrent liabilities				
Compensated absences	5,883,266	1,558,312	7,441,578	73,396
Net pension liability	161,060,396	54,663,791	215,724,187	-
Total OPEB liability	164,820,581	-	164,820,581	-
Notes payable, net of current portion	525,000	-	525,000	4,558,805
General obligation bonds, net of current portion	23,648,432	-	23,648,432	-
Revenue bonds, net of current portion	45,988,975	620,022,517	666,011,492	-
Obligation under capital leases - net of current portion	10,971,398	-	10,971,398	-
Derivative instrument liability, interest rate swap	-	22,071,699	22,071,699	-
Total noncurrent liabilities	412,898,048	698,316,319	1,111,214,367	4,632,201
TOTAL LIABILITIES	459,664,206	746,386,267	1,206,050,473	8,379,200
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to net pension liability	2,946,287	999,850	3,946,137	-
Deferred inflows related to other postemployment benefits liability	5,198,158	-	5,198,158	-
Deferred inflow - property sale	309,000	-	309,000	-
Deferred inflow - property tax credit	2,069,064	-	2,069,064	-
TOTAL DEFERRED INFLOWS OF RESOURCES	10,522,509	999,850	11,522,359	-
NET POSITION				
Net investment in capital assets	173,383,176	434,302,299	607,685,475	7,202,048
Restricted for				
Capital projects	11,685,189	-	11,685,189	-
Debt service	3,261,555	1,270,897	4,532,452	-
Tourism	5,599,829	-	5,599,829	9,108,979
Public safety	707,867	-	707,867	-
Community development				
Expendable	1,321,957	-	1,321,957	28,800
Nonexpendable	5,000	-	5,000	-
Unrestricted	(195,460,095)	186,527,346	(8,932,749)	15,245,678
TOTAL NET POSITION	\$ 504,478	\$ 622,100,542	\$ 622,605,020	\$ 31,585,505

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2018**

FUNCTIONS/PROGRAMS	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Operating Grants and Contributions		Capital Grants and Contributions	Primary Government			Component Units
		Charges for Services			Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities								
General government	\$ 23,520,903	\$ 2,768,252	\$ 793,450	\$ 4,087,256	\$ (15,871,945)	\$ -	\$ (15,871,945)	\$ -
Judicial	3,643,690	-	-	-	(3,643,690)	-	(3,643,690)	-
Finance department	1,932,607	-	-	-	(1,932,607)	-	(1,932,607)	-
Community promotions	352,199	165,358	-	-	(186,841)	-	(186,841)	-
Planning and development	4,373,279	-	-	-	(4,373,279)	-	(4,373,279)	-
Public safety	98,570,019	48,314,997	1,804,642	-	(48,450,380)	-	(48,450,380)	-
Parks and recreation	15,065,745	876,137	-	-	(14,189,608)	-	(14,189,608)	-
Public services	18,823,400	596,340	-	838,875	(17,388,185)	-	(17,388,185)	-
General services	2,620,596	212,115	36,493	-	(2,371,988)	-	(2,371,988)	-
Tourism and community development	22,554,550	71,225	7,561,175	-	(14,922,150)	-	(14,922,150)	-
Interest and other fiscal charges	3,814,060	-	-	-	(3,814,060)	-	(3,814,060)	-
Nondepartmental	3,365,104	-	-	-	(3,365,104)	-	(3,365,104)	-
Total governmental activities	<u>198,636,152</u>	<u>53,004,424</u>	<u>10,195,760</u>	<u>4,926,131</u>	<u>(130,509,837)</u>	<u>-</u>	<u>(130,509,837)</u>	<u>-</u>
Business-type activities								
Water/sewer facilities	146,392,932	137,379,745	-	5,817,810	-	(3,195,377)	(3,195,377)	-
Hydro-electric plant	3,941,247	993,569	-	-	-	(2,947,678)	(2,947,678)	-
Stormwater facilities	6,030,694	12,708,897	127,343	272,070	-	7,077,616	7,077,616	-
Parking facilities	7,994,100	8,450,211	-	-	-	456,111	456,111	-
Redevelopment programs	1,032,076	561,668	-	-	-	(470,408)	(470,408)	-
Parks and recreation camps	385,898	319,316	-	-	-	(66,582)	(66,582)	-
Total business-type activities	<u>165,776,947</u>	<u>160,413,406</u>	<u>127,343</u>	<u>6,089,880</u>	<u>-</u>	<u>853,682</u>	<u>853,682</u>	<u>-</u>
Total Primary Government	<u>\$ 364,413,099</u>	<u>\$ 213,417,830</u>	<u>\$ 10,323,103</u>	<u>\$ 11,016,011</u>	<u>(130,509,837)</u>	<u>853,682</u>	<u>(129,656,155)</u>	<u>-</u>
COMPONENT UNITS	<u>\$ 16,612,063</u>	<u>\$ 4,642,527</u>	<u>\$ 10,246,314</u>	<u>\$ 200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,523,222)</u>
General revenues:								
General property taxes					35,292,150	-	35,292,150	-
Local Option Sales Tax					20,811,587	-	20,811,587	-
Hospitality and admission taxes					12,287,708	-	12,287,708	-
Accommodations tax					2,753,342	-	2,753,342	-
Tourism development revenue					4,080,751	-	4,080,751	-
Liquor permit revenue					350,825	-	350,825	-
Utility franchise revenue					12,904,332	-	12,904,332	-
Business privilege license revenue					26,242,063	-	26,242,063	-
State shared revenue					3,575,571	-	3,575,571	-
Appropriations - City of Columbia					-	-	-	1,580,188
Unrestricted investment earnings					267,877	1,992,506	2,260,383	137,229
Transfers					<u>8,036,037</u>	<u>(8,036,037)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers					<u>126,602,243</u>	<u>(6,043,531)</u>	<u>120,558,712</u>	<u>1,717,417</u>
Change in net position					<u>(3,907,594)</u>	<u>(5,189,849)</u>	<u>(9,097,443)</u>	<u>194,195</u>
Net position - beginning of period as previously reported					113,409,520	627,290,391	740,699,911	31,861,000
Change in accounting principle (Note VII C)					<u>(108,997,448)</u>	<u>-</u>	<u>(108,997,448)</u>	<u>(469,690)</u>
Net position - beginning of period as restated					<u>4,412,072</u>	<u>627,290,391</u>	<u>631,702,463</u>	<u>31,391,310</u>
Net position - end of period					<u>\$ 504,478</u>	<u>\$ 622,100,542</u>	<u>\$ 622,605,020</u>	<u>\$ 31,585,505</u>

See accompanying Notes to Financial Statements.

CITY OF COLUMBIA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	General Fund	County Services	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 34,290,670	\$ -	\$ 21,856,100	\$ 56,146,770
Investments	4,957,444	54,908	10,947,580	15,959,932
Receivables				
Property taxes, net	1,711,600	-	-	1,711,600
Federal government	307,944	-	1,799,393	2,107,337
State government	2,841,860	-	1,010,409	3,852,269
County government	-	-	659,721	659,721
Accounts, net	1,001,247	-	37,684	1,038,931
Accrued interest	13,809	208	27,778	41,795
Due from other funds	-	-	567,138	567,138
Due from grantee agency	-	-	49,059	49,059
Prepaid charges	436,052	74,677	-	510,729
TOTAL ASSETS	<u>\$ 45,560,626</u>	<u>\$ 129,793</u>	<u>\$ 36,954,862</u>	<u>\$ 82,645,281</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 4,771,274	\$ 368,544	\$ 3,754,075	\$ 8,893,893
Accrued salaries and benefits	2,619,843	863,372	73,664	3,556,879
Retainage payable	-	-	158,349	158,349
Refundable advances	-	-	335,594	335,594
Due to other funds	-	1,556,237	1,600,314	3,156,551
Due to others	42,553	-	-	42,553
Customer deposits	19,804	-	-	19,804
Advances from other funds	1,150,042	-	-	1,150,042
Total liabilities	<u>8,603,516</u>	<u>2,788,153</u>	<u>5,921,996</u>	<u>17,313,665</u>
Deferred inflows of resources				
Unearned revenue - deferred property tax credit	2,069,064	-	-	2,069,064
Unearned revenue - property sale	309,000	-	-	309,000
Unavailable revenue - property taxes	860,499	-	-	860,499
Total deferred inflows of resources	<u>3,238,563</u>	<u>-</u>	<u>-</u>	<u>3,238,563</u>
Fund balances				
Nonspendable	436,052	74,677	5,000	515,729
Restricted	4,637,457	-	17,938,940	22,576,397
Committed	4,874,733	-	-	4,874,733
Assigned	2,205,351	-	13,088,926	15,294,277
Unassigned	21,564,954	(2,733,037)	-	18,831,917
Total fund balances (deficits)	<u>33,718,547</u>	<u>(2,658,360)</u>	<u>31,032,866</u>	<u>62,093,053</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 45,560,626</u>	<u>\$ 129,793</u>	<u>\$ 36,954,862</u>	<u>\$ 82,645,281</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, 2018

Total fund balance, governmental funds \$ 62,093,053

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 reported in the governmental activities of the statement of net position.

Land	\$ 37,104,644	
Construction in progress	17,047,405	
Buildings and improvements, net	159,078,332	
Infrastructure, net	22,103,103	
Machinery and equipment, net	20,123,902	
Less: Net capital assets reported in the Internal Service Funds	(470,939)	254,986,447

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	\$ 1,380,244	
Pension related deferred outflows	32,774,769	
Less: Pension related deferred outflows reported in the Internal Service Funds	(1,145,797)	33,009,216

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.

860,499

Certain intergovernmental revenues will be collected before year end, but are not able to be recognized on the entity-wide statements until the expense is recognized and are deferred on the entity-wide

(716,600)

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.

(117,943,268)

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.

26,059,972

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	\$ (7,417,326)	
Less: Compensated absences reported in the Internal Service Funds	252,972	
Accrued interest payable	(743,036)	
Net pension liability	(161,060,396)	
Less: Net pension liability reported in the Internal Service Funds	5,630,402	
Bonds and notes payable	(72,390,000)	
Capital lease payable	(13,666,757)	
Unamortized premium	(5,607,407)	(255,001,548)

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:

Pension related deferred inflows	\$ (2,946,287)	
Less: Pension related deferred inflows reported in the Internal Service Funds	102,994	(2,843,293)

Net position of governmental activities in the statement of net position

\$ 504,478

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, 2018

	General Fund	County Services	Other Governmental Funds	Total Governmental Funds
REVENUES				
General property taxes	\$ 34,411,685	\$ -	\$ 910,376	\$ 35,322,061
Local option sales tax	20,811,587	-	-	20,811,587
Hospitality and admission taxes	634,090	-	11,653,618	12,287,708
Accommodations tax	-	-	2,753,342	2,753,342
Tourism development fee	-	-	4,080,751	4,080,751
Liquor permit fee	-	-	350,825	350,825
Licenses and permits	27,889,578	-	-	27,889,578
Franchise fees	12,904,332	-	-	12,904,332
Intergovernmental revenue	16,152,914	-	2,972,076	19,124,990
Charges for services	13,114,382	199	65,253	13,179,834
Fines and forfeitures	717,118	-	760,024	1,477,142
Federal government	584,188	-	6,334,340	6,918,528
State government	-	-	291,930	291,930
County government	-	23,671,304	2,803,784	26,475,088
Promotions	-	-	35,000	35,000
Private grants	147	-	938,193	938,340
Interest	60,674	1,280	205,923	267,877
Rental income	133,873	-	-	133,873
Other revenues	13,629	-	100,096	113,725
Total revenues	127,428,197	23,672,783	34,255,531	185,356,511
EXPENDITURES				
Current				
General government	12,372,218	-	65,235	12,437,453
Judicial	3,358,803	-	-	3,358,803
Finance department	1,807,673	-	-	1,807,673
Planning and development	4,090,523	-	-	4,090,523
Public safety	65,924,634	23,843,648	2,444,713	92,212,995
Parks and recreation	12,138,971	-	70,598	12,209,569
Public services	15,062,365	-	2,099,649	17,162,014
General services	2,424,484	-	-	2,424,484
Tourism and community development	4,013,376	-	16,810,967	20,824,343
Community promotions	245,080	-	-	245,080
Debt service				
Principal payment on bonds	2,165,130	-	9,030,000	11,195,130
Interest on bonds	188,874	-	2,895,688	3,084,562
Fiscal agent charges	-	-	15,032	15,032
Capital outlay				
Capital outlay	3,907,325	-	9,407,947	13,315,272
Total expenditures	127,699,456	23,843,648	42,839,829	194,382,933
Excess (deficiency) of revenues over (under) expenditures	(271,259)	(170,865)	(8,584,298)	(9,026,422)
OTHER FINANCING SOURCES (USES)				
Transfers in	9,673,478	-	13,403,187	23,076,665
Transfers (out)	(9,690,986)	-	(11,465,527)	(21,156,513)
Sale of general capital assets	236,949	-	-	236,949
Issuance of capital leases	4,000,000	-	-	4,000,000
Insurance recoveries	149,573	-	-	149,573
Total other financing sources (uses)	4,369,014	-	1,937,660	6,306,674
Net change in fund balance	4,097,755	(170,865)	(6,646,638)	(2,719,748)
Beginning fund balances (deficits)	29,620,792	(2,487,495)	37,679,504	64,812,801
Ending fund balances (deficits)	<u>\$ 33,718,547</u>	<u>\$ (2,658,360)</u>	<u>\$ 31,032,866</u>	<u>\$ 62,093,053</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, 2018

Net change in fund balances - total governmental funds \$ (2,719,748)

Amounts reported for governmental activities in the statement of activities are different because:

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.

Capital asset purchases capitalized	\$ 13,315,272	
Depreciation expense	(17,110,586)	
Less: depreciation expense reported in the Internal Service Funds	182,466	(3,612,848)

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

Net book value of disposed capital assets		(7,044)
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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.

(3,777,404)

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.

838,875

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.

Property taxes		(29,911)
----------------	--	----------

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.

Proceeds from capital lease issued	\$ (4,000,000)	
Principal retirement of long-term debt	11,195,130	
Amortization of premium	(459,738)	
Amortization of bond refunding deferred charge	(264,854)	6,470,538

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:

Accrued compensated absences	\$ 318,174	
Pension expense	(6,159,953)	
Accrued interest payable	(10,126)	(5,851,905)

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.

4,781,853

Change in net position of governmental activities

\$ (3,907,594)

See accompanying Notes to Financial Statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
June 30, 2018

	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	\$ 126,432,884	\$ 9,187,619	\$ 18,257,125	\$ 153,877,628	\$ 75,757,409
Investments	69,697,147	3,593,744	6,720,363	80,011,254	-
Accounts receivable, net	8,031,418	98,290	1,537	8,131,245	392,813
Mortgage notes receivable, net	37,496	-	510,436	547,932	-
Accrued interest receivable	255,324	16,409	30,824	302,557	-
Due from federal government	4,873,361	-	79,788	4,953,149	-
Due from state government	996,321	-	-	996,321	-
Due from other funds	8,657,170	-	-	8,657,170	-
Due from component units	500,000	-	85,817	585,817	-
Inventory	2,217,501	57,500	-	2,275,001	731,950
Prepaid expenses	159,105	-	10,509	169,614	755
Real estate held for resale	-	-	643,680	643,680	-
Total current assets	221,857,727	12,953,562	26,340,079	261,151,368	76,882,927
Noncurrent Assets					
Mortgage notes receivable, net	132,941	-	21,930,477	22,063,418	-
Investments	97,195,251	315,008	-	97,510,259	-
Deposits	-	-	-	-	78,745
Prepaid bond insurance costs	-	330,440	-	330,440	-
Advances to other funds	1,150,042	-	-	1,150,042	-
Capital assets					
Land	14,255,003	16,806,856	547,254	31,609,113	-
Buildings, improvements and utility plant	1,127,441,855	57,850,251	36,446,534	1,221,738,640	914,576
Machinery and equipment	76,771,821	1,772,074	4,397,460	82,941,355	1,725,949
Less accumulated depreciation	(489,073,237)	(21,376,613)	(12,650,844)	(523,100,694)	(2,169,586)
Construction in progress	138,472,368	-	10,456,872	148,929,240	-
Net capital assets	867,867,810	55,052,568	39,197,276	962,117,654	470,939
Total noncurrent assets	966,346,044	55,698,016	61,127,753	1,083,171,813	549,684
TOTAL ASSETS	1,188,203,771	68,651,578	87,467,832	1,344,323,181	77,432,611
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	23,812,464	-	-	23,812,464	-
Deferred outflows related to net pension liability	9,570,260	719,965	835,281	11,125,506	1,145,797
Accumulated decrease in fair value of hedging derivatives	22,071,699	-	-	22,071,699	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	55,454,423	719,965	835,281	57,009,669	1,145,797

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS (CONTINUED)
June 30, 2018**

	Business-type Activities			Governmental Activities	
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds	Total	Internal Service Funds
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 16,509,057	\$ 216,701	\$ 1,587,638	\$ 18,313,396	\$ 1,718,422
Accrued salaries and benefits	594,836	39,908	92,818	727,562	73,390
Compensated absences	347,717	23,431	18,431	389,579	50,595
Retainage payable	5,291,318	-	262,352	5,553,670	-
Accrued interest payable	8,833,809	674,887	-	9,508,696	-
Revenue bonds payable	11,915,000	1,190,000	-	13,105,000	-
Due to other funds	-	-	5,786,219	5,786,219	281,538
Deposits payable	122,953	-	-	122,953	-
Unearned revenue	206,590	14,079	104,823	325,492	28,418
Accrued liability for claims	23,600	-	-	23,600	18,414,801
Total current liabilities	43,844,880	2,159,006	7,852,281	53,856,167	20,567,164
Noncurrent Liabilities					
Compensated absences	1,390,869	93,723	73,720	1,558,312	202,377
Net pension liability	47,027,877	3,537,877	4,098,037	54,663,791	5,630,402
Total OPEB liability	-	-	-	-	164,820,581
Revenue bonds payable - net	582,836,244	37,186,273	-	620,022,517	-
Derivative instrument liability - interest rate swap	22,071,699	-	-	22,071,699	-
Total noncurrent liabilities	653,326,689	40,817,873	4,171,757	698,316,319	170,653,360
TOTAL LIABILITIES	697,171,569	42,976,879	12,024,038	752,172,486	191,220,524
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to other postemployment benefits liability	-	-	-	-	5,198,158
Deferred inflows related to net pension liability	860,258	64,717	74,875	999,850	102,994
TOTAL DEFERRED INFLOWS OF RESOURCES	860,258	64,717	74,875	999,850	5,301,152
FUND NET POSITION					
Net investment in capital assets	378,376,072	16,991,303	38,934,924	434,302,299	470,939
Restricted for debt service	1,270,897	-	-	1,270,897	-
Unrestricted	165,979,398	9,338,644	37,269,276	212,587,318	(118,414,207)
TOTAL FUND NET POSITION	\$ 545,626,367	\$ 26,329,947	\$ 76,204,200	648,160,514	\$ (117,943,268)
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				(26,059,972)	
Net position of business-type activities				<u>\$ 622,100,542</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, 2018

	Business-type Activities			Total	Governmental
	Water/Sewer	Parking	Nonmajor		Activities
	Facilities	Facilities	Proprietary		Internal
	Fund	Fund	Funds		Service
					Funds
Operating revenues					
Charges for service	\$ 137,049,776	\$ 6,809,628	\$ 13,566,660	\$ 157,426,064	\$ 53,673,178
Other operating revenue	11,683	1,534,890	3,752	1,550,325	-
Total operating revenues	137,061,459	8,344,518	13,570,412	158,976,389	53,673,178
Operating expenses					
Personnel services	38,488,347	2,752,530	3,686,235	44,927,112	12,480,525
Materials and supplies	13,050,073	188,439	280,808	13,519,320	8,570,250
Other services and charges	26,865,585	1,258,614	5,468,026	33,592,225	6,732,181
Heat, light and power	6,388,825	245,837	567	6,635,229	48,626
Depreciation	39,532,110	1,655,373	1,500,902	42,688,385	182,466
Claims and premiums	750,000	-	-	750,000	36,087,196
Loan bad debt expense	-	-	261,748	261,748	-
Total operating expenses	125,074,940	6,100,793	11,198,286	142,374,019	64,101,244
Operating income (loss)	11,986,519	2,243,725	2,372,126	16,602,370	(10,428,066)
Nonoperating revenues (expenses)					
Investment income (loss)	1,696,590	90,328	205,588	1,992,506	534,777
Rental income	177,669	104,951	8,975	291,595	-
Other nonoperating revenue	140,617	742	-	141,359	-
Federal grant revenue	-	-	127,343	127,343	-
Gain (loss) from sale of assets	(218,977)	1,800	10,494	(206,683)	-
Interest expense	(14,297,611)	(1,634,297)	-	(15,931,908)	-
Bond related costs	(1,043,703)	(4,650)	-	(1,048,353)	-
Insurance recoveries	-	-	993,569	993,569	-
Amortization of deferred charges	(1,405,935)	(17,702)	-	(1,423,637)	-
Total nonoperating revenues (expenses)	(14,951,350)	(1,458,828)	1,345,969	(15,064,209)	534,777
Income (loss) before contributions and transfers	(2,964,831)	784,897	3,718,095	1,538,161	(9,893,289)
Capital contributions and transfers					
Transfers in	-	-	745,042	745,042	6,967,493
Transfers out	(6,818,649)	(887,894)	(1,074,536)	(8,781,079)	(851,608)
Capital grants	-	-	272,070	272,070	-
Development contributions	5,817,810	-	-	5,817,810	-
Total capital contributions and transfers	(1,000,839)	(887,894)	(57,424)	(1,946,157)	6,115,885
Change in net position	(3,965,670)	(102,997)	3,660,671	(407,996)	(3,777,404)
Net position - beginning of period as previously reported	549,592,037	26,432,944	72,543,529		(5,168,416)
Change in accounting principle (Note VII C)	-	-	-		(108,997,448)
Net position - beginning of period as restated	549,592,037	26,432,944	72,543,529		(114,165,864)
Net position - ending	\$ 545,626,367	\$ 26,329,947	\$ 76,204,200		\$ (117,943,268)
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				(4,781,853)	
Change in net position of business-type activities				<u>\$ (5,189,849)</u>	

See accompanying Notes to Financial Statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2018

	Business-type Activities				Governmental
	Water/Sewer	Parking	Nonmajor	Total	Internal
	Facilities Fund	Facilities Fund	Proprietary Funds		Service Funds
Cash Flows From Operating Activities					
Receipts from customers and users	\$ 136,400,466	\$ 8,476,444	\$ 13,674,123	\$ 158,551,033	\$ 387,116
Internal activity - receipts from other funds	-	-	-	-	53,254,222
Internal activity - payments to other funds	(9,440,538)	(654,603)	(1,446,565)	(11,541,706)	(980,090)
Payments to suppliers	(39,525,412)	(1,013,050)	(4,076,283)	(44,614,745)	(13,182,020)
Claims paid	(750,000)	-	-	(750,000)	(35,078,021)
Payments to employees	(36,751,274)	(2,606,081)	(3,677,525)	(43,034,880)	(6,307,321)
Net cash provided by (used in) operating activities	49,933,242	4,202,710	4,473,750	58,609,702	(1,906,114)
Cash Flows From Noncapital Financing Activities					
Advances to other funds	(4,733,257)	-	-	(4,733,257)	(128,140)
Advances from other funds	973	-	5,786,219	5,787,192	4,299
Nonoperating grants	209,357	-	127,343	336,700	-
Other nonoperating revenues	140,617	742	993,569	1,134,928	-
Transfers in	-	-	745,042	745,042	6,967,493
Transfers out	(6,818,649)	(887,894)	(1,074,536)	(8,781,079)	(851,608)
Net cash provided by (used in) noncapital financing activities	(11,200,959)	(887,152)	6,577,637	(5,510,474)	5,992,044
Cash Flows From Capital And Related Financing Activities					
Principal paid on bonds and notes	(11,705,000)	(1,160,000)	-	(12,865,000)	-
Proceeds from revenue bonds	97,539,012	-	-	97,539,012	-
Interest paid on debt	(21,131,162)	(1,647,340)	-	(22,778,502)	-
Proceeds from capital contributions	-	-	272,070	272,070	-
Purchase of capital assets	(39,241,421)	(784,856)	(8,464,053)	(48,490,330)	-
Bond related costs	(1,043,703)	(4,650)	-	(1,048,353)	-
Proceeds from sale of capital assets	478,094	1,800	-	479,894	-
Net cash provided by (used in) capital and related financing activities	24,895,820	(3,595,046)	(8,191,983)	13,108,791	-
Cash Flows From Investing Activities					
Purchase of investments	(60,537,052)	-	(359,085)	(60,896,137)	-
Receipts from property rentals	177,669	104,951	1,910	284,530	-
Advances of mortgage notes receivable	(358,600)	-	(3,086,620)	(3,445,220)	-
Collections of mortgage notes receivable	383,207	-	2,595,184	2,978,391	-
Interest received	1,631,454	90,088	192,827	1,914,369	534,777
Sale of investments	-	1,154,261	-	1,154,261	-
Net cash provided by (used in) investing activities	(58,703,322)	1,349,300	(655,784)	(58,009,806)	534,777
Net increase in cash and cash equivalents	4,924,781	1,069,812	2,203,620	8,198,213	4,620,707
Cash and cash equivalents, July 1, 2017	121,508,103	8,117,807	16,053,505	145,679,415	71,136,702
Cash and cash equivalents, June 30, 2018	\$ 126,432,884	\$ 9,187,619	\$ 18,257,125	\$ 153,877,628	\$ 75,757,409

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
Year Ended June 30, 2018

	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>\$ 11,986,519</u>	<u>\$ 2,243,725</u>	<u>\$ 2,372,126</u>	<u>\$ 16,602,370</u>	<u>\$ (10,428,066)</u>
Adjustments to reconcile operating income to net cash (loss) provided by (used in) operating activities:					
Depreciation	39,532,110	1,655,373	1,500,902	42,688,385	182,466
Accrued benefits related to net pension liability	1,673,026	125,861	146,964	1,945,851	200,302
Bad debt expense	-	-	261,748	261,748	-
Change in operating assets and liabilities					
Accounts receivable	357,240	108,539	(1,112)	464,667	(60,258)
Inventory	501,057	5,309	-	506,366	(43,747)
Prepaid expenses	(42,597)	24,516	(895)	(18,976)	124,631
Accounts payable	(1,268,285)	7,206	80,484	(1,180,595)	(148,778)
Accrued salaries	58,859	4,827	4,463	68,149	842
Accrued compensated absences	5,188	15,761	4,247	25,196	3,805
OPEB liability	-	-	-	-	7,225,096
Accrued expenses	(2,869,875)	(2,486)	-	(2,872,361)	-
Unearned revenue	-	14,079	104,823	118,902	28,418
Accrued liability for claims	-	-	-	-	1,009,175
Total adjustments	<u>37,946,723</u>	<u>1,958,985</u>	<u>2,101,624</u>	<u>42,007,332</u>	<u>8,521,952</u>
Net cash provided by (used in) operating activities	<u><u>\$ 49,933,242</u></u>	<u><u>\$ 4,202,710</u></u>	<u><u>\$ 4,473,750</u></u>	<u><u>\$ 58,609,702</u></u>	<u><u>\$ (1,906,114)</u></u>
Noncash Investing, Capital and Financing Activities					
Water and sewer contributed assets	<u><u>\$ 5,817,810</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,817,810</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, 2018**

	<u>Private- Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	<u>\$ 4,714</u>	<u>\$ 47,025</u>
Total assets	<u>4,714</u>	<u>\$ 47,025</u>
LIABILITIES		
Accounts payable	<u>-</u>	<u>\$ 47,025</u>
Total liabilities	<u>-</u>	<u>\$ 47,025</u>
NET POSITION		
Held in trust - other purposes	<u>\$ 4,714</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, 2018**

	<u>Private- Purpose Trust Funds</u>
ADDITIONS	
Contributions:	
Private donations	\$ 5,878
Total additions	<u>5,878</u>
DEDUCTIONS	
Program expenses	<u>23,329</u>
Total deductions	<u>23,329</u>
Change in net position	(17,451)
Net position - beginning	<u>22,165</u>
Net position - ending	<u><u>\$ 4,714</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, 2018**

	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	\$ 1,040,625	\$ 640,512	\$ 309,915	\$ 5,818,121	\$ 945,679	\$ 1,276,140	\$ 10,030,992
Certificates of deposit	200,000	100,000	100,000	-	100,000	-	500,000
Cash on deposit with escrow agent	-	-	-	5,105,511	-	256,702	5,362,213
Accounts receivable, net	50,886	11,827	10,878	1,484,898	129,753	6,586	1,694,828
Mortgage notes receivable, current portion	-	45,197	-	-	-	64,715	109,912
Prepaid expenses	6,445	3,795	3,144	578,292	24,035	5,832	621,543
Restricted Assets							
Real estate held for sale and development	-	28,800	38,245	-	-	-	67,045
Total current assets	1,297,956	830,131	462,182	12,986,822	1,199,467	1,609,975	18,386,533
Capital Assets							
Capital assets, not being depreciated	154,409	77,398	58,000	-	710,731	1,285,430	2,285,968
Capital assets, net of accumulated depreciation	985,934	523,188	326,141	2,825,639	2,711,165	2,034,899	9,406,966
Net capital assets	1,140,343	600,586	384,141	2,825,639	3,421,896	3,320,329	11,692,934
Other Assets							
Mortgage note receivable, net of allowance	-	494,282	-	-	-	1,725,594	2,219,876
Real estate held for sale and development	863,304	601,519	449,887	-	538,591	-	2,453,301
Organizational costs	-	-	-	-	-	3,230	3,230
Security deposits	2,000	-	-	2,500	5,849	-	10,349
Investment in joint venture	-	-	-	-	-	100	100
Cash on deposit with escrow agent	-	-	-	5,198,382	-	-	5,198,382
Total other assets	865,304	1,095,801	449,887	5,200,882	544,440	1,728,924	9,885,238
TOTAL ASSETS	3,303,603	2,526,518	1,296,210	21,013,343	5,165,803	6,659,228	39,964,705

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
June 30, 2018

	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	\$ 18,893	\$ 21,485	\$ 13,580	\$ 548,793	\$ 53,745	\$ 9,452	\$ 665,948
Accrued expenses	15,582	24,530	4,313	203,010	26,859	3,645	277,939
Customer deposits	-	4,000	2,500	-	40,070	20,816	67,386
Due to primary government	200,000	100,000	100,000	-	185,817	-	585,817
Due to grantor agency	-	220,409	-	-	-	-	220,409
Compensated absences	7,947	2,338	2,391	182,451	1,577	4,096	200,800
Mortgage/bonds/notes payable/ lines of credit - current portion	26,917	-	609,370	-	155,264	-	791,551
Unearned revenue	960	165,205	-	726,860	37,431	192	930,648
Liabilities payable from restricted assets							
Due to grantor agency	-	-	6,501	-	-	-	6,501
Total current liabilities	270,299	537,967	738,655	1,661,114	500,763	38,201	3,746,999
Noncurrent Liabilities							
Compensated absences	31,789	9,350	9,566	-	6,309	16,382	73,396
Mortgage/bonds/lines of credit payable	331,084	621,723	-	-	3,605,998	-	4,558,805
Total noncurrent liabilities	362,873	631,073	9,566	-	3,612,307	16,382	4,632,201
TOTAL LIABILITIES	633,172	1,169,040	748,221	1,661,114	4,113,070	54,583	8,379,200
NET POSITION							
Net investment in capital assets	844,726	166,578	384,141	2,825,639	(339,365)	3,320,329	7,202,048
Restricted							
Community development	-	28,800	-	-	-	-	28,800
Tourism	-	-	-	9,108,979	-	-	9,108,979
Unrestricted	1,825,705	1,162,100	163,848	7,417,611	1,392,098	3,284,316	15,245,678
TOTAL NET POSITION	\$ 2,670,431	\$ 1,357,478	\$ 547,989	\$ 19,352,229	\$ 1,052,733	\$ 6,604,645	\$ 31,585,505

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, 2018**

	Program Revenue				Net (Expense) Revenues and Changes in Net Position						
	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.	Totals
Columbia Development Corporation Community Development	\$ 415,642	\$ 17,595	\$ 70,786	\$ 200,000	\$ (127,261)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (127,261)
Columbia Housing Development Corporation Community Development	716,795	50,558	24,169	-	-	(642,068)	-	-	-	-	(642,068)
Eau Claire Development Corporation Community Development	357,793	28,670	-	-	-	-	(329,123)	-	-	-	(329,123)
Midlands Authority for Convention, Sports, and Tourism Community Promotions	12,214,195	3,209,520	10,151,159	-	-	-	-	1,146,484	-	-	1,146,484
TN Development Corporation Community Development	1,728,906	974,560	200	-	-	-	-	-	(754,146)	-	(754,146)
Columbia Empowerment Zone, Inc. Community Development	1,178,732	361,624	-	-	-	-	-	-	-	(817,108)	(817,108)
Total component units	<u>\$ 16,612,063</u>	<u>\$ 4,642,527</u>	<u>\$ 10,246,314</u>	<u>\$ 200,000</u>	<u>(127,261)</u>	<u>(642,068)</u>	<u>(329,123)</u>	<u>1,146,484</u>	<u>(754,146)</u>	<u>(817,108)</u>	<u>(1,523,222)</u>
General revenues:											
Appropriations - City of Columbia					343,066	302,281	260,523	-	464,458	209,860	1,580,188
Investment earnings					14,115	4,537	112	118,465	-	-	137,229
Total general revenues					<u>357,181</u>	<u>306,818</u>	<u>260,635</u>	<u>118,465</u>	<u>464,458</u>	<u>209,860</u>	<u>1,717,417</u>
Change in net position					<u>229,920</u>	<u>(335,250)</u>	<u>(68,488)</u>	<u>1,264,949</u>	<u>(289,688)</u>	<u>(607,248)</u>	<u>194,195</u>
Net position - beginning of period as previously reported					2,440,511	1,692,728	596,331	18,577,116	1,342,421	7,211,893	31,861,000
Restatement (Note VII. D)					-	-	20,146	(489,836)	-	-	(469,690)
Net position - beginning of period as restated					<u>2,440,511</u>	<u>1,692,728</u>	<u>616,477</u>	<u>18,087,280</u>	<u>1,342,421</u>	<u>7,211,893</u>	<u>31,391,310</u>
Net position - ending					<u>\$ 2,670,431</u>	<u>\$ 1,357,478</u>	<u>\$ 547,989</u>	<u>\$ 19,352,229</u>	<u>\$ 1,052,733</u>	<u>\$ 6,604,645</u>	<u>\$ 31,585,505</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, 2018

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Year Ended June 30, 2018

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CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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 133,100 living within an area of approximately 135 square miles. The Greater Columbia Metropolitan Area consists of Lexington and Richland Counties and has an estimated population of 817,500. 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) issue bonded debt without approval by the City. An entity has a financial benefit or burden relationship with the City if, for example, any of the following conditions exists: (a) the City is legally entitled to or can otherwise access the entity's resources; (b) the City is legally obligated or has otherwise assumed the obligation to finance the deficits or, provide financial support to, the entity; or (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 Operations, 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, 2018

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. 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, investments, rents, 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, 2018

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, 2018

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, 2018

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.

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, 2018

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 in 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, 2018

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. 75, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASBS 75") during the year ended June 30, 2018. GASBS 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with other postemployment benefits as well as for certain nonemployer governments that have a legal obligation to provide financial support for other postemployment benefits provided to the employees of other entities. The requirements of this statement will improve financial reporting by improving the usefulness of information about other postemployment benefits other than pensions included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and accessing accountability.

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. The City considers revenues available, including property taxes, 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, 2018

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.

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, 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventory and Prepaid Assets

In both the government-wide and the fund financial statements, all 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."

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Restricted Assets

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

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, 2018. 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.

Refundable Advances

Refundable advances consists of federal grant funds either received by the City from federal agencies in advance for services not yet delivered or funds that are to be returned to a federal agency due to noncompliance with the requirements of a federal grant agreement.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Unearned Revenues

Unearned revenues consist of funds received by the City from other than federal agencies in advance of meeting all of the requirements necessary to recognize the revenue.

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, changes in assumptions, 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. Differences between projected investment return on pension investments and actual return on those investments will be amortized into pension expense over a five year period, and changes in the proportionate share and differences between employer contributions and proportion and the proportionate share of total plan employer contributions will be recognized as a reduction of the net pension liability over a four year period.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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 four 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. The fourth type is deferred inflows relating to other postemployment benefit obligations and is the result of assumption changes related to plan benefits and is amortized into other postemployment benefit expense over a closed period of approximately eight years.

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 98.1 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES, EXPENDITURES AND EXPENSES (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS), and additions to/deductions from SCRS's and PORS's fiduciary net position have been determined on the same basis as they are reported by SCRS and PORS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. FUND BALANCE (Continued)

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.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. FUND BALANCE (Continued)

<u>Classification / Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable		
General Fund	Prepaid charges	\$ 436,052
County Services	Prepaid charges	74,677
Dickson Trust	Nonspendable principal	5,000
Total nonspendable		<u>515,729</u>
Restricted		
General Fund	Capital projects	4,201,024
General Fund	Public safety	74,629
General Fund	Community development	361,804
Liquor Permit Fee	Tourism	657,518
Accommodations Tax	Tourism	530,519
Tourism Development Convention Center	Tourism	4,032,976
Hospitality Tax	Tourism	909,335
Confiscated Drug Program	Law enforcement	633,238
Other Programs	Community development	428,991
Debt Service Fund	Debt Service	3,261,555
Congaree Vista District	Construction of parks in the Congaree Vista District	4,949,514
General Capital Projects	Capital projects	828,661
Miscellaneous Projects	General Fund capital projects	1,705,990
Dickson Trust	Community development	643
Total restricted		<u>22,576,397</u>
Committed		
General Fund	Community development	213,731
General Fund	Public safety	4,661,002
Total committed		<u>4,874,733</u>
Assigned		
General Fund	Subsequent year expenditures	2,205,351
Streetscaping	Streetscaping capital projects	6,550,954
General Capital Projects	General capital improvements	6,537,972
Total assigned		<u>15,294,277</u>
Unassigned		
General Fund		21,564,954
County Services		(2,733,037)
Total unassigned		<u>18,831,917</u>
Total fund balances		<u>\$ 62,093,053</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 or other liabilities 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.

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 \$2,658,360 at June 30, 2018. The Parks and Recreation Camp Fund had a deficit net position of \$151,487 at June 30, 2018. The Risk Management Internal Service Fund had a deficit net position of \$117,827,484 at June 30, 2018. The Fleet Management Internal Service Fund had a deficit net position of \$80,290 at June 30, 2018. The Support Services Internal Service Fund had a deficit net position of \$35,494 at June 30, 2018. Revenues and transfers from other funds in subsequent years are expected to fund these deficits.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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, 2018. Some of these claims were reported at June 30, 2018, 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 \$1,250,000. 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.

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
2017	\$15,688,315	\$12,795,170	(\$11,054,259)	\$17,429,226
2018	\$17,429,226	\$42,023,346	(41,014,171)	\$18,438,401

This liability is reported in both the Risk Management Fund of the internal services funds (\$18,414,801) and the Water and Sewer Facilities Fund (\$23,600).

Fiscal year 2018 aggregate liability above includes the following amounts for legal claims: \$5,435,399 beginning liability, \$1,726,626 current year claims and changes in estimates, and \$2,653,430 claims payments. The ending liability for legal claims is \$4,508,596. 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. DEPOSITS AND INVESTMENTS

As of June 30, 2018, 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	\$ 112,056,092	\$ 112,056,092	\$ -
Treasuries	63,846,131	12,321,979	51,524,152
Agencies	17,579,222	1,767,108	15,812,114
Total	<u>\$ 193,481,445</u>	<u>\$ 126,145,179</u>	<u>\$ 67,336,266</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.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

A. DEPOSITS AND INVESTMENTS (Continued)

Credit Risk for Investments (continued)

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, 2018, the City was in full compliance with its collateral policy.

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, 2018, 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	\$ 285,833,546
Fair Value of Investments	193,481,445
Total Deposits and Investments	\$ 479,314,991
Statement of Net Position	
Cash and Equivalents	\$ 285,781,807
Investments - Current	94,126,913
Investments - Noncurrent	99,354,532
Statement of Net Position - Fiduciary Funds	
Cash and Equivalents - Trust Funds	4,714
Cash and Equivalents - Agency Funds	47,025
Total Cash and Investments	\$ 479,314,991

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

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, 2018, are as follows:

General Fund	\$ 789,666
Water/Sewer Facilities	\$ 5,477,471
Parking Facilities	\$ 3,069,186
Nonmajor Business-type activities	\$ 5,863

Receivables for the component units consist of items totaling approximately \$1,705,200 at June 30, 2018, which are net of allowances for doubtful accounts. As of June 30, 2018, the allowance for doubtful accounts was approximately \$10,300 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.

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 \$1,840,300 of the total net mortgage notes receivable of approximately \$22,611,400 as of June 30, 2018.

Component units

The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of \$539,479, which is net of an allowance for uncollectible loans of \$61,906. 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 \$1,790,309, which is the net of allowance for uncollectible loans of \$109,263. 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The interfund receivables and payables (including advances) at June 30, 2018, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Funds:		
Water/Sewer Facilities Fund	\$ 9,807,212	\$ -
County Services Fund	-	1,556,237
General Fund	-	1,150,042
Other Governmental	567,138	1,600,314
Nonmajor Proprietary Fund	-	5,786,219
Internal Service Funds	-	281,538
	<u> </u>	<u> </u>
Total	<u>\$ 10,374,350</u>	<u>\$ 10,374,350</u>

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, 2018, are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 9,673,478	\$ 9,690,986
Nonmajor governmental funds	13,403,187	11,465,527
Water/Sewer	-	6,818,649
Parking	-	887,894
Nonmajor proprietary funds	745,042	1,074,536
Internal service funds	6,967,493	851,608
	<u> </u>	<u> </u>
	<u>\$ 30,789,200</u>	<u>\$ 30,789,200</u>

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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, 2018, were approximately \$1,427,800. Future minimum lease payments for these leases are as follows:

Year Ending June 30,	Amount
2019	\$ 1,316,356
2020	1,255,168
2021	965,558
2022	699,129
2023	699,129
2024 - 2028	813,686
2029 - 2033	855,811
2034 - 2038	552,220
2039 - 2040	63,000
Total	<u><u>\$ 7,220,057</u></u>

F. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, is as follows:

	Balance June 30, 2017	Increases	Transfers	Decreases	Balance June 30, 2018
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 36,845,828	\$ -	\$ 258,826	\$ (10)	\$ 37,104,644
Construction in progress	12,198,323	9,372,807	(4,325,418)	(198,307)	17,047,405
Total capital assets not being depreciated	49,044,151	9,372,807	(4,066,592)	(198,317)	54,152,049
Capital assets, being depreciated:					
Buildings and improvements	244,659,292	14,550	2,998,468	-	247,672,310
Machinery and equipment	66,080,364	3,927,915	1,068,124	(2,166,094)	68,910,309
Infrastructure	38,663,159	838,875	-	-	39,502,034
Total capital assets, being depreciated	349,402,815	4,781,340	4,066,592	(2,166,094)	356,084,653
Less accumulated depreciation:					
Buildings and improvements	(79,732,668)	(8,864,397)	3,087	-	(88,593,978)
Machinery and equipment	(44,395,756)	(6,546,624)	(3,087)	2,159,060	(48,786,407)
Infrastructure	(15,699,366)	(1,699,565)	-	-	(17,398,931)
Total accumulated depreciation	(139,827,790)	(17,110,586)	-	2,159,060	(154,779,316)
Total capital assets, being depreciated, net	209,575,025	(12,329,246)	4,066,592	(7,034)	201,305,337
Governmental activities capital assets, net	<u>\$ 258,619,176</u>	<u>\$ (2,956,439)</u>	<u>\$ -</u>	<u>\$ (205,351)</u>	<u>\$ 255,457,386</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

F. CAPITAL ASSETS (Continued)

	Balance June 30, 2017	Increases	Transfers	Decreases	Balance June 30, 2018
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 30,834,259	\$ 774,854	\$ -	\$ -	\$ 31,609,113
Construction in progress	194,676,870	48,370,348	(92,806,558)	(1,311,420)	148,929,240
Total capital assets not being depreciated	225,511,129	49,145,202	(92,806,558)	(1,311,420)	180,538,353
Capital assets, being depreciated:					
Buildings and improvements	1,120,042,635	9,309,054	92,806,558	(419,607)	1,221,738,640
Machinery and equipment	80,015,550	3,921,908	-	(996,103)	82,941,355
Total capital assets, being depreciated	1,200,058,185	13,230,962	92,806,558	(1,415,710)	1,304,679,995
Less accumulated depreciation:					
Buildings and improvements	(430,909,918)	(33,073,044)	-	150,535	(463,832,427)
Machinery and equipment	(50,589,191)	(9,615,340)	-	936,264	(59,268,267)
Total accumulated depreciation	(481,499,109)	(42,688,384)	-	1,086,799	(523,100,694)
Total capital assets, being depreciated, net	718,559,076	(29,457,422)	92,806,558	(328,911)	781,579,301
Business-type activities capital assets, net	\$ 944,070,205	\$ 19,687,780	\$ -	\$ (1,640,331)	\$ 962,117,654

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

Governmental Activities:	
General government	\$ 9,627,877
Public safety	3,418,079
Parks and recreation	1,882,094
Public services	444,352
Judicial	49,303
Community development	1,479,737
General services	26,678
Internal service funds	182,466
Total depreciation expense - governmental activities	\$ 17,110,586
 Business-type Activities:	
Water/Sewer facilities	\$ 39,532,110
Stormwater facilities	1,130,886
Parking facilities	1,655,373
Hydro-electric plant	370,015
Total depreciation expense - business-type activities	\$ 42,688,384

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

F. CAPITAL ASSETS (Continued)

During the year ended June 30, 2018, \$4,958,594 of interest expense in the Business-type activities was capitalized. The City has several ongoing construction projects as of June 30, 2018, for renovations and other construction projects. Total remaining commitments on these construction contracts as of June 30, 2018, totaled approximately \$110,467,900.

During the year ended June 30, 2018, the City recorded in the governmental activities \$838,875 in infrastructure contributed by private parties and in the business-type activities \$5,817,810 in infrastructure contributions by developers.

G. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan description - The City's defined benefit OPEB plan, The City of Columbia Postretirement Healthcare Benefit Program (The Plan), provides OPEB for all active employees who work at least 30 hours per week, qualify for a City of Columbia Retirement Program or a Police and Firefighters Retirement Program benefit, and who retire with 20 or more years of service (15 years of service prior to July 1, 1992). Police and firefighters hired on or after July 1, 2009, are required to have 25 years of service. Other employees hired on or after July 1, 2009, are required to have 28 years of service. The Plan is a single-employer defined dollar benefit OPEB plan administered by the City. City ordinance grants the authority to establish and amend benefit terms and financing requirements to the City Council. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75.

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.

Benefits provided – The Plan provides healthcare benefits for retirees and their spouses. The benefit terms provide for annual payments of up to \$13,560 in eligible health care costs for non-Medicare-eligible retirees and annual payments of up to \$10,080 for their spouses. For Medicare-eligible retirees the benefit terms provide for annual payments of up to \$3,600 and \$2,700 for their spouses.

Employees covered by benefit terms – At June 30, 2018, the following employees were covered by the benefit terms:

Active plan members	2,088
Inactive participants currently receiving benefit payments	767
Covered spouses currently receiving benefits	<u>100</u>
	<u>2,955</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

G. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total OPEB Liability

The City's total OPEB liability of \$164,820,581 was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2017.

Actuarial assumptions and other inputs – The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50%
Retirees' share of benefit-related costs	None
Actuarial Cost Method	Entry Age Normal cost method

The discount rate used was 3.87% and was based on the 20 Year Municipal Bond Rate. Mortality rates were based on RP-2006 Mortality Table with Scale MP-2017.

The actuarial assumptions used in the July 1, 2017, valuation were based on personnel, plan design, health care claim cost, and other information.

Changes in the Total OPEB Liability

Balance at June 30, 2017	Total OPEB Liability
	<u>\$ 168,761,901</u>
Changes for the year:	
Service cost	4,441,132
Interest cost	6,050,483
Changes in assumptions	(5,968,255)
Benefit payments	<u>(8,464,680)</u>
Net change in total OPEB liability	<u>3,941,320</u>
Balance at June 30, 2018	<u>\$ 164,820,581</u>

Changes in assumptions include:

- The discount rate increased from 3.5% to 3.87%.
- The mortality assumption was updated from RP 2017 with projection scale MP 2015 to RP 2006 with projection scale MP 2017 to reflect more current mortality assumptions.
- Administrative expenses were updated from \$48 to \$51 using the 3% trend.

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	(2.87%)	(3.87%)	(4.87%)
Total OPEB liability	\$ 185,326,225	\$ 164,820,581	\$ 147,803,997

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

G. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$9,721,518. At June 30, 2018, the City reported deferred inflows of resources related to OPEB from the following source:

Deferred Inflows of Resources	
Changes in assumptions	\$ 5,198,158

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2019	\$ (770,097)
2020	(770,097)
2021	(770,097)
2022	(770,097)
2023	(770,097)
Total thereafter	(1,347,673)

As of June 30, 2018, there were no payables due to the OPEB Plan.

H. SHORT-TERM DEBT

The schedule below details the changes in short-term capital borrowings during the year ended June 30, 2018 for governmental activities.

	Original Issue	Interest Rate	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

I. LONG-TERM OBLIGATIONS

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Amount Due in 2019
Governmental Activities					
Notes payable	\$ 675,000	\$ -	\$ (75,000)	\$ 600,000	\$ 75,000
GO bonds	30,710,000	-	(5,365,000)	25,345,000	4,030,000
Revenue bonds	50,035,000	-	(3,590,000)	46,445,000	3,730,000
Unamortized bond premiums	6,067,144	-	(459,736)	5,607,408	-
Capital lease payable	11,831,886	4,000,000	(2,165,130)	13,666,756	2,695,359
Compensated absences	7,095,348	7,658,250	(7,336,272)	7,417,326	1,534,060
Total OPEB obligation as restated	168,761,901	-	(3,941,320)	164,820,581	-
Total governmental activities	<u>275,176,279</u>	<u>11,658,250</u>	<u>(22,932,458)</u>	<u>263,902,071</u>	<u>12,064,419</u>
Business-Type Activities					
Revenue bonds	510,595,000	87,340,000	(11,705,000)	586,230,000	13,105,000
Unamortized bond premiums	38,604,566	10,199,012	(1,906,061)	46,897,517	-
Compensated absences	1,922,695	2,145,650	(2,120,454)	1,947,891	389,579
Derivative instrument liability	27,665,025	-	(5,593,326)	22,071,699	-
Total business-type activities	<u>578,787,286</u>	<u>99,684,662</u>	<u>(21,324,841)</u>	<u>657,147,107</u>	<u>13,494,579</u>
Total all long-term obligations	<u>\$ 853,963,565</u>	<u>\$ 111,342,912</u>	<u>\$ (44,257,299)</u>	<u>\$ 921,049,178</u>	<u>\$ 25,558,998</u>

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, \$252,972 of Internal Service Funds compensated absences is included in the above amounts. Also, for the governmental activities, 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, 2018**

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, 2018, including interest payments, but excluding accrued compensated absences 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
2019	\$ 4,030,000	\$ 845,350	\$ 3,730,000	\$ 1,757,343	\$ 75,000	\$ -	\$ 2,695,359	\$ 209,088	\$ 10,530,359	\$ 2,811,781
2020	2,870,000	723,213	3,825,000	1,667,429	75,000	-	2,740,078	164,369	9,510,078	2,555,011
2021	2,685,000	629,538	3,910,000	1,575,179	75,000	-	2,785,557	118,890	9,455,557	2,323,607
2022	2,425,000	543,700	4,000,000	1,480,826	75,000	-	2,378,463	74,384	8,878,463	2,098,910
2023	1,095,000	456,275	1,370,000	1,384,251	75,000	-	1,793,392	41,795	4,333,392	1,882,321
2024-2028	4,205,000	1,737,925	6,100,000	6,337,739	225,000	-	1,273,907	20,245	11,803,907	8,095,909
2029-2033	1,755,000	1,180,250	5,680,000	5,217,100	-	-	-	-	7,435,000	6,397,350
2034-2038	2,120,000	806,525	6,940,000	3,797,250	-	-	-	-	9,060,000	4,603,775
2039-2043	2,480,000	442,200	8,845,000	1,881,250	-	-	-	-	11,325,000	2,323,450
2044-2046	1,680,000	76,500	2,045,000	102,250	-	-	-	-	3,725,000	178,750
	<u>\$ 25,345,000</u>	<u>\$ 7,441,476</u>	<u>\$ 46,445,000</u>	<u>\$ 25,200,617</u>	<u>\$ 600,000</u>	<u>\$ -</u>	<u>\$ 13,666,756</u>	<u>\$ 628,771</u>	<u>\$ 86,056,756</u>	<u>\$ 33,270,864</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

I. LONG-TERM OBLIGATIONS (Continued)

Business-Type Activities:

Year Ending June 30,	Revenue Bonds	Interest
2019	\$ 13,105,000	\$ 24,703,317
2020	14,220,000	25,703,253
2021	14,775,000	25,147,110
2022	15,530,000	24,501,310
2023	16,435,000	23,847,658
2024-2028	94,030,000	107,435,814
2029-2033	118,750,000	82,966,428
2034-2038	146,070,000	53,491,725
2039-2043	119,360,000	21,113,550
2044-2048	33,955,000	4,492,350
	<u>\$ 586,230,000</u>	<u>\$ 393,402,515</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, 2018, 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%	\$ 660,000
\$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%	4,400,000
\$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%	350,000

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

I. LONG-TERM OBLIGATIONS (Continued)

General Obligation Bonds (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%	\$ 1,125,000
\$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%	2,480,000
\$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%	5,685,000
\$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><u>\$ 25,345,000</u></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.

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%.	<u>\$ 600,000</u>
<i>Total Governmental Activities Note Payable</i>	<u><u>\$ 600,000</u></u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

I. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds, Notes and Certificates of Participation (Continued)

Revenue Bonds

Revenue bonds outstanding as of June 30, 2018, are as follows:

Governmental Activities:

<p>\$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%</p>	<p>\$ 8,555,000</p>
<p>\$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%</p>	<p>10,305,000</p>
<p>\$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%</p>	<p>26,175,000</p>
<p>\$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%</p>	<p><u>1,410,000</u></p>
<p><i>Total Governmental Activities Revenue Bonds</i></p>	<p><u><u>\$ 46,445,000</u></u></p>

Business-Type Activities:

Parking Facilities Fund:

<p>\$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%</p>	<p>\$ 28,170,000</p>
<p>\$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%</p>	<p><u>10,170,000</u></p>
<p><i>Total Parking Facilities Revenue Bonds</i></p>	<p><u><u>38,340,000</u></u></p>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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:

<p>\$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</p>	<p>\$ 81,860,000</p>
<p>\$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%</p>	<p>10,130,000</p>
<p>\$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%</p>	<p>32,135,000</p>
<p>\$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%</p>	<p>4,455,000</p>
<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>68,040,000</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>61,060,000</p>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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)

\$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%

\$ 144,815,000

\$87,340,000 Waterworks and Sewer System Revenue Bonds, Series 2018

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

Proceeds for: Cost of improvements to the System

Annual principal installments of \$915,000 to \$5,180,000 through Feb. 1, 2048

Interest rate: 2.5 to 5.0%

87,340,000

Total Water and Sewer Revenue Bonds

547,890,000

Total Business-Type Activities Revenue Bonds

\$ 586,230,000

Obligations Under Capital Leases

During fiscal year 2018, 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 12 years. During the current year, approximately \$2,618,800 was included in depreciation expense on assets costing approximately \$15,462,900 acquired with capital lease proceeds. The City had approximately \$4,201,000 in unspent lease funds at June 30, 2018.

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.

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%

\$ 3,722,156

\$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%

6,163,811

\$4,000,000 Capital Lease Payable to Regions Bank issued December 2017

Proceeds for: Acquisition of capital assets

Monthly principal and interest installments of \$51,401 through January 1, 2025

Interest rate: 2.17%

3,780,789

Total Governmental Activities Capital Leases Payable

\$ 13,666,756

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

I. LONG-TERM OBLIGATIONS (Continued)

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, 2018, the balance of this conduit debt was approximately \$2,121,600.

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, 2018, 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, 2018, the City did not have any arbitrage profits due to the federal government.

J. TAX ABATEMENTS

While the City of Columbia does not have any of its own tax abatement agreements as of June 30, 2018, 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.

Additionally, the County uses multicounty industrial or business parks ("MCIP") in connection with the FILOT and SSRC programs which further abate the City's property tax revenues from certain taxpayers.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

J. TAX ABATEMENTS (Continued)

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

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 30 years (or 40 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.

In addition to the minimum eligibility requirements to receive a property tax reduction under the FILOT program described above, the taxpayer 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 property tax year 2017, City property taxes abated resulting from the FILOT program totaled approximately \$386,300. The City received approximately \$547,800 in fee-in-lieu of *ad valorem* property tax payments from taxpayers with active agreements under the FILOT program in property tax year 2017.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

J. TAX ABATEMENTS (Continued)

Special Source Revenue Credit Program (Continued)

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 property tax year 2017, City property taxes abated resulting from the SSRC program totaled approximately \$281,400 – 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 \$273,300 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.

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 taxpayer's 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 taxpayer's 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 parks will be distributed to each taxing entity in the participating counties.

For the property tax year 2017, of the total payments made by taxpayers who were subject to the County's multicounty industrial park agreements, \$80,325 would have been received by the City but for the taxpayers' location within its multicounty industrial park. For the property tax year 2017, fee-in-lieu of standard *ad valorem* tax payments from taxpayers within the multicounty industrial park totaled \$199,087.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

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.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

IV. PENSION PLANS

Membership (Continued)

• 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.

• 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

IV. PENSION PLANS (Continued)

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the percentage rate in 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.

If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 90%, then the Board effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 90%. Any decrease in funding rates must maintain the 2.9% and 5% differentials between the SCRS and PORS employer and employee contribution rates respectively. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 90%, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90%.

The Retirement System Funding and Administration Act increases employer contribution rates to 13.56% for SCRS and 16.24% for PORS, effective July 1, 2017. It also removes the 2.9% and 5% differential and increases and establishes a ceiling on employee contribution rates at 9% and 9.75% for SCRS and PORS, respectively. The employer contribution rates will continue to increase annually by 1% through July 1, 2022. The legislation's ultimate scheduled employer contribution rate is 18.56% for SCRS and 21.24% for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a 20 year amortization schedule. The recent pension reform legislation also changes the long term funded ratio requirement from 90 to 85.

Required <u>employee</u> contribution rates for fiscal year 2017-2018 are as follows:		
SCRS		
Employee Class Two		9.00% of earnable compensation
Employee Class Three		9.00% of earnable compensation
PORS		
Employee Class Two		9.75% of earnable compensation
Employee Class Three		9.75% of earnable compensation
Required <u>employer</u> contribution rates for fiscal year 2017-2018 are as follows:		
SCRS		
Employer Class Two		13.41% of earnable compensation
Employer Class Three		13.41% of earnable compensation
Employer Incidental Death Benefit		0.15% of earnable compensation
PORS		
Employer Class Two		15.84% of earnable compensation
Employer Class Three		15.84% 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, 2018

IV. PENSION PLANS (Continued)

Contributions (Continued)

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

Year Ended June 30, 2018	SCRS	PORS
Required contributions	\$ 8,119,349	\$ 6,777,860
Actual contributions	\$ 8,119,349	\$ 6,777,860

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, 2017, total pension liability (TPL), net pension liability (NPL), and sensitivity information were determined by the Systems consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2017, using generally accepted actuarial principles. The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total liability for this assumption change as of the measurement date of June 30, 2017.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2017.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

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

Assumptions used in the determination of the June 30, 2017, TPL are as follows.

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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:

<u>Measurement Period</u> <u>Ended June 30,</u>	<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>SCRS</u>	<u>PORS</u>
2016	2017	\$122,912,706	\$80,547,962
2017	2018	\$132,942,302	\$82,781,885

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 net pension liability is disclosed in accordance with the requirements of GASB No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the Plans' funding requirements.

The net pension liabilities were measured as of June 30, 2017, and the total pension liabilities for the Plans used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report of July 1, 2016, that was projected forward to the measurement date. The City's proportion of the net pension liabilities was based on a projection of the City's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2017, measurement date, the City's percentage of the SCRS and PORS net pension liability was 0.590550% and 3.021720%, respectively. This is an increase of 0.151120% for SCRS and a decrease of 0.153870% for PORS from its proportion measured as of June 30, 2016.

Long-term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00% real rate of return and a 2.25% inflation component.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the 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, 2018

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	45.0%		
Global Public Equity	31.0%	6.72%	2.08%
Private Equity	9.0%	9.60%	0.86%
Equity Option Strategies	5.0%	5.91%	0.30%
Real Assets	8.0%		
Real Estate (Private)	5.0%	4.32%	0.22%
Real Estate (REITs)	2.0%	6.33%	0.13%
Infrastructure	1.0%	6.26%	0.06%
Opportunistic	17.0%		
GTAA/Risk Parity	10.0%	4.16%	0.42%
Hedge Funds (non-PA)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.92%	0.24%
Emerging Markets Debt	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	2.0%	0.92%	0.02%
	<hr/>		
Total Expected Real Return	100.0%		5.32%
Inflation for Actuarial Purposes			2.25%
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 7.25% 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 (6.25%) or 1.00% higher (8.25%) 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	\$ 171,344,366	\$ 132,942,302	\$ 109,641,273
PORS	\$ 111,771,255	\$ 82,781,857	\$ 59,947,295

Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2017 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2017.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

IV. PENSION PLANS (Continued)

Pension Expense and Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2018, the City recognized pension expense of \$13,595,799 to SCRS and pension expense of \$9,969,443 to SCRS for a total of \$23,565,242 in pension expense.

At June 30, 2018, 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	\$ 8,687,758	\$ -
Differences in actual and expected experience	592,657	73,685
Change in assumptions	7,782,345	
Changes in proportion and differences between the City's contributions and proportionate share of contributions	2,684,709	959,848
Net differences between projected and actual earnings on plan investments	<u>3,711,125</u>	<u>-</u>
	<u>\$ 23,458,594</u>	<u>\$ 1,033,533</u>
<u>PORS</u>		
Pension contributions subsequent to the measurement date	\$ 7,200,254	\$ -
Differences in actual and expected experience	738,179	-
Change in assumptions	7,856,764	
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,696,623	2,912,604
Net differences between projected and actual earnings on plan investments	<u>2,949,861</u>	<u>-</u>
	<u>\$ 20,441,681</u>	<u>\$ 2,912,604</u>
Total all plans	<u>\$ 43,900,275</u>	<u>\$ 3,946,137</u>

The City reported \$15,888,012 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, 2019. 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 experience 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, 2017, measurement date was 4.116 years for SCRS and 4.665 years for PORS. The amortization of assumption changes will be amortized over 4.073 years. 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, 2018.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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
2018	2019	\$ 3,756,360	\$ 3,135,945
2019	2020	6,433,973	4,486,540
2020	2021	4,521,896	2,890,642
2021	2022	(974,926)	(184,304)
Net Balance of Deferred Outflows/ (Inflows) of Resources		<u>\$ 13,737,303</u>	<u>\$ 10,328,823</u>

Payables to the Pension Plans

At June 30, 2018, the City reported a payable of approximately \$1,442,400 and approximately \$859,100 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 personnel of the City's component units, with the exception of MACST, are employed by the City of Columbia. As a result, the City reports the amount of the proportional net pension liability and the related deferred inflows and outflows related to the service of these individuals in its financial statements.

V. INTEREST RATE SWAP AGREEMENT

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 Chase. The City agreed to pay a fixed rate to J.P. Morgan Chase 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 Chase 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 Chase 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, 2018, 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 swap 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 Chase does not require collateral to be posted to reduce credit risk exposure.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

V. INTEREST RATE SWAP AGREEMENTS (Continued)

During the year ended June 30, 2018, the City made variable bond interest payments in the amount of \$913,210 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 \$922,550. The net of variable payments on the bonds and receipts on the swap was \$9,340.

The fair value balances and notional amounts of derivative instrument outstanding at June 30, 2018, 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>\$ 22,071,699</u>	\$ 81,860,000
		\$ (5,593,326)			

The following table displays the objectives and terms of the City's hedging derivative instrument outstanding at June 30, 2018, 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%	A2 / A- / AA-
	* Moody's, S&P, and Fitch, senior unsecured 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, 2018, 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.

Waterworks and Sewer Bonds
Series 2009

Year Ending June 30,	Variable Rate Bonds		Hedging	Total
	Principal	Interest	Derivatives, Net	
2019	\$ -	\$ -	\$ 3,583,825	\$ 3,583,825
2020	-	-	3,583,825	3,583,825
2021	-	-	3,583,825	3,583,825
2022	525,000	-	3,583,825	4,108,825
2023	550,000	-	3,421,657	3,971,657
2024-2028	3,515,000	-	17,547,742	21,062,742
2029-2033	27,490,000	-	16,345,529	43,835,529
2034-2038	49,780,000	-	9,284,072	59,064,072
	<u>\$ 81,860,000</u>	<u>\$ -</u>	<u>\$ 60,934,300</u>	<u>\$ 142,794,300</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

V. INTEREST RATE SWAP AGREEMENTS (Continued)

Risks

Credit Risk – Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2018, 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 this hedging derivative instrument are based on a rate or index other than interest rates the City pays on its hedge variable-rate debt. As of June 30, 2018, the interest rate on the City's hedged variable rate debt was 1.45%, while the SIFMA swap index rate was 1.51%.

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.

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

VI. COMMITMENTS AND CONTINGENCIES (Continued)

B. CONSENT DECREE (Continued)

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, achieved during the year ended June 30, 2015, required the City to make \$7,965,842 in public improvements. Phase three, achieved during the year ended June 30, 2016, 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, which was achieved during the year ended June 30, 2018, 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.

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 both parking facilities constructed. However, the developer has requested that the parking facilities not be constructed until such time as the developer requests. 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 has not yet been determined.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

VII. OTHER INFORMATION

A. SUBSEQUENT EVENTS

On July 31, 2018, the City issued a \$39,225,000 taxable Parking System bond at various interest rates between 2.96% and 4.34%. The proceeds were used to defease the Parking Facilities Refunding Revenue Bonds Series 2005A (\$28,170,000) and the Parking Facilities Refunding Revenue Bonds Series 2014 (\$10,170,000). The tax-exempt bonds were refunded with a taxable issue to create more flexibility within the Parking System.

On December 19, 2018, the City issued a \$37,900,000 Stormwater System Revenue bond at various interest rates between 4.00% and 5.00%. The proceeds from the bond will be used to fund capital improvements to the City's stormwater system. The bond is a Green bond certified by the Climate Bond Initiative.

On December 20, 2018, the City incurred an \$8,000,000 capital lease obligation. This lease is for seven years and bears interest at the rate of 2.78% per annum. Proceeds from this capital lease obligation will be used to purchase governmental capital assets.

Prior to January 1, 2019, the City managed its risks related to medical and dental costs as described in Note II. C. Effective January 1, 2019, the City became a member of the State of South Carolina State Health Plan administered by PEBA. The impact of this change is that the City went from a claims based system of managing medical and dental costs to a premium based system. The City feels the change will better enable them to manage and budget their medical and dental costs. The City is obligated to remain a member of the State Health Plan for four years. After two years, the City will be subject to a potential increase in premiums due to a risk rating to be performed. The City also operates an employee medical clinic. The operations of this clinic will not be impacted by the City's decision to become a member of the State Health Plan.

B. PENDING IMPLEMENTATION OF GASB STATEMENTS

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

VII. OTHER INFORMATION (Continued)

B. PENDING IMPLEMENTATION OF GASB STATEMENTS (Continued)

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. 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.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in the notes to the financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that maybe used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. It requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in the debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For the notes to the financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. 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. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

VII. OTHER INFORMATION (Continued)

B. PENDING IMPLEMENTATION OF GASB STATEMENTS (Continued)

GASB Statement No. 90, *Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61*. This statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. 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.

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

C. CHANGE IN ACCOUNTING PRINCIPLE

The City implemented Governmental Accounting Standards Board (GASB) Statement 75, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASBS 75") during the year ended June 30, 2018. GASBS 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with other postemployment benefits, as well as for certain nonemployer governments that have a legal obligation to provide financial support for other postemployment benefits provided to the employees of other entities. The requirements of this statement will improve financial reporting by improving the usefulness of information about other postemployment benefits other than pensions included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and accessing accountability.

The implementation of this new accounting principle was retroactive and required a total other postemployment liability of \$108,997,448 to be recorded on the Statement of Net Position as of June 30, 2017. The net position of the government-wide activities and the Risk Management internal service fund has been restated in this amount.

D. RESTATEMENT

During the year ended June 30, 2018, management of Eau Claire Development Corporation discovered expenses for the year ended June 30, 2017, had been overstated by \$20,146. Eau Claire Development Corporation corrected this by increasing beginning net position by \$20,146.

During the year ended June 30, 2018, management of Midlands Authority for Conventions, Sports, and Tourism discovered construction in progress had been overstated by \$489,836 as of June 30, 2017. Midlands Authority for Conventions, Sports and Tourism corrected this by decreasing capital assets and beginning net position by \$489,836.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

The Schedule of Changes in the City's Total OPEB Liability and Related Ratios provides information relating to the City's adoption of GASB Statement No. 75.

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
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB
LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2018
(UNAUDITED)**

Total OPEB Liability	
Service cost	\$ 4,441,132
Interest	6,050,483
Changes in assumptions or other inputs	(5,968,255)
Benefit payments	<u>(8,464,680)</u>
Net change in total OPEB liability	(3,941,320)
Total OPEB liability - beginning	<u>168,761,901</u>
Total OPEB liability - ending	<u><u>\$ 164,820,581</u></u>
Covered payroll	\$ 102,133,193
Total OPEB liability as a percentage of covered payroll	161.38%

Notes to Schedule:

Changes in assumptions. The valuation reflects the following assumption changes:

The discount rate increased from 3.5% to 3.87%.

The mortality assumption was updated from RP 2017 with projection scale MP2015 to RP 2006 with projection scale MP 2017 to reflect more current mortality assumptions. Administrative expenses were updated from \$48 to \$51 using the 3% trend.

No assets are being accumulated in a trust to pay related benefits as they become due.

The City implemented GASB 75 during fiscal year 2018; as such only the current year 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
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (UNAUDITED)
YEAR ENDED JUNE 30, 2018**

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property taxes	\$ 55,702,136	\$ 55,702,136	\$ 34,411,685	\$ 21,290,451
Local option sales tax	-	-	20,811,587	(20,811,587)
Hospitality and admission taxes	-	-	634,090	(634,090)
Licenses and permits	27,127,030	27,127,030	27,889,578	(762,548)
Franchise fees	13,622,159	13,622,159	12,904,332	717,827
Intergovernmental revenue	15,953,090	15,953,090	16,152,914	(199,824)
Charges for services	12,716,306	12,716,306	13,114,382	(398,076)
Fines and forfeitures	918,000	918,000	717,118	200,882
Federal government	-	2,257,019	584,188	1,672,831
Private grants	-	-	147	(147)
Interest	150,000	150,000	60,674	89,326
Rental income	97,000	97,000	133,873	(36,873)
Other revenues	100,000	100,000	13,629	86,371
Total revenues	126,385,721	128,642,740	127,428,197	1,214,543
EXPENDITURES				
Current				
General government	12,482,378	12,460,215	12,372,218	87,997
Judicial	3,853,229	3,844,229	3,358,803	485,426
Finance department	2,200,119	2,200,119	1,807,673	392,446
Planning and development	4,544,644	4,930,538	4,090,523	840,015
Public safety	66,416,116	69,770,639	65,924,634	3,846,005
Parks and recreation	12,690,385	12,687,633	12,138,971	548,662
Public services	16,829,604	16,845,357	15,062,365	1,782,992
General services	2,648,422	2,706,655	2,424,484	282,171
Tourism and community development	4,408,695	4,379,176	4,013,376	365,800
Community promotions	-	206,000	245,080	(39,080)
Debt service				
Principal payment on bonds	2,687,635	2,687,635	2,165,130	522,505
Interest on bonds	-	-	188,874	(188,874)
Capital outlay				
Capital outlay	935,100	4,561,494	3,907,325	654,169
Total expenditures	129,696,327	137,279,690	127,699,456	9,580,234
Excess (deficiency) of revenues over (under) expenditures	(3,310,606)	(8,636,950)	(271,259)	(8,365,691)
OTHER FINANCING SOURCES (USES)				
Transfers in	12,974,680	13,990,877	9,673,478	4,317,399
Transfers (out)	(12,984,074)	(9,350,216)	(9,690,986)	340,770
Sale of general capital assets	320,000	320,000	236,949	83,051
Issuance of capital leases	-	-	4,000,000	(4,000,000)
Unappropriated surplus	3,000,000	3,676,289	-	3,676,289
Insurance recoveries	-	-	149,573	(149,573)
Total other financing sources (uses)	3,310,606	8,636,950	4,369,014	4,267,936
Excess (deficiency) of revenues and other financing sources over (under) expenditures, other financing sources (uses) and special items	-	-	4,097,755	(4,097,755)
Beginning fund balances (deficits)	36,393,740	36,393,740	29,620,792	-
Ending fund balances (deficits)	<u>\$ 36,393,740</u>	<u>\$ 36,393,740</u>	<u>\$ 33,718,547</u>	<u>\$ -</u>

**CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO BUDGETARY COMPARISON SCHEDULE (UNAUDITED)
YEAR ENDED JUNE 30, 2018**

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, 2018**

	<u>Original Adopted Budget</u>	<u>Final Budget Amendments</u>	<u>Revised Budget</u>
General Fund	\$ 142,680,401	\$ 3,949,505	\$ 146,629,906

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULES OF THE CITY'S CONTRIBUTIONS
YEAR ENDED JUNE 30, 2018
(UNAUDITED)**

**SOUTH CAROLINA RETIREMENT SYSTEM
LAST 5 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually required contributions	\$ 8,119,349	\$ 6,888,470	\$ 6,155,138	\$ 5,815,863	\$ 5,669,535
Contributions made to the pension plan	<u>8,119,349</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 59,877,207	\$ 59,588,839	\$ 55,652,247	\$ 53,480,622	\$ 52,411,010
Contributions as a percentage of covered payroll	13.56%	11.56%	11.06%	10.87%	10.82%

**POLICE OFFICER'S RETIREMENT SYSTEM
LAST 5 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually required contributions	\$ 6,777,860	\$ 5,784,601	\$ 5,548,189	\$ 5,031,606	\$ 4,736,002
Contributions made to the pension plan	<u>6,777,860</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 42,255,986	\$ 41,200,865	\$ 40,976,282	\$ 37,437,424	\$ 36,688,676
Contributions as a percentage of covered payroll	16.04%	14.04%	13.54%	13.44%	12.91%

The City implemented GASB 68 during fiscal year 2015; as such only the last five 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, 2018
(UNAUDITED)

SOUTH CAROLINA RETIREMENT SYSTEM
LAST 5 FISCAL YEARS
(UNAUDITED)

	<u>June 30, 2018</u>	<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	0.590550%	0.575439%	0.570267%	0.589139%	0.589139%
The City's proportionate share of the net pension liability	\$ 132,942,302	\$ 122,912,706	\$ 108,153,887	\$ 101,430,204	\$ 105,670,520
The City's covered payroll	\$ 59,588,839	\$ 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	223.10%	220.86%	202.23%	193.53%	206.37%
The Plan's fiduciary net position as a percentage of the total pension liability	53.30%	52.90%	57.00%	59.92%	59.92%

POLICE OFFICER'S RETIREMENT SYSTEM
LAST 5 FISCAL YEARS
(UNAUDITED)

	<u>June 30, 2018</u>	<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	3.02172%	3.17559%	3.03491%	3.06671%	3.06671%
The City's proportionate share of the net pension liability	\$ 82,781,885	\$ 80,547,962	\$ 66,145,819	\$ 58,710,014	\$ 63,572,138
The City's covered payroll	\$ 41,200,865	\$ 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	200.92%	196.57%	176.68%	160.02%	179.42%
The Plan's fiduciary net position as a percentage of the total pension liability	60.90%	60.40%	64.60%	67.55%	67.55%

The City implemented GASB 68 during fiscal year 2015, as such only the last five 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 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, 2018**

	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	\$ 494,590	\$ -	\$ -	\$ 651,020	\$ 937,788	\$ -	\$ 24,281	\$ 341,355	\$ 2,974,629	\$ 5,423,663
Investments	151,156	-	62,676	246,711	263,688	-	-	106,311	1,088,320	1,918,862
Receivables										
Federal government	-	-	-	5,715	-	385,822	1,407,856	-	-	1,799,393
State government	11,200	-	988,387	-	-	-	10,822	-	-	1,010,409
County government	-	-	-	-	-	-	-	-	659,721	659,721
Accounts, net	-	-	-	-	-	-	373	-	-	373
Accrued interest receivable	572	-	237	-	997	-	-	402	1,787	3,995
Due from grantee agencies	-	-	-	-	-	-	49,059	-	-	49,059
TOTAL ASSETS	\$ 657,518	\$ -	\$ 1,051,300	\$ 903,446	\$ 1,202,473	\$ 385,822	\$ 1,492,391	\$ 448,068	\$ 4,724,457	\$ 10,865,475
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ -	\$ 449,750	\$ 23,497	\$ 276,818	\$ 215,167	\$ 569,027	\$ 4,748	\$ 691,481	\$ 2,230,488
Accrued salaries and benefits	-	-	-	-	-	7,705	55,205	10,754	-	73,664
Retainage payable	-	-	-	-	-	-	-	-	-	-
Refundable advances	-	-	-	246,711	16,320	-	72,539	-	-	335,570
Due to other funds	-	-	71,031	-	-	162,950	795,620	3,575	-	1,033,176
Total liabilities	-	-	520,781	270,208	293,138	385,822	1,492,391	19,077	691,481	3,672,898
Fund balances										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	657,518	-	530,519	633,238	909,335	-	-	428,991	4,032,976	7,192,577
Assigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	657,518	-	530,519	633,238	909,335	-	-	428,991	4,032,976	7,192,577
TOTAL LIABILITIES AND FUND BALANCES	\$ 657,518	\$ -	\$ 1,051,300	\$ 903,446	\$ 1,202,473	\$ 385,822	\$ 1,492,391	\$ 448,068	\$ 4,724,457	\$ 10,865,475

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2018**

	<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	\$ 965,038	\$ 3,644,332	\$ 5,320,551	\$ 5,903,207	\$ 593,666	\$ 15,461,756	\$ 5,643	\$ 21,856,100
Investments	2,292,217	1,200,641	1,227,909	2,295,848	2,012,103	6,736,501	-	10,947,580
Receivables								
Federal government	-	-	-	-	-	-	-	1,799,393
State government	-	-	-	-	-	-	-	1,010,409
County government	-	-	-	-	-	-	-	659,721
Accounts, net	-	-	-	37,311	-	37,311	-	37,684
Accrued interest receivable	4,300	4,541	4,644	8,683	1,615	19,483	-	27,778
Due from other funds	-	100,000	-	467,138	-	567,138	-	567,138
Due from grantee agencies	-	-	-	-	-	-	-	49,059
TOTAL ASSETS	<u>\$ 3,261,555</u>	<u>\$ 4,949,514</u>	<u>\$ 6,553,104</u>	<u>\$ 8,712,187</u>	<u>\$ 2,607,384</u>	<u>\$ 22,822,189</u>	<u>\$ 5,643</u>	<u>\$ 36,954,862</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ 2,150	\$ 1,187,205	\$ 334,232	\$ 1,523,587	\$ -	\$ 3,754,075
Accrued salaries and benefits	-	-	-	-	-	-	-	73,664
Retainage payable	-	-	-	158,349	-	158,349	-	158,349
Refundable advances	-	-	-	-	24	24	-	335,594
Due to other funds	-	-	-	-	567,138	567,138	-	1,600,314
Total liabilities	-	-	2,150	1,345,554	901,394	2,249,098	-	5,921,996
Fund balances								
Nonspendable	-	-	-	-	-	-	5,000	5,000
Restricted	3,261,555	4,949,514	-	828,661	1,705,990	7,484,165	643	17,938,940
Assigned	-	-	6,550,954	6,537,972	-	13,088,926	-	13,088,926
Total fund balances	3,261,555	4,949,514	6,550,954	7,366,633	1,705,990	20,573,091	5,643	31,032,866
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,261,555</u>	<u>\$ 4,949,514</u>	<u>\$ 6,553,104</u>	<u>\$ 8,712,187</u>	<u>\$ 2,607,384</u>	<u>\$ 22,822,189</u>	<u>\$ 5,643</u>	<u>\$ 36,954,862</u>

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue								Total	
	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	\$ -	\$ 910,376	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 910,376
Hospitality and admission taxes	-	-	-	-	11,653,618	-	-	-	-	11,653,618
Accommodations tax	-	-	2,753,342	-	-	-	-	-	-	2,753,342
Tourism development fee	-	-	-	-	-	-	-	4,080,751	-	4,080,751
Liquor permit fee	350,825	-	-	-	-	-	-	-	-	350,825
Intergovernmental revenue	-	-	-	-	-	3,241	13,630	1,340	-	18,211
Charges for services	-	-	-	-	-	-	65,253	-	-	65,253
Fines and forfeitures	-	-	-	663,389	-	-	96,635	-	-	760,024
Federal government	-	-	-	-	-	2,508,460	3,825,880	-	-	6,334,340
County government	-	-	-	-	-	-	-	2,803,784	-	2,803,784
Promotions	-	-	-	-	-	-	35,000	-	-	35,000
Interest income	3,524	-	1,461	49	6,148	-	-	2,478	16,421	30,081
Other revenues	-	-	-	-	-	-	12,899	51,196	-	64,095
Total revenues	354,349	910,376	2,754,803	663,438	11,659,766	2,511,701	3,852,409	251,902	6,900,956	29,859,700
EXPENDITURES										
Current										
General government	389	-	161	-	679	-	46,489	274	-	47,992
Public safety	-	-	-	261,483	-	-	1,909,458	273,772	-	2,444,713
Parks and recreation	-	-	-	-	-	-	-	70,598	-	70,598
Public services	-	-	-	-	-	-	2,097,502	-	-	2,097,502
Tourism and community development	399,845	910,376	2,565,131	-	5,339,884	1,953,602	-	37,075	4,661,916	15,867,829
Debt service										
Principal payment on bonds	-	-	-	-	-	-	-	-	2,435,000	2,435,000
Interest on bonds	-	-	-	-	-	-	-	-	291,746	291,746
Fiscal agent charges	-	-	-	-	-	-	-	-	1,650	1,650
Capital outlay										
Capital outlay	-	-	-	13,202	-	-	21,936	-	1,408,424	1,443,562
Total expenditures	400,234	910,376	2,565,292	274,685	5,340,563	1,953,602	4,075,385	381,719	8,798,736	24,700,592
Excess (deficiency) of revenues over (under) expenditures	(45,885)	-	189,511	388,753	6,319,203	558,099	(222,976)	(129,817)	(1,897,780)	5,159,108
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	514,537	222,976	161,468	-	898,981
Transfers (out)	-	-	(25,000)	(186,220)	(6,422,134)	(1,072,636)	-	-	-	(7,705,990)
Total other financing sources (uses)	-	-	(25,000)	(186,220)	(6,422,134)	(558,099)	222,976	161,468	-	(6,807,009)
Net change in fund balances	(45,885)	-	164,511	202,533	(102,931)	-	-	31,651	(1,897,780)	(1,647,901)
Beginning fund balances	703,403	-	366,008	430,705	1,012,266	-	-	397,340	5,930,756	8,840,478
Ending fund balances	<u>\$ 657,518</u>	<u>\$ -</u>	<u>\$ 530,519</u>	<u>\$ 633,238</u>	<u>\$ 909,335</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 428,991</u>	<u>\$ 4,032,976</u>	<u>\$ 7,192,577</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, 2018

	Debt Service Fund	Capital Projects				Total Nonmajor Capital Projects Funds	Permanent Trust	Total Nonmajor Governmental Funds
		Congaree Vista District	Streetscaping	General Capital Projects	Miscellaneous Projects		Dickson Trust	
REVENUES								
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 910,376	
Hospitality and admission taxes	-	-	-	-	-	-	11,653,618	
Accommodations tax	-	-	-	-	-	-	2,753,342	
Tourism development fee	-	-	-	-	-	-	4,080,751	
Liquor permit fee	-	-	-	-	-	-	350,825	
Intergovernmental revenue	-	-	2,948,865	5,000	-	2,953,865	2,972,076	
Charges for services	-	-	-	-	-	-	65,253	
Fines and forfeitures	-	-	-	-	-	-	760,024	
Federal government	-	-	-	-	-	-	6,334,340	
State government	-	-	-	291,930	-	291,930	291,930	
County government	-	-	-	-	-	-	2,803,784	
Promotions	-	-	-	-	-	-	35,000	
Private grants	-	-	938,193	-	-	938,193	938,193	
Interest income	34,014	27,995	28,629	53,529	31,637	141,790	205,923	
Other revenues	-	-	-	36,001	-	36,001	100,096	
Total revenues	34,014	27,995	3,915,687	386,460	31,637	4,361,779	38	34,255,531
EXPENDITURES								
Current								
General government	2,926	3,090	3,160	5,908	2,159	14,317	-	65,235
Public safety	-	-	-	-	-	-	-	2,444,713
Parks and recreation	-	-	-	-	-	-	-	70,598
Public services	-	-	2,147	-	-	2,147	-	2,099,649
Tourism and community development	-	-	-	609,138	334,000	943,138	-	16,810,967
Debt service								
Principal payment on bonds	6,595,000	-	-	-	-	-	-	9,030,000
Interest on bonds	2,564,942	-	-	-	39,000	39,000	-	2,895,688
Fiscal agent charges	11,282	-	-	-	2,100	2,100	-	15,032
Capital outlay								
Capital outlay	-	-	3,032,001	4,919,152	13,232	7,964,385	-	9,407,947
Total expenditures	9,174,150	3,090	3,037,308	5,534,198	390,491	8,965,087	-	42,839,829
Excess (deficiency) of revenues over (under) expenditures	(9,140,136)	24,905	878,379	(5,147,738)	(358,854)	(4,603,308)	38	(8,584,298)
OTHER FINANCING SOURCES (USES)								
Transfers in	8,436,284	-	41,610	2,725,769	1,300,543	4,067,922	-	13,403,187
Transfers (out)	-	(306,010)	(997,153)	(1,554,592)	(901,782)	(3,759,537)	-	(11,465,527)
Total other financing sources (uses)	8,436,284	(306,010)	(955,543)	1,171,177	398,761	308,385	-	1,937,660
Net change in fund balances	(703,852)	(281,105)	(77,164)	(3,976,561)	39,907	(4,294,923)	38	(6,646,638)
Beginning fund balances	3,965,407	5,230,619	6,628,118	11,343,194	1,666,083	24,868,014	5,605	37,679,504
Ending fund balances	<u>\$ 3,261,555</u>	<u>\$ 4,949,514</u>	<u>\$ 6,550,954</u>	<u>\$ 7,366,633</u>	<u>\$ 1,705,990</u>	<u>\$ 20,573,091</u>	<u>\$ 5,643</u>	<u>\$ 31,032,866</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, 2018**

	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	\$ -	\$ 13,333,999	\$ 4,801,493	\$ 121,633	\$ 18,257,125
Investments	17,678	6,687,885	-	14,800	6,720,363
Accounts receivable, net	-	1,537	-	-	1,537
Mortgage notes receivable, net	-	-	510,436	-	510,436
Accrued interest receivable	67	25,793	4,908	56	30,824
Due from federal government	-	79,788	-	-	79,788
Due from component units	-	-	85,817	-	85,817
Prepaid expenses	-	9,697	812	-	10,509
Real estate held for resale	-	-	643,680	-	643,680
Total current assets	17,745	20,138,699	6,047,146	136,489	26,340,079
Noncurrent Assets					
Mortgage notes receivable, net	-	-	21,930,477	-	21,930,477
Capital assets					
Land	327,169	220,085	-	-	547,254
Buildings, improvements and utility plant	18,155,310	18,291,224	-	-	36,446,534
Machinery and equipment	-	4,397,460	-	-	4,397,460
Less accumulated depreciation	(5,141,139)	(7,509,705)	-	-	(12,650,844)
Construction in progress	-	10,456,872	-	-	10,456,872
Net capital assets	13,341,340	25,855,936	-	-	39,197,276
Total noncurrent assets	13,341,340	25,855,936	21,930,477	-	61,127,753
TOTAL ASSETS	13,359,085	45,994,635	27,977,623	136,489	87,467,832
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to the net pension liability	-	733,135	58,246	43,900	835,281
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	733,135	58,246	43,900	835,281

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS (CONTINUED)
 JUNE 30, 2018**

	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	\$ 153,714	\$ 1,361,702	\$ 6,676	\$ 65,546	\$ 1,587,638
Accrued salaries and benefits	-	44,741	2,964	45,113	92,818
Compensated absences	-	18,422	-	9	18,431
Retainage payable	-	262,352	-	-	262,352
Due to other funds	5,786,219	-	-	-	5,786,219
Unearned revenue	-	16,375	86,944	1,504	104,823
Total current liabilities	5,939,933	1,703,592	96,584	112,172	7,852,281
Noncurrent Liabilities					
Compensated absences	-	73,686	-	34	73,720
Net pension liability	-	3,602,594	279,719	215,724	4,098,037
Total noncurrent liabilities	-	3,676,280	279,719	215,758	4,171,757
Total liabilities	5,939,933	5,379,872	376,303	327,930	12,024,038
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to the net pension liability	-	65,900	5,029	3,946	74,875
TOTAL DEFERRED INFLOWS OF RESOURCES	-	65,900	5,029	3,946	74,875
FUND NET POSITION					
Net investment in capital assets	13,341,340	25,593,584	-	-	38,934,924
Unrestricted	(5,922,188)	15,688,414	27,654,537	(151,487)	37,269,276
Total fund net position	\$ 7,419,152	\$ 41,281,998	\$ 27,654,537	\$ (151,487)	\$ 76,204,200

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Proprietary Funds
Operating revenues					
Charges for service	\$ -	\$ 12,696,493	\$ 550,851	\$ 319,316	\$ 13,566,660
Other operating revenue	-	-	3,752	-	3,752
Total operating revenues	<u>-</u>	<u>12,696,493</u>	<u>554,603</u>	<u>319,316</u>	<u>13,570,412</u>
Operating expenses					
Personnel services	-	3,227,415	194,169	264,651	3,686,235
Materials and supplies	-	215,874	6,122	58,812	280,808
Other services and charges	3,571,231	1,275,829	570,037	50,929	5,468,026
Heat, light and power	-	567	-	-	567
Depreciation	370,016	1,130,886	-	-	1,500,902
Bad debt expense	-	-	261,748	-	261,748
Total operating expenses	<u>3,941,247</u>	<u>5,850,571</u>	<u>1,032,076</u>	<u>374,392</u>	<u>11,198,286</u>
Operating income (loss)	<u>(3,941,247)</u>	<u>6,845,922</u>	<u>(477,473)</u>	<u>(55,076)</u>	<u>2,372,126</u>
Nonoperating revenues (expenses)					
Investment income (loss)	412	155,929	48,901	346	205,588
Rental income	-	1,910	7,065	-	8,975
Federal grant revenue	-	127,343	-	-	127,343
Gain (loss) from sale of assets	-	10,494	-	-	10,494
Insurance recoveries	993,569	-	-	-	993,569
Total nonoperating revenues (expenses)	<u>993,981</u>	<u>295,676</u>	<u>55,966</u>	<u>346</u>	<u>1,345,969</u>
Income (loss) before contributions and transfers	<u>(2,947,266)</u>	<u>7,141,598</u>	<u>(421,507)</u>	<u>(54,730)</u>	<u>3,718,095</u>
Capital contributions and transfers					
Transfers in	-	-	745,042	-	745,042
Transfers out	-	(560,000)	(514,536)	-	(1,074,536)
Capital contributions	-	272,070	-	-	272,070
Total capital contributions and transfers	<u>-</u>	<u>(287,930)</u>	<u>230,506</u>	<u>-</u>	<u>(57,424)</u>
Change in net position	<u>(2,947,266)</u>	<u>6,853,668</u>	<u>(191,001)</u>	<u>(54,730)</u>	<u>3,660,671</u>
Net position - beginning	<u>10,366,418</u>	<u>34,428,330</u>	<u>27,845,538</u>	<u>(96,757)</u>	<u>72,543,529</u>
Net position - ending	<u>\$ 7,419,152</u>	<u>\$ 41,281,998</u>	<u>\$ 27,654,537</u>	<u>\$ (151,487)</u>	<u>\$ 76,204,200</u>

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018**

	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	\$ -	\$ 12,711,756	\$ 641,547	\$ 320,820	\$ 13,674,123
Internal activity - payments to other funds	-	(1,392,476)	(41,761)	(12,328)	(1,446,565)
Payments to suppliers	(3,443,090)	(79,551)	(523,433)	(30,209)	(4,076,283)
Payments to employees	-	(3,221,986)	(193,990)	(261,549)	(3,677,525)
Net cash provided by (used in) operating activities	<u>(3,443,090)</u>	<u>8,017,743</u>	<u>(117,637)</u>	<u>16,734</u>	<u>4,473,750</u>
Cash Flows From Noncapital Financing Activities					
Advances from other funds	5,786,219	-	-	-	5,786,219
Operating grants	-	127,343	-	-	127,343
Other nonoperating revenues	993,569	-	-	-	993,569
Transfers in	-	-	745,042	-	745,042
Transfers out	-	(560,000)	(514,536)	-	(1,074,536)
Net cash provided by (used in) noncapital financing activities	<u>6,779,788</u>	<u>(432,657)</u>	<u>230,506</u>	<u>-</u>	<u>6,577,637</u>
Cash Flows From Capital And Related Financing Activities					
Proceeds from capital contributions	-	272,070	-	-	272,070
Purchase of capital assets	(3,491,246)	(4,972,807)	-	-	(8,464,053)
Net cash used in capital and related financing activities	<u>(3,491,246)</u>	<u>(4,700,737)</u>	<u>-</u>	<u>-</u>	<u>(8,191,983)</u>
Cash Flows From Investing Activities					
Purchase of investments	(17,678)	(308,929)	(17,678)	(14,800)	(359,085)
Receipts from property rentals	-	1,910	-	-	1,910
Advances of mortgage notes receivable	-	-	(3,086,620)	-	(3,086,620)
Collections of mortgage notes receivable	-	-	2,595,184	-	2,595,184
Interest received	345	148,198	43,993	291	192,827
Net cash used in investing activities	<u>(17,333)</u>	<u>(158,821)</u>	<u>(465,121)</u>	<u>(14,509)</u>	<u>(655,784)</u>
Net increase (decrease) in cash and cash equivalents	(171,881)	2,725,528	(352,252)	2,225	2,203,620
Cash and cash equivalents, July 1, 2017	171,881	10,608,471	5,153,745	119,408	16,053,505
Cash and cash equivalents, June 30, 2018	<u>\$ -</u>	<u>\$ 13,333,999</u>	<u>\$ 4,801,493</u>	<u>\$ 121,633</u>	<u>\$ 18,257,125</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS (CONTINUED)
 YEAR ENDED JUNE 30, 2018**

	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>\$ (3,941,247)</u>	<u>\$ 6,845,922</u>	<u>\$ (477,473)</u>	<u>\$ (55,076)</u>	<u>\$ 2,372,126</u>
Adjustments to reconcile operating income to net cash (loss) provided by (used in) operating activities:					
Depreciation	370,016	1,130,886	-	-	1,500,902
Accrued benefits related to net pension liability	-	128,163	11,127	7,674	146,964
Bad debt expense	-	-	261,748	-	261,748
Change in operating assets and liabilities					
Accounts receivable	-	(1,112)	-	-	(1,112)
Prepaid expenses	-	(83)	(812)	-	(895)
Accounts payable	128,141	(107,837)	650	59,530	80,484
Accrued salaries	-	1,186	179	3,098	4,463
Accrued compensated absences	-	4,243	-	4	4,247
Unearned revenue	-	16,375	86,944	1,504	104,823
Total adjustments	<u>498,157</u>	<u>1,171,821</u>	<u>359,836</u>	<u>71,810</u>	<u>2,101,624</u>
Net cash provided by (used in) operating activities	<u><u>\$ (3,443,090)</u></u>	<u><u>\$ 8,017,743</u></u>	<u><u>\$ (117,637)</u></u>	<u><u>\$ 16,734</u></u>	<u><u>\$ 4,473,750</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, 2018**

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 3,332,771	\$ 982,843	\$ 71,441,795	\$ 75,757,409
Accounts receivable, net	114,941	-	277,872	392,813
Inventory	-	731,950	-	731,950
Prepaid expenses	755	-	-	755
Total current assets	<u>3,448,467</u>	<u>1,714,793</u>	<u>71,719,667</u>	<u>76,882,927</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>(1,108,588)</u>	<u>(1,060,998)</u>	<u>-</u>	<u>(2,169,586)</u>
Net capital assets	<u>250,306</u>	<u>220,633</u>	<u>-</u>	<u>470,939</u>
Total noncurrent assets	<u>250,306</u>	<u>220,633</u>	<u>78,745</u>	<u>549,684</u>
TOTAL ASSETS	<u>3,698,773</u>	<u>1,935,426</u>	<u>71,798,412</u>	<u>77,432,611</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to the net pension liability	<u>733,135</u>	<u>351,202</u>	<u>61,460</u>	<u>1,145,797</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>733,135</u>	<u>351,202</u>	<u>61,460</u>	<u>1,145,797</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)
JUNE 30, 2018**

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Nonmajor Proprietary Funds
LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION				
Current Liabilities				
Accounts payable	\$ 692,573	\$ 155,489	\$ 870,360	\$ 1,718,422
Accrued salaries and benefits	35,186	29,150	9,054	73,390
Compensated absences	20,311	18,556	11,728	50,595
Due to other funds	-	277,239	4,299	281,538
Unearned revenue	14,391	10,103	3,924	28,418
Accrued liability for claims	-	-	18,414,801	18,414,801
Total current liabilities	<u>762,461</u>	<u>490,537</u>	<u>19,314,166</u>	<u>20,567,164</u>
Noncurrent Liabilities				
Compensated absences	81,243	74,222	46,912	202,377
Net pension liability	3,602,594	1,725,794	302,014	5,630,402
Total OPEB liability	-	-	164,820,581	164,820,581
Total noncurrent liabilities	<u>3,683,837</u>	<u>1,800,016</u>	<u>165,169,507</u>	<u>170,653,360</u>
Total liabilities	<u>4,446,298</u>	<u>2,290,553</u>	<u>184,483,673</u>	<u>191,220,524</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to other postemployment benefits liability	-	-	5,198,158	5,198,158
Deferred inflows related to the net pension liability	65,900	31,569	5,525	102,994
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>65,900</u>	<u>31,569</u>	<u>5,203,683</u>	<u>5,301,152</u>
FUND NET POSITION				
Net investment in capital assets	250,306	220,633	-	470,939
Unrestricted	(330,596)	(256,127)	(117,827,484)	(118,414,207)
Total fund net position	<u>\$ (80,290)</u>	<u>\$ (35,494)</u>	<u>\$ (117,827,484)</u>	<u>\$ (117,943,268)</u>

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
Operating revenues				
Charges for service	\$ 10,604,502	\$ 581,318	\$ 42,487,358	\$ 53,673,178
Total operating revenues	<u>10,604,502</u>	<u>581,318</u>	<u>42,487,358</u>	<u>53,673,178</u>
Operating expenses				
Personnel services	2,770,109	1,882,422	7,827,994	12,480,525
Materials and supplies	8,012,063	396,327	161,860	8,570,250
Other services and charges	166,495	1,812,147	4,753,539	6,732,181
Heat, light and power	44,266	-	4,360	48,626
Depreciation	42,695	139,771	-	182,466
Claims and premiums	-	-	36,087,196	36,087,196
Total operating expenses	<u>11,035,628</u>	<u>4,230,667</u>	<u>48,834,949</u>	<u>64,101,244</u>
Operating income (loss)	<u>(431,126)</u>	<u>(3,649,349)</u>	<u>(6,347,591)</u>	<u>(10,428,066)</u>
Nonoperating revenues (expenses)				
Investment income (loss)	-	-	534,777	534,777
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>534,777</u>	<u>534,777</u>
Income (loss) before contributions and transfers	<u>(431,126)</u>	<u>(3,649,349)</u>	<u>(5,812,814)</u>	<u>(9,893,289)</u>
Transfers				
Transfers in	485,625	3,635,886	2,845,982	6,967,493
Transfers out	(96,210)	-	(755,398)	(851,608)
Total transfers	<u>389,415</u>	<u>3,635,886</u>	<u>2,090,584</u>	<u>6,115,885</u>
Change in net position	<u>(41,711)</u>	<u>(13,463)</u>	<u>(3,722,230)</u>	<u>(3,777,404)</u>
Net position - beginning of period as previously reported	(38,579)	(22,031)	(5,107,806)	(5,168,416)
Change in accounting principle (Note VII C)	-	-	(108,997,448)	(108,997,448)
Net position - beginning of period as restated	<u>(38,579)</u>	<u>(22,031)</u>	<u>(114,105,254)</u>	<u>(114,165,864)</u>
Net position - ending	<u>\$ (80,290)</u>	<u>\$ (35,494)</u>	<u>\$ (117,827,484)</u>	<u>\$ (117,943,268)</u>

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018**

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 373,089	\$ 10,103	\$ 3,924	\$ 387,116
Internal activity - receipts from other funds	10,207,885	581,318	42,465,019	53,254,222
Internal activity - payments to other funds	(627,253)	(337,100)	(15,737)	(980,090)
Payments to suppliers	(8,138,288)	(1,866,964)	(3,176,768)	(13,182,020)
Claims paid	-	-	(35,078,021)	(35,078,021)
Payments to employees	(2,662,681)	(1,799,690)	(1,844,950)	(6,307,321)
Net cash provided by (used in) operating activities	<u>(847,248)</u>	<u>(3,412,333)</u>	<u>2,353,467</u>	<u>(1,906,114)</u>
Cash Flows From Noncapital Financing Activities				
Advances to other funds	-	(128,140)	-	(128,140)
Advances from other funds	-	-	4,299	4,299
Transfers in	485,625	3,635,886	2,845,982	6,967,493
Transfers out	(96,210)	-	(755,398)	(851,608)
Net cash provided by noncapital financing activities	<u>389,415</u>	<u>3,507,746</u>	<u>2,094,883</u>	<u>5,992,044</u>
Cash Flows From Investing Activities				
Interest received	-	-	534,777	534,777
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>534,777</u>	<u>534,777</u>
Net increase (decrease) in cash and cash equivalents	(457,833)	95,413	4,983,127	4,620,707
Cash and cash equivalents, July 1, 2017	<u>3,790,604</u>	<u>887,430</u>	<u>66,458,668</u>	<u>71,136,702</u>
Cash and cash equivalents, June 30, 2018	<u><u>\$ 3,332,771</u></u>	<u><u>\$ 982,843</u></u>	<u><u>\$ 71,441,795</u></u>	<u><u>\$ 75,757,409</u></u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2018**

	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>\$ (431,126)</u>	<u>\$ (3,649,349)</u>	<u>\$ (6,347,591)</u>	<u>\$ (10,428,066)</u>
Adjustments to reconcile operating income to net cash (loss) provided by (used in) operating activities:				
Depreciation	42,695	139,771	-	182,466
Accrued benefits related to net pension liability	128,163	61,395	10,744	200,302
Change in operating assets and liabilities				
Accounts receivable	(37,919)	-	(22,339)	(60,258)
Inventory	-	(43,747)	-	(43,747)
Prepaid expenses	3,846	120,785	-	124,631
Accounts payable	(546,563)	(72,628)	470,413	(148,778)
Accrued salaries	(2,965)	4,452	(645)	842
Accrued compensated absences	(17,770)	16,885	4,690	3,805
Unearned revenue	14,391	10,103	3,924	28,418
OPEB liability	-	-	7,225,096	7,225,096
Accrued liability for claims	-	-	1,009,175	1,009,175
Total adjustments	<u>(416,122)</u>	<u>237,016</u>	<u>8,701,058</u>	<u>8,521,952</u>
Net cash provided by (used in) operating activities	<u><u>\$ (847,248)</u></u>	<u><u>\$ (3,412,333)</u></u>	<u><u>\$ 2,353,467</u></u>	<u><u>\$ (1,906,114)</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, 2018

	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	\$ 1,700	\$ 497	\$ 2,517	\$ 4,714
Total assets	1,700	497	2,517	4,714
NET POSITION				
Held in trust - other purposes	\$ 1,700	\$ 497	\$ 2,517	\$ 4,714

**CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2018**

	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	\$ 5,848	\$ 16	\$ 14	\$ 5,878
Total contributions	<u>5,848</u>	<u>16</u>	<u>14</u>	<u>5,878</u>
DEDUCTIONS				
Program expenses	16,341	6,986	2	23,329
Total deductions	<u>16,341</u>	<u>6,986</u>	<u>2</u>	<u>23,329</u>
Change in net position	(10,493)	(6,970)	12	(17,451)
Net position - beginning	<u>12,193</u>	<u>7,467</u>	<u>2,505</u>	<u>22,165</u>
Net position - ending	<u>\$ 1,700</u>	<u>\$ 497</u>	<u>\$ 2,517</u>	<u>\$ 4,714</u>

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
ASSETS				
Cash and cash equivalents	\$ 35,385	\$ 137,854	\$ (126,214)	\$ 47,025
Total assets	<u>\$ 35,385</u>	<u>\$ 137,854</u>	<u>\$ (126,214)</u>	<u>\$ 47,025</u>
LIABILITIES				
Accounts payable	\$ 35,385	\$ 140,751	\$ (129,111)	\$ 47,025
Total liabilities	<u>\$ 35,385</u>	<u>\$ 140,751</u>	<u>\$ (129,111)</u>	<u>\$ 47,025</u>

OTHER SCHEDULE

**CITY OF COLUMBIA, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
YEAR ENDED JUNE 30, 2018**

For the State Treasurer's Office	Municipal Court
COUNTY/MUNICIPAL FUNDS COLLECTED by the CLERK OF COURT	
Court Fines and Assessments:	
Court fines and assessments collected	\$ 1,674,797
Court fines and assessments remitted to the State Treasurer	(887,152)
Total Court Fines and Assessments Retained	\$ 787,645
 Surcharges and Assessments Retained for Victim Services:	
Surcharges Collected and Retained	\$ 20,455
Assessments Retained	76,179
Total Surcharges and Assessments Retained for Victim Services	\$ 96,634
 <u>For the Department of Crime Victim Compensation (DCVC)</u>	
Victim Service Funds Collected	
Carryforward From Previous Year - Beginning Balance	\$ -
<u>Victim Service Revenue</u>	
Victim Service Assessments Retained by City/County Treasurer	76,179
Victim Service Surcharges Retained by City/County Treasurer	20,455
General Funds Transferred to Victim Service Fund	161,468
Total Funds Allocated to Victim Service Fund plus Beginning Balance	258,102
 <u>Expenditures for Victim Service Program:</u>	
Salaries and Benefits	264,634
Operating Expenditures	7,798
Total Expenditures from Victim Services Fund	272,432
Total Victim Service Funds Retained by Municipal County Treasurer	(14,330)
Less: Prior Year Fund Deficit Repayment	-
Carryforward Funds - End of Year	\$ (14,330)

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets ¹	\$ 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	\$ 173,383,176
Restricted for:										
Public safety	5,528	5,575	701,466	386,158	2,294,259	4,233,960	231,622	353,801	617,492	707,867
Community development	-	-	-	-	209,030	107,259	1,051,042	628,926	1,069,540	1,326,957
Tourism	-	-	5,323,341	5,187,200	5,149,465	3,155,058	6,127,487	6,551,888	7,646,425	5,599,829
Debt service	-	-	4,940,501	3,480,333	3,512,035	3,339,548	3,978,932	4,213,150	3,965,407	3,261,555
Capital projects	-	-	16,940,012	17,701,662	15,264,573	19,833,612	42,264,148	13,276,860	11,246,571	11,685,189
Unrestricted ^{2,4}	36,636,210	44,723,202	20,963,118	18,967,653	25,840,430	26,906,641	(109,340,207)	(81,441,812)	(192,244,224)	(195,460,095)
Total governmental activities net position	<u>\$ 187,563,954</u>	<u>\$ 186,594,367</u>	<u>\$ 191,812,698</u>	<u>\$ 201,712,977</u>	<u>\$ 207,388,220</u>	<u>\$ 214,030,566</u>	<u>\$ 106,415,505</u>	<u>\$ 107,414,834</u>	<u>\$ 4,412,072</u>	<u>\$ 504,478</u>
Business-type activities										
Net investment in capital assets ¹	\$ 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	\$ 434,302,299
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	1,270,897
Unrestricted	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	186,527,346
Total business-type activities net position	<u>\$ 589,899,289</u>	<u>\$ 592,754,529</u>	<u>\$ 592,615,278</u>	<u>\$ 594,506,388</u>	<u>\$ 620,668,875</u>	<u>\$ 637,925,568</u>	<u>\$ 603,067,624</u>	<u>\$ 619,439,244</u>	<u>\$ 627,290,391</u>	<u>\$ 622,100,542</u>
Primary government										
Net investment in capital assets ¹	\$ 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	\$ 607,685,475
Restricted for:										
Public safety	5,528	5,575	701,466	386,158	2,294,259	4,233,960	231,622	353,801	617,492	707,867
Community development	-	-	-	-	209,030	107,259	1,051,042	628,926	1,069,540	1,326,957
Tourism related expenditures	-	-	5,323,341	5,187,200	5,149,465	3,155,058	6,127,487	6,551,888	7,646,425	5,599,829
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	4,532,452
Capital projects	-	-	16,940,012	17,701,662	15,264,573	19,833,612	42,264,148	13,276,860	11,246,571	11,685,189
Unrestricted ^{2,3,4}	180,849,606	190,112,339	189,404,247	214,757,636	263,544,111	279,737,793	115,632,534	127,124,081	(9,473,149)	(8,932,749)
Total primary government net position	<u>\$ 777,463,243</u>	<u>\$ 779,348,896</u>	<u>\$ 784,427,976</u>	<u>\$ 796,219,365</u>	<u>\$ 828,057,095</u>	<u>\$ 851,956,134</u>	<u>\$ 709,483,129</u>	<u>\$ 726,854,078</u>	<u>\$ 631,702,463</u>	<u>\$ 622,605,020</u>

¹ Net of related liabilities

² Years 2009 through 2013 have been restated to reflect the adoption of GASB Statement 65

³ Year 2016 has been restated to reflect the adoption of GASB Statement 68

⁴ Year 2017 has been restated to reflect the adoption of GASB Statement 75

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

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General government	\$ 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	\$ 23,520,903
Judicial	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	3,643,690
Finance department	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	1,932,607
Community promotions	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	352,199
Planning and development	-	-	-	-	-	-	-	-	4,267,580	4,373,279
Public safety	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	98,570,019
Parks and recreation	11,142,423	8,681,126	11,445,882	9,912,910	11,329,817	12,290,401	13,081,872	13,936,365	12,884,956	15,065,745
Public services	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	18,823,400
General services	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	2,620,596
Tourism and community development	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	22,554,550
Interest and other charges	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	3,814,060
Non departmental	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	3,365,104
Total governmental activities expense	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	198,636,152
Business-type Activities:										
Water and sewer facilities	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	146,392,932
Hydro-electric plant	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	3,941,247
Stormwater	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	6,030,694
Parking facilities	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	7,994,100
Redevelopment programs	960,872	4,704,419	606,265	1,966,452	734,283	848,141	835,812	811,683	1,092,578	1,032,076
Parks and recreation camps	-	248,705	268,639	305,939	271,271	324,209	306,219	325,053	362,485	385,898
Total business-type expenses	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	165,776,947
Total primary government expenses	\$ 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	\$ 364,413,099
Program revenues										
Governmental Activities										
Charges for services										
General government	\$ 7,900,830	\$ 6,461,975	\$ 9,042,002	\$ 771,459	\$ 940,028	\$ 758,177	\$ 726,487	\$ 810,592	\$ 2,594,500	\$ 2,768,252
Finance	28,850,804	26,306,361	27,706,315	28,328,937	30,505,679	31,467,056	37,837,666	38,659,299	-	-
Community promotions	-	-	-	-	-	-	-	-	-	165,358
Tourism and community development	1,478,580	1,112,332	1,052,569	721,425	793,431	832,159	799,663	908,359	619,541	71,225
Public safety	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	48,314,997
Parks and recreation	656,535	629,982	644,895	583,471	728,247	818,304	822,319	779,008	833,501	876,137
Public services	1,060,884	860,914	762,632	350,100	247,570	344,718	258,211	169,512	615,441	596,340
General services	-	-	-	-	-	-	-	-	888,200	212,115
Non departmental	440,682	154,783	170,256	-	-	-	-	-	-	-
Operating grants and contributions	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	10,195,760
Capital grants and contributions	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	4,926,131
Total Governmental Activities Program Revenue	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	68,126,315
Business-type Activities										
Charges for services										
Water and sewer facilities	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	137,379,745
Hydro-electric plant	4,094,441	1,346,041	851,431	2,622,234	2,731,475	4,843,922	3,037,971	54,435	151,890	993,569
Stormwater facilities	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	12,708,897
Parking facilities	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	8,450,211
Redevelopment programs	918,809	881,876	646,954	599,950	921,759	564,456	680,111	543,626	574,908	561,668
Parks and recreation camps	-	207,707	226,238	262,582	253,150	275,182	300,931	320,265	335,505	319,316
Operating grants and contributions	-	-	-	-	-	-	-	6,248,115	6,029,439	127,343
Capital grants and contributions	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	6,089,880
Total Business-type Activities Revenues	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	166,630,629
Total Primary Government Revenues	\$ 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	\$ 234,756,944
Net (expense) revenue										
Governmental activities	\$ (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)	\$ (130,509,837)
Business-type activities	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	853,682
Total Primary Government Net Expense	\$ (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)	\$ (129,656,155)

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

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
General property taxes	\$ 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	\$ 35,292,150
Local Option Sales Tax	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	20,811,587
Hospitality and admission taxes	-	-	-	-	-	-	-	-	11,990,432	12,287,708
Accommodations tax	-	-	-	-	-	-	-	-	2,496,308	2,753,342
Tourism development fee	-	-	-	-	-	-	-	-	3,911,428	4,080,751
Liquor permit fees	-	-	-	-	-	-	-	-	478,973	350,825
Utility franchise fees	-	-	-	-	-	-	-	-	13,133,923	12,904,332
Business privilege license fee	-	-	-	-	-	-	-	-	24,986,525	26,242,063
Sales tax	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	323,644	261,200	-	-	-	-	-	-	-	-
Motor fuel	1,059	11,024	4,976	3,436	3,566	1,381	3,348	3,054	-	-
State shared revenue	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	3,575,571
Investment income	1,282,669	417,459	1,068,106	537,702	26,022	89,001	163,175	227,683	(20,184)	267,877
Other	1,891,037	-	-	156,323	188,511	109,361	254,447	222,106	-	-
Special items	-	-	-	-	-	-	-	-	2,592,856	-
Transfers	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	8,036,037
Total Governmental Activities	<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>	<u>126,602,243</u>
Business-type Activities										
Investment income	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	1,992,506
Gain (loss) on sale of capital assets	3,843,432	17,476	143,088	(2,609,759)	10,922,099	322,133	103,766	377,079	-	-
Transfers	(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)	(8,036,037)
Total Business-type Activities	<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>	<u>(6,043,531)</u>
Total Primary Government	<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>	<u>\$ 120,558,712</u>
Change in Net Position										
Governmental activities	\$ 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	\$ (3,907,594)
Business-type activities	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	(5,189,849)
Total Primary Government	<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>	<u>\$ (9,097,443)</u>

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

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2009	2010 **	2011	2012	2013	2014	2015	2016	2017***	2018
General Fund										
Reserved	\$ 1,523,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	5,300,625	-	-	-	-	-	-	-	-	-
Nonspendable	-	246,160	493,807	280,272	298,252	233,945	696,389	433,224	445,780	436,052
Restricted	-	-	-	-	-	-	4,880,662	1,579,244	4,837,243	4,637,457
Committed	-	-	2,126,479	-	-	72,975	4,810,356	4,876,045	5,207,060	4,874,733
Assigned	-	1,538,430	-	190,599	2,159,860	3,627,442	3,654,109	3,603,701	4,054,048	2,205,351
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	21,564,954
Total general fund	\$ 6,823,895	\$ 15,452,816	\$ 14,044,351	\$ 15,443,067	\$ 24,838,839	\$ 28,994,327	\$ 36,393,740	\$ 29,904,858	\$ 29,620,792	\$ 33,718,547
County Services Fund										
Reserved	\$ 445,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	(445,261)	-	-	-	-	-	-	-	-	-
Nonspendable	-	35,374	4,378	14,536	71,775	56,905	64,376	66,437	74,580	74,677
Assigned	-	303,617	481,073	735,023	1,704,488	2,089,901	-	-	-	-
Unassigned	-	-	-	-	-	-	(1,016,105)	(3,197,450)	(2,562,075)	(2,733,037)
Total county services fund	\$ -	\$ 338,991	\$ 485,451	\$ 749,559	\$ 1,776,263	\$ 2,146,806	\$ (951,729)	\$ (3,131,013)	\$ (2,487,495)	\$ (2,658,360)
Miscellaneous Projects ***										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,407,629	\$ -	\$ -
Columbia Parking Facilities Corporation Fund *										
Unreserved	\$ 1,068,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds										
Reserved	\$ 16,065,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	27,174,124	-	-	-	-	-	-	-	-	-
Nonspendable	-	6,943	19,080	16,433	5,000	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	17,938,940
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	13,088,926
Unassigned	-	(31,068)	(14,080)	(225,792)	(152,559)	-	-	-	-	-
Total all other governmental funds	\$ 43,239,977	\$ 39,180,111	\$ 48,187,299	\$ 44,285,830	\$ 37,180,908	\$ 41,238,499	\$ 65,343,175	\$ 31,236,313	\$ 37,679,503	\$ 31,032,866

* 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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
General property taxes	\$ 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	\$ 35,322,061
Local option sales tax	-	-	-	-	-	-	-	-	20,946,748	20,811,587
Hospitality and admission taxes	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	12,287,708
Accommodations tax	-	-	-	-	-	-	-	-	2,496,308	2,753,342
Tourism development fee	-	-	-	-	-	-	-	-	3,911,428	4,080,751
Liquor permit fee	-	-	-	-	-	-	-	-	478,973	350,825
License and permits	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	27,889,578
Franchise fees	-	-	-	-	-	-	-	-	13,133,923	12,904,332
Intergovernmental revenue	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	19,124,990
Charges for services	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	13,179,834
Fines and forfeitures	922,675	864,112	889,048	1,139,209	1,230,219	1,334,420	1,237,153	941,713	1,262,355	1,477,142
Federal revenues	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	6,918,528
State revenues	2,002,864	1,634,625	1,971,391	417,851	380,553	1,010,674	3,381,680	1,074,349	35,593	291,930
County revenues	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	26,475,088
Promotions	192,721	144,639	220,148	392,947	89,314	78,047	121,928	109,255	733,355	35,000
Private grants	-	-	-	-	-	-	-	-	89,496	938,340
Confiscated funds	291,003	74,057	671,961	403,311	533,541	267,863	279,147	274,392	-	-
Cost recovery fees	2,270,000	2,270,000	-	-	-	-	-	-	-	-
Interest	1,282,669	417,458	1,068,106	539,145	26,386	89,104	163,266	227,762	(20,184)	267,877
Rental income	-	-	-	-	-	-	-	-	103,343	133,873
Other revenues	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	113,725
Total revenues	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	185,356,511
Expenditures:										
Current:										
General government	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	12,437,453
Judicial	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	3,358,803
Finance department	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	1,807,673
Planning and development	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	4,090,523
Public safety	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	92,212,995
Parks and recreation	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	12,209,569
Public services	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	17,162,014
General services	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	2,424,484
Tourism and community development	-	-	-	-	-	-	-	-	20,154,312	20,824,343
Community promotion	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	245,080
Nondepartmental	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	8,357	729,482	825,212	-	11,079	-	-	-	-	-
Debt service:										
Principal payment on bonds	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	11,195,130
Interest payments on bonds	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	3,084,562
Fiscal agent charges	27,424	8,040	9,040	8,913	4,975	4,587	5,461	5,732	15,499	15,032
Debt issuance costs	-	-	276,774	2,122,842	550,421	243,479	904,310	580,569	129,500	-
Capital outlay:										
Capital outlay:	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	13,315,272
Total expenditures	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	194,382,933
Excess of revenues over (under) expenditures	(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)	(9,026,422)

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other financing sources (uses):										
Transfers in	\$ 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	\$ 23,076,665
Transfers out	(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)	(21,156,513)
Issuance of debt	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	4,000,000
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	149,573
Sales of assets	2,531,802	156,782	144,703	170,409	225,883	382,589	386,636	348,987	167,063	236,949
Total other financing sources (uses)	<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>	<u>6,306,674</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>15,873,731</u>	<u>-</u>
Net change in fund balance	<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>	<u>\$ (2,719,748)</u>
Debt service as a percentage of noncapital expenditures	<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>	<u>8%</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		
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
2018	2017	434,522,190	8,704,879,877	131,132,397	1,625,411,781	565,654,587	10,330,291,658	5.48%	98.1

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
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
2018	98.1	128.8	121.7	332.8	439.6	309.4

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	2018 ¹			2009 ²		
	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	\$ 18,173,720	1	3.35%	\$ 11,036,800	1	2.41%
Bellsouth Telecommunications LLC	3,280,020	2	0.61%	-		
Providence Hospital, LLC	3,257,790	3	0.60%	8,672,790	2	1.90%
HPT Sunbelt Portfolio, LLC	3,201,950	4	0.59%	2,963,010	4	0.65%
CORE Campus Columbia LLC	2,712,380	5	0.50%	-		
1000 Whaley Street, LP	2,533,680	6	0.47%	-		
Sprintcom Inc.	2,423,480	7	0.45%	-		
Spirit SPE SCOA2013-8 LLC	2,310,000	8	0.43%	-		
US REIF/MJW Capital Center Fee	2,181,610	9	0.40%	-		
SC Telecomm Group Holdings, LLC	2,058,410	10	0.38%	-		
AT&T Mobility f/k/a Cingular Wireless	-			4,215,830	3	0.92%
Main Street Associates	-			2,334,900	5	0.51%
Unumprovident Corporation	-			2,248,420	6	0.49%
Parkway Properties LP	-			2,183,630	7	0.48%
Time Warner	-			1,841,830	8	0.40%
Bank of America Plaza, LLC	-			1,742,410	9	0.38%
Colonial Life & Accident	-			1,696,410	10	0.37%
	<u>\$ 42,133,040</u>		<u>7.78%</u>	<u>\$ 38,936,030</u>		<u>8.51%</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 \$541,814,237

² Total assessed valuation was \$457,598,892

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
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%	730,382	52,107,777	100.95%
2018	55,511,331	56,037,355	100.95%	-	56,037,355	100.95%

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

<u>Fiscal Year</u>	<u>General Obligation Bonds ^{1 2}</u>	<u>Tax Incremental Bonds ¹</u>	<u>Notes Payable</u>	<u>Capital Lease</u>	<u>Revenue Bonds ^{1 2}</u>	<u>Total Governmental Activities Debt</u>
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	-	675,000	11,831,886	53,438,210	99,319,030
2018	27,678,432	-	600,000	13,666,757	49,718,975	91,664,164

¹ 2009 through 2013 have been restated for the implementation of GASB 65

² Bond amounts include premiums

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

Last Ten Fiscal Years

Fiscal Year	<u>Other Business-Type Activities Debt</u>		Total Business-type Activities	Total Primary Government	Percentage of Personal Income ²	Debt Per Capita ³
	Revenue Bonds ^{1 4}	Notes Payable				
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
2017	549,199,566	-	549,199,566	648,518,596	11.77%	4,829
2018	633,127,517	-	633,127,517	724,791,681	13.09%	5,445

¹ 2009 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

⁴ Bond amounts include premiums

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 General Obligation Bonds ¹	Less: Amount Available in Debt Service Funds	Total		
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	3,965,407	29,408,527	0.30%	218.96
2018	27,678,432	3,257,255	24,421,177	0.24%	183.46

¹ 2009 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, 2018

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	\$ 565,654,587	\$ 565,654,587	\$ 91,664,164	100.00%	<u>\$ 91,664,164</u>
Overlapping					
Counties:					
Richland County	1,616,792,632	541,814,237	92,510,000	33.51%	31,001,647
Lexington County	1,200,797,160	23,840,350	34,834,906	1.99%	691,604
School Districts:					
Lexington Richland SD 5	308,186,410	23,840,350	202,949,000	7.74%	15,699,509
Richland School District One	859,851,416	474,114,178	442,130,000	55.14%	243,786,424
Richland School District Two	556,664,136	46,279,649	369,100,000	8.31%	30,686,041
Special Districts:					
Airport District	1,616,792,632	541,814,237	6,525,000	33.51%	2,186,637
Riverbanks Park District	2,817,589,792	565,654,587	30,475,000	20.08%	<u>6,118,110</u>
 Total Overlapping Debt					 <u>330,169,972</u>
 Total Direct and Overlapping Debt					 <u>\$ 421,834,136</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 Outstanding ¹</u>	<u>Legal Debt Margin</u>	<u>Ratio of Net Debt Outstanding to the Debt Limit</u>
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%
2018	45,785,750	25,345,000	20,440,750	55.36%

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, 2018:

Assessed value in Richland County	\$ 541,814,237
Assessed value in Lexington County	23,840,350
Subtotal	<u>565,654,587</u>
Business inventory 1987 assessed value	6,667,290
Total assessed value	<u>572,321,877</u>
	8.00%
Debt Limit	<u>45,785,750</u>
Net debt outstanding subject to the debt limit	<u>25,345,000</u>
Legal debt margin as of June 30, 2018	<u><u>\$ 20,440,750</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	
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
2018	18,538,153	3,730,000	1,886,578	5,616,578	3.3

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		
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
2018	138,857,358	85,542,830	53,314,528	11,705,000	21,131,162	(9,340)	32,826,822	1.6

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	
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
2018	7,007,449	2,910,530	4,096,919	1,160,000	1,647,340	2,807,340	1.5

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 2009 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>
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%
2018	133,114	5,536,344,374	41,591	24,075	3.20%

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	2018 ¹			2009 ²		
	Employees	Rank	Percentage to Total City Employment ³	Employees	Rank	Percentage to Total City Employment
Palmetto Health	15,000	1	12.24%	N/A	N/A	N/A
University of South Carolina	8,500	2	6.94%	N/A	N/A	N/A
Richland County School District One	4,265	3	3.48%	N/A	N/A	N/A
City of Columbia, South Carolina	2,523	4	2.06%	N/A	N/A	N/A
S.C. Department of Corrections	2,320	5	1.89%	N/A	N/A	N/A
S.C. Department of Mental Health	2,143	6	1.75%	N/A	N/A	N/A
Richland County, South Carolina	1,879	7	1.53%	N/A	N/A	N/A
S. C. Department of Transportation	1,716	8	1.40%	N/A	N/A	N/A
Providence Health	1,625	9	1.33%	N/A	N/A	N/A
S.C. DHEC	1,623	10	1.32%	N/A	N/A	N/A

Source of data:

¹ Central South Carolina Alliance

² 2009 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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	100.00	99.00	93.97	99.00	101.00	105.00	104.25	97.25	99.25	105.75
Judicial	36.00	35.00	36.00	37.00	36.00	37.00	37.00	41.00	41.00	40.00
Finance	57.00	56.00	51.50	53.50	51.50	71.50	79.50	82.50	45.50	45.50
¹ Procurement and Contracts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19.00	24.00
¹ Customer Care	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	31.00	64.00
Development services and planning	56.00	63.00	63.00	63.00	63.00	63.00	43.00	43.00	42.00	43.00
Public safety	757.50	757.50	747.50	757.50	770.00	770.50	792.50	797.50	807.00	810.00
Parks and recreation	156.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	152.00	164.00
Public works	303.00	275.00	269.00	270.00	269.00	268.00	269.00	269.00	275.00	272.00
General services	11.00	11.00	11.00	15.00	14.00	14.00	17.00	17.00	17.00	17.00
Fleet services	47.00	41.00	44.00	46.00	46.00	48.00	48.00	48.00	48.00	51.00
Risk Management	3.00	3.00	2.00	2.00	2.00	2.00	2.00	6.00	6.00	7.00
County fire	233.00	236.00	236.00	235.00	235.50	235.50	235.50	235.50	235.00	247.00
County emergency communications	35.50	38.50	38.50	38.50	45.50	45.00	45.00	45.00	48.00	48.00
Economic & Community development	51.20	43.50	44.63	39.60	36.50	41.50	44.50	44.50	44.50	48.00
Parking	46.00	42.00	41.00	41.00	42.00	43.00	44.25	41.25	45.25	50.50
Utilities & Engineering	499.80	482.50	501.90	498.90	519.00	504.00	504.50	504.50	543.50	543.50
Summer Programs	21.00	18.50	20.00	24.50	24.50	23.50	23.50	23.50	23.75	28.00
Total	<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>	<u>2,608.25</u>

Years 2009-2014 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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police physical arrests	6,418	6,734	7,259	8,024	10,652	5,301	5,658	5,230	4,453	5,134
Citations written	34,357	29,522	25,985	30,996	33,111	37,307	32,497	24,288	23,436	25,655
911 call volume	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	1,106,060
Fire calls answered	28,746	30,208	30,629	31,265	31,240	35,785	34,500	40,374	34,926	33,529
Number of inspections	4,410	6,943	7,911	7,726	6,261	5,292	6,482	4,618	6,825	5,494
Sanitation										
Refuse collected (in tons)	90,222	63,507	57,903	N/A	43,157	51,106	43,924	47,370	45,344	33,837
Recyclables collected (in tons)	3,538	3,932	4,223	N/A	3,867	4,591	4,021	5,672	5,805	5,624
Fleet Management										
Fleet maintained	3,329	3,668	3,925	4,055	2,802	2,893	3,005	3,165	3,298	3,075
Fleet workdays	13,747	13,336	13,309	12,901	12,608	12,052	12,048	12,587	12,466	11,037
Streets and highways										
Potholes repaired	2,757	1,524	1,416	920	1,231	1,453	1,598	1,361	805	843
Water										
Number of service connections	125,846	134,910	140,721	136,220	137,701	140,009	139,990	140,908	143,472	145,304
Average daily consumption (in millions of gallons)	0.436	0.352	0.315	0.320	0.440	0.458	0.449	0.452	0.451	0.444
Sewer										
Number of service connections	68,550	74,865	69,199	69,508 ¹	67,698	60,239	59,677	60,777	61,352	62,117
Average daily treatment (in millions of gallons)	0.136	0.139	0.134	0.152	0.169	0.189	0.182	0.327	0.202	0.192
Economic development										
Permits issued	4,404	4,204	4,129	4,181	4,950	4,262	5,438	7,675	5,892	6,990
Building inspections	9,472	10,544	40,018	10,277	15,735	14,514	10,025	11,355	10,231	11,265

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Police stations	14	14	14	16	10	12	13	13	13	13
Patrol units	N/A	N/A	N/A	N/A	205	238	296	264	323	311
Vehicles	233	244	305	371	358	395	483	449	523	522
Fire										
Fire stations	12	12	12	12	12	12	12	12	12	12
Vehicles	210	215	219	236	251	270	270	283	315	299
Public works										
Vehicles	486	518	553	603	600	600	626	640	684	673
Streets (miles)	219.00	219.00	220.00	220.00	275.00	275.00	275.00	195.00	194.20	198.00
Sidewalks (miles)	120.45	120.45	120.45	139.56	139.46	139.46	139.50	145.00	145.50	147.00
Traffic signals	262	262	262	265	364	364	331	356	356	356
Street lights	9,437	9,859	10,190	10,325	11,724	11,363	11,483	11,669	11,805	11,833
Parks and recreation										
Parks - acreage	600	600	600	600	600	600	600	600	600	600
Park facilities	59	59	59	60	60	60	60	60	60	60
Tennis courts	54	54	54	54	57	55	55	55	55	55
Swimming pools/splash pads	4	4	4	4	15	16	16	17	17	17
Playground	30	30	30	31	31	31	31	31	31	31
Parking										
Garages	8	8	8	9	9	8	8	8	8	8
Lots	5	5	5	5	5	4	5	5	5	5
Metered spaces	4,703	4,736	4,728	4,704	4,502	4,487	4,198	4,690	4,940	4,940
Stormwater										
Storm drains (miles)	137.00	137.00	137.00	137.00	254.00	254.00	366.00	356.32	356.35	360.79
Vehicles	55	70	67	69	63	64	68	66	68	67
Wastewater										
Sanitary sewer (miles)	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	1,142.05
Vehicles	200	212	278	331	300	277	278	287	282	273
Treatment plants	1	1	1	1	1	1	1	1	1	1
Solid Waste										
Vehicles	94	95	117	128	130	125	127	124	137	126
Water										
Water lines (miles)	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	2,438.01
Vehicles	228	237	256	281	291	285	298	318	334	338
Fire hydrants	5,200	5,300	5,300	5,350	5,450	4,300	4,390	4,494	4,546	4,593
Treatment plants	2	2	2	2	2	2	2	2	2	2

Source: Various City departments

Vehicle data includes both licensed and unlicensed vehicles