

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

CITY OF COLUMBIA, SOUTH CAROLINA

FISCAL YEAR ENDED JUNE 30, 2019

Prepared by the City's Finance Department

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION



We Are Columbia

February 20, 2020

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, 2019. 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 Scott and Company LLC. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2019, 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, 2019, are presented fairly and in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the needs of federal grantor agencies. The Single Audit was performed in compliance with the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Uniform Guidance governing Single Audit engagements requires the independent auditor to report not only on the fair presentation of financial statements, but also on the audited entity's

Teresa Wilson • City Manager

1737 Main Street • P.O. Box 147 • Columbia, South Carolina 29217

Office: 803.545.3026 • Fax: 803.545.3051 • Email: Teresa.Wilson@columbiasc.gov



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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.gov.

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 133,610 in the City and approximately 833,165 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 958,619 people according to the 2018 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. In 2018, the City transitioned from being self-insured and became a member of the State Health Plan. The City is self-insured for workers' compensation and general claims liabilities. The City pays for such claims as they become due. The City engages an external party to provide an estimate of its liabilities related to these self-insured expenses.

Budget Process

South Carolina law requires that the City adopt, by ordinance, a balanced budget. The preparation of the budget is the responsibility of the City Manager who has a duty to present a budget that reflects the priorities set by City Council. The City's budget process begins in November for the forthcoming year

Teresa Wilson • City Manager

1737 Main Street • P.O. Box 147 • Columbia, South Carolina 29217

Office: 803.545.3026 • Fax: 803.545.3051 • Email: Teresa.Wilson@columbiasc.gov



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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.

Economic Development

Columbia is one of the fastest growing metro areas in the Southeast. The City has below-average unemployment (2.2%), steady and 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 6,400 individuals and servicing approximately 35,000 students. The City is further stabilized by the presence of Fort Jackson, the United States Army's largest training installation, with 3,900 active duty soldiers and civilian employees, and their 15,000 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, insurance, 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 and an overall cost of living that is 4% below the national average will continue to support the City's revenue base.

Quality of Life

On May 31, 2019, the Columbia Empowerment Zone, Inc., a component unit of the City of Columbia, held a ribbon cutting ceremony for the grand opening of the Veranda at North Main. This \$10 million senior housing project was completed with the development team, The Integral Group, LLC. The Integral Group secured \$6,040,000 in private investment to help fund this project. The Veranda at North Main is comprised of fifty-eight senior apartments with an eligible age of fifty-five years old. The three-story, mixed income building is comprised of one and two bedroom units. Residents have access to medical care, pharmaceutical needs, limited financial services and fast food at the North Main Plaza (adjacent property).

The City completed construction and opened the Busby Street Community Resource and Training Complex on November 19, 2018. The facility will serve as a community engagement and resource center for the surrounding neighborhoods. The Complex is comprised of two buildings: the City's Parks &

Teresa Wilson • City Manager

1737 Main Street • P.O. Box 147 • Columbia, South Carolina 29217

Office: 803.545.3026 • Fax: 803.545.3051 • Email: Teresa.Wilson@columbiasc.gov



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Recreation Department's community center and the Columbia Police Department's Office of Community Services. The community center houses a large multipurpose room that can be divided into three smaller meeting spaces, state-of-the-art audio visual equipment, three office spaces, a kitchen and conference room. The Office of Community Services is also equipped with audio visual equipment, three office spaces and a conference room.

ShotSpotter, an innovative gunshot detection technology was implemented on April 18, 2019. The technology relies on acoustic sensors to pinpoint where gunfire occurs. The information from the sensors is sent to CPD officers and 9-1-1 dispatchers through real-time digital alerts. Since implementation, CPD officers have responded to 131 ShotSpotter alerts and activations.

During the year, the City of Columbia introduced a new mobile application for area residents and Columbia Water customers called MyColumbiaSC. The app allows users to access City services with the tap of a phone screen. MyColumbiaSC's most significant feature is the capability to report issues to City Customer Care without having to make a phone call. In addition, the City developed and launched new public facing GIS web applications for the public to be able to search and find the City related information such as council district, council member, neighborhood, zoning, parks, bike paths, new meter installation schedules, fire stations and more.

In March of 2019, Blue Granite Company successfully interconnected its Friarsgate Waste Water Treatment Plant (WWTP) to Columbia Water's wastewater treatment system. As a result of this regional treatment connection and the cooperation and collaboration of the parties, treated effluent is no longer being discharged from the Friarsgate WWTP into the Saluda River.

The City of Columbia issued its first ever "green bonds" to improve its storm water system, creating a lasting investment in sustainability. The \$37.9 million Green Bond sale has been certified by the Climate Bond Initiative, an independent global non-profit that rates environmentally responsible investments. Proceeds from the bonds will be used to upgrade and improve Columbia's storm water system, part of a \$95 million investment over the next five years to address the City's flooding and storm water drainage issues.

City Council awarded the Advanced Metering Infrastructure (AMI) project this year. This project includes the replacement of most of Columbia Water's 150,000 meters. Once a meter is replaced, the new meter will report over a cellular network that will replace the manual meter reading process. Columbia Water and its customers will have access to all data collected throughout the billing period via online utility and customer portals. Installation will continue through 2022.

The City kicked off the process to update its comprehensive plan in the fall of 2018. Referred to as Columbia Compass: Envision 2036, this planning process has been successful in engaging members of our community in exciting and innovative ways. Staff estimates over 5,600 points of engagement so far through public open houses, in-person meetings with neighborhoods, business districts, organizations, boards, commissions, and committees and focus groups, interactive online surveys, regular emails, and digital newsletters. The plan document is currently being drafted and another round of engagement will occur with the release of the draft.

Teresa Wilson • City Manager

1737 Main Street • P.O. Box 147 • Columbia, South Carolina 29217

Office: 803.545.3026 • Fax: 803.545.3051 • Email: Teresa.Wilson@columbiasc.gov



We Are Columbia

Major Initiatives and Financial Planning

The total 2019-2020 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 2020 fiscal year.

The City's fiscal year 2020 general fund budget is approximately \$155,087,435, which is an increase of approximately \$6,986,283 (4.7%) from the fiscal year 2019 budget. Even though the 2020 general fund budget does not contain a property tax millage increase, property tax revenues are expected to increase by approximately \$1,601,831. The City expects higher assessed values and new construction to play a part in achieving this 2.8% increase. The City budgeted for a \$9,250,000 capital lease obligation to be issued in fiscal year 2020 to help fund capital expenditures. The City budgeted the use of fund balance in the amount of \$3,000,000 in the 2020 fiscal year budget. This is an increase of \$1,209,466 from the original fiscal year 2019 budget.

The General Fund departmental expenditure budget for fiscal year 2020 totals approximately \$131,709,685. This increase of \$5,961,825 (4.74%) from the prior year is expected to maintain current service levels along with expanded use of technology for public safety, focus on proactive code enforcement, fund the operations of the Saluda River Greenway and Bull Street Park and increase the funding for commercial redevelopment and retention projects

The City projects water and sewer revenues for fiscal year 2020 to total approximately \$167,197,021, an increase of approximately \$5,201,021 (3.2%) over the fiscal year 2019 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 2020 operating expenditures. Operating expenditures are expected to total approximately \$93,388,903. 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 storm water operating revenues are expected to total approximately \$14,370,099. This represents an increase of approximately \$903,600 (6.7%) from the prior year. The storm water fee of \$13.32 per equivalent residential unit (ERU) represents a \$0.78 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 \$8,858,970 in fiscal year 2020. This increase of approximately \$165,982 (2.0%) 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 allows residents to make parking payments with their mobile devices. Improved technology is expected to make the collection and citation process more efficient.

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.

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1737 Main Street • P.O. Box 147 • Columbia, South Carolina 29217

Office: 803.545.3026 • Fax: 803.545.3051 • Email: Teresa.Wilson@columbiasc.gov



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The CIP for water and sewer is expected to total \$80,000,000 for fiscal year 2020. It is expected there will be \$25,500,000 in water CIP expenditures and \$55,500,000 in sewer CIP expenditures. These projects are expected to be funded with funds on hand of \$17,500,000 and bond proceeds in the amount of \$62,500,000. Major water projects for fiscal year 2020 include additional phases of the automated meter reading/automated metering infrastructure (\$28,000,000). Major sewer projects for fiscal year 2020 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 storm water is expected to total approximately \$30,535,000 and funded primarily with bond proceeds. The proposed projects are expected to improve drainage in primarily the Rocky Branch area and the Smith Branch area. These projects will be funded from operating revenues of \$1,735,000 and the remaining \$28,800,000 from fund balance and bond proceeds.

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, 2018. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

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

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

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

Respectfully submitted,

Teresa B. Wilson
City Manager

Jeffery M. Palen
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**City of Columbia
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF COLUMBIA, SOUTH CAROLINA
CITY LEADERS
As of June 30, 2019

Mayor

Stephen K. Benjamin

Council Members

| | |
|------------|-----------------------|
| District 1 | Sam Davis |
| District 2 | Edward McDowell, Jr. |
| District 3 | Moe Baddourah |
| District 4 | Daniel Rickenmann |
| At Large | Tameika Isaac-Devine |
| At Large | Howard E. Duvall, Jr. |

City Manager

Teresa Wilson

Assistant City Managers

| | |
|---|------------------------------------|
| Assistant City Manager for Operations | Melissa Gentry-Smith, ICMA-CM, P.E |
| Assistant City Manager Finance & Economic Svc/CFO | Jeff Palen |
| Assistant City Manager for Columbia Water | Clint Shealy, P.E. |

Department Directors

| | |
|--------------------------------------|------------------------------|
| Chief of Staff/Human Resources | Pamela Benjamin, CPM |
| Budget and Program Management Office | Melisa Caughman |
| City Attorney | Teresa Knox |
| Community Development | Gloria Saeed |
| Municipal Court | John Stuart |
| Planning and Development Services | Krista Hampton |
| Economic Development | Ryan Coleman, CECd |
| Emergency Communications | Jacquelyn Richburg - Interim |
| Finance | Jan Alonso, CGFO |
| Fire | Aubrey Jenkins |
| Information Technology | Sylvia White - Interim |
| Office of Business Opportunities | Melissa Lindler |
| Parks and Recreation | Randy Davis |
| Parking | Linda "Elle" Matney |
| Police | William "Skip" Holbrook |
| Procurement & Contracts | Sandra Wright, CPPB |
| Public Relations | Leshia Utsey |
| Public Works | Robert Anderson |
| Utilities & Engineering | Joseph Jaco, P.E. |

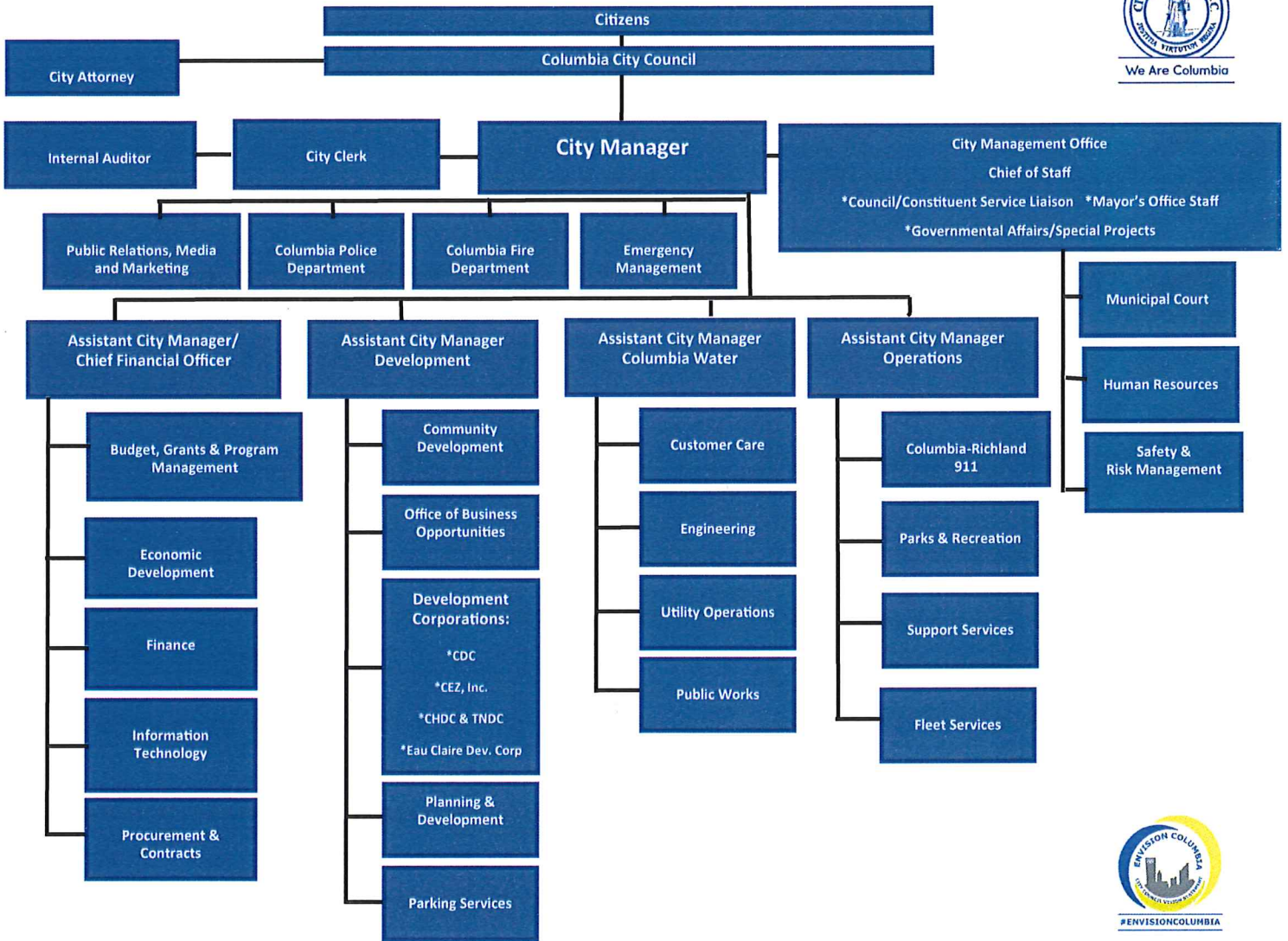
Development Corporation Directors

| | |
|---------------------------------------|-----------------|
| Columbia Development Corp. | Fred Delk |
| Columbia Housing/TN Development Corp. | Michael Strange |
| Eau Claire Development Corp. | Vacant |

Other Directors

| | |
|---|-----------------|
| Columbia Empowerment Zone, Inc. | Felicia Maloney |
| Midlands Authority for Conventions, Sports, and Tourism | Bill Ellen |

CITY OF COLUMBIA ORGANIZATIONAL CHART

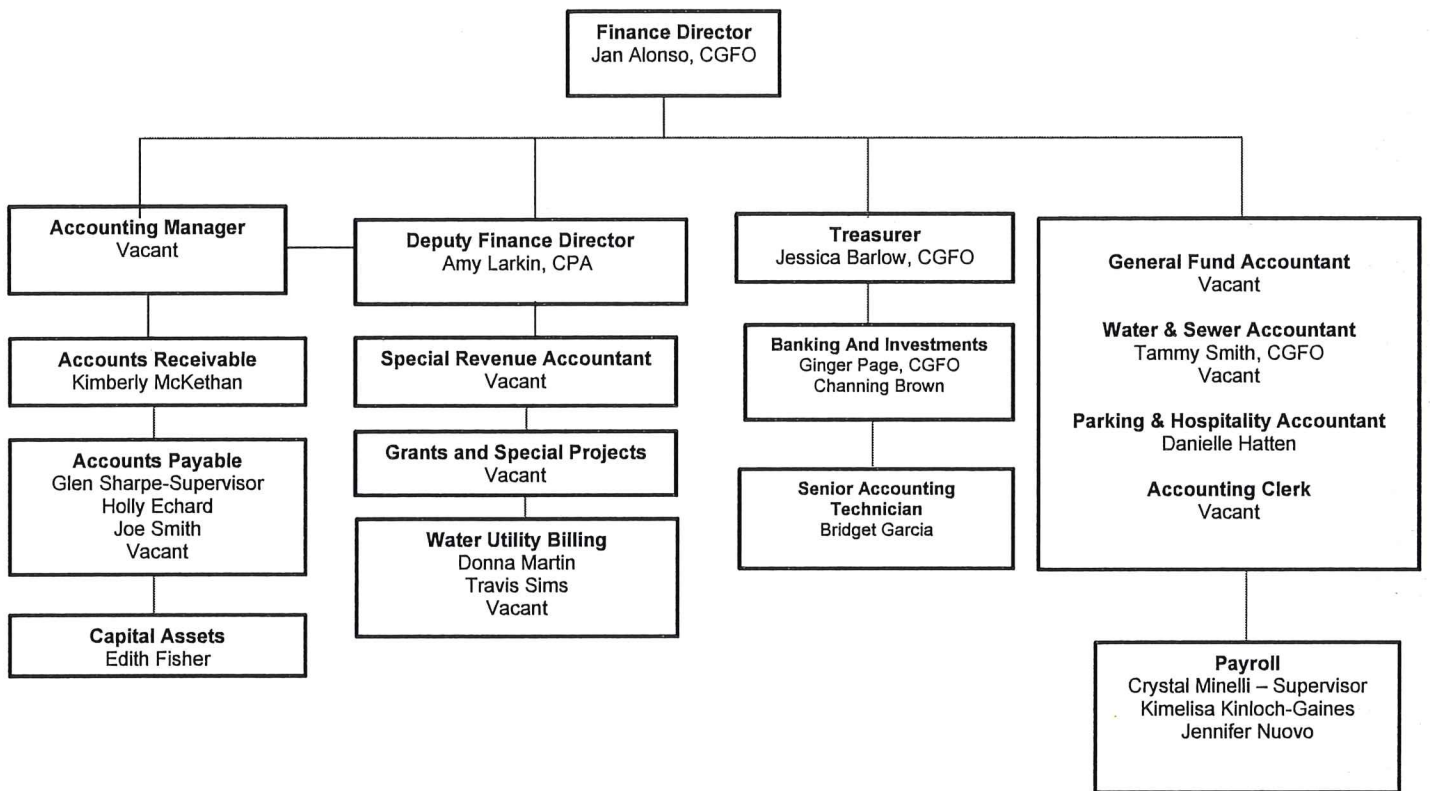


Revised: 7/2019



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

As of June 30, 2019



FINANCIAL SECTION

Independent Auditor's 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 of the City of Columbia (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Midlands Authority for Conventions, Sports, and Tourism, a discretely presented component unit of the City, which represent 56.16%, 64.10%, and 80.72%, 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 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Restatements

As explained in note VII.D. to the basic financial statements, the City corrected errors related to certain matters that were reported as of June 30, 2018. As a result, net position and fund balance of governmental activities, business-type activities, and certain funds have been restated at June 30, 2018.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 – Pension, 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 a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, supplementary information to the financial statements, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Scott and Company LLC

Columbia, South Carolina
February 14, 2020

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2019

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, 2019, as part of the overall Comprehensive Annual Financial Report (CAFR). This overview compares the year ended June 30, 2019, with the year ended June 30, 2018. 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 2019 by \$613,602,061. This amount represents the City's net position. The City has a balance of \$(8,409,201) in unrestricted net position as of June 30, 2019.
- The City's total net position decreased by \$4,460,999 (a decrease of \$964,154 from governmental activities and a decrease of \$3,496,845 from business-type activities). This decrease is primarily due to an increase in general government expenses related to an increase in work performed for repairs relating to the 2015 Flood in the governmental activities; and from an increase in expenditures for professional services related to the Water and Sewer System in the business-type activities. Total revenues of \$378,934,544 were exceeded by total expenses of \$383,395,543. This resulted in a decrease in net position for the year ended June 30, 2019, of \$4,460,999. This decrease in net position for the current year is approximately \$9,178,000 less than the prior year. This is the result of an increase of approximately \$638,000 in the governmental activities and an increase of approximately \$8,540,000 in business-type activities. Charges for services revenue for the year ended June 30, 2019, was similar to the amount reported in the prior year for most enterprise funds. The main exception was the water and sewer fund, which increased by approximately \$14,799,000 due to a rate increase of 9.76%, done in anticipation of the revenue bond that was issued in December 2018. Stormwater facilities operating grants increased by approximately \$1,085,000 due to the limited amount of Federal Emergency Management Agency Hazard Mitigation Grant Program (FEMA HMGP) funds received during fiscal year 2018. Capital contributions decreased by approximately \$196,000 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 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 \$346,000 (4%) as the economy overall and the development of the downtown area specifically remained strong during fiscal year 2019. Parking expenses increased approximately \$800,000 (9%). This increase resulted primarily from increased retirement costs as well as an increase in maintenance costs due to the age of some of the parking decks. Damage caused by Hurricane Matthew and the resulting heavy rains caused repair costs for the Hydro-electric fund to increase in 2018, resulting in a decrease in 2019 repair costs of approximately \$2,633,000. Stormwater revenue increased approximately \$1,552,000 due to the rate increase put in effect during fiscal year 2019.

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Management's Discussion and Analysis (Unaudited)
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The rate increase was necessary to provide sufficient funds to service the debt that was issued in December 2018, which caused operating costs of the Stormwater Facilities fund increased by approximately \$1,009,000 (17%).

- Revenues from governmental activities increased by approximately \$4,833,000 during fiscal year 2019. The main sources of increased revenue from the governmental activities came from an increase of approximately \$2,163,000 in business privilege license revenue as downtown businesses continued to improve during the current fiscal year and an increase of approximately \$2,022,000 in investment earnings due to improved market performance and an improved mix of investments during fiscal year 2019, and an increase in general property tax revenue of approximately \$1,933,000 due to an increase in the number of taxable properties on the tax role. These increases were offset by a decrease in capital grants of approximately \$3,523,000 driven by the lack of Penny Tax funding in 2019. The City also entered into a \$8,000,000 capital lease obligation during fiscal year 2019. The proceeds from this lease will be used to fund capital asset purchases. Total Governmental Activities expenses incurred by the City increased approximately \$3,241,000 during fiscal year 2019, due to an increase in work performed for repairs related to the 2015 flood. There was an overall decrease in expenses for tourism and community development driven by reduced Convention Center costs during the current year.
- As of June 30, 2019, the City's governmental funds reported combined ending fund balances of \$64,561,899. The unassigned General Fund balance of \$17,428,534 is available for spending at the City's discretion and represents approximately 12% of the General Fund's actual expenditures and transfers out for the year ended June 30, 2019.
- The City's total net capital assets were \$1,259,300,390 as of June 30, 2019, increasing \$41,725,350 (3%). This increase was the result of additions of \$10,635,621 in governmental activities and \$92,916,196 in business-type activities offset by depreciation expense and net disposals of \$16,631,106 in governmental activities and \$45,195,361 in business-type activities.
- The City's long-term debt at June 30, 2019, totaled \$749,039,632, a net increase of \$24,247,950 or 3% from the balance at June 30, 2018, of \$724,791,682. This net increase was the result of \$63,366,888 in principal payments, \$2,660,573 in premium amortization, and \$8,000,000 in capital lease obligations issued in the general fund. The Stormwater Facilities Fund issued \$43,020,411 (including premiums of \$5,120,411) of revenue bonds. The Parking Facilities fund issued \$39,255,000 of revenue bonds.
- As of June 30, 2019, 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 A- by Standard and Poor's and A1 by Moody's. The City's Stormwater Facilities revenue bonds were rated AA+ by Standard and Poor's and Aa2 by Moody's.
- The 2018 amounts have been restated to correct FEMA revenues that were overstated, to properly allocate the OPEB liability and related expense, and to properly report the Capital City Fund as a special revenue fund rather than reporting it in the general fund. See Note D in the notes to the financial statements for further information.

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 funds, 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.

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2019

The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government.

In addition to the financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the City of Columbia.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The government-wide financial statements provide both short-term and long-term information regarding the overall financial position of the City.

The Statement of Net Position presents information on all of the City's assets, liabilities, deferred outflows, and deferred inflows with the difference between all of the items reported as Net Position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the 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 beginning on page 33.

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.

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Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

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

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Enterprise funds provide the same type of information as the business type activities in the government-wide financial statements. The City maintains six enterprise type funds. The proprietary fund financial statements provide separate information for the water and sewer facilities system and the parking facilities system which are considered to be major funds of the City. Data from the other four funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor business-type funds is provided in the form of combining statements elsewhere in this report.

Conversely, all three internal service funds are combined into a single aggregated position in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. 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 \$613,602,061 as of June 30, 2019. The City's overall financial position decreased, and net position decreased by \$4,460,999 during the year ended June 30, 2019. This overall decrease is the result of a \$964,154 decrease in governmental activities and a \$3,496,845 decrease in business activities. The increase in the governmental activities change in net position is due to an increase in revenues, offset by a decrease in net transfers in. The overall increase in revenues is due to an increase in property tax revenues, due to an increase in taxable properties, increased business license revenue due to the continuing development of the downtown and Vista areas, and increased investment income due to improved market performance and movement of cash and investments that were not previously earning interest to cash investments with interest. These increases in revenue were offset by decreases in capital grant and contribution revenue. Overall expenses remained fairly consistent with the prior year. Increases in general government and public safety expenses were offset by decreases in interest expense, due to debt service interest payments structured to decline over time.

The increase in overall business activities change in net position is due primarily to the Stormwater Facilities fund. The change in net position for this fund for 2019 was an increase of approximately \$7,931,000. The increase in net position consisted of approximately \$14,261,000 in operating revenues and \$7,040,000 in operating expenses. A rate increase in 2019 contributed to the increase in operating revenues. The Water and Sewer Facilities fund operating revenues increased by approximately \$15,105,000. Operating expenses increased by approximately \$8,333,000, due to increased expenditures for professional services relating to assessments of the System

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Infrastructure, in part due to the Clean Water 2020 initiative which includes upgrades and repairs to the sewer system to prevent sanitary sewer outflows in compliance with the Consent Decree.

The Consent Decree, which was filed by the Environmental Protection Agency, required the City to evaluate the Sanitary Sewer System and implement improvements based on the evaluation. The increase in operating income was offset by a decrease in nonoperating income, due to an increase in investment income offset by an increase in interest expense. The Parking Facilities fund operating revenues increased by approximately \$240,000 while operating expenses decreased by approximately \$255,000. Increase in operating revenues was due primarily to the continued interest and development in the downtown and Vista areas. The increase in operating income was offset by a decrease in nonoperating income, primarily due to increases in bond related costs resulting from issuing new bonds during fiscal year 2019.

In the governmental activities, the increase in collections from property taxes resulted from an increase in the number of taxable properties on the tax role. Economic conditions continued to improve which resulted in an increase in the collection of business license fees. There was also an increase in investment earnings due to improved market performance and mix of investments during 2019. Overall expenses remained fairly consistent with the prior year. Increases in general government and public safety expenses were offset by decreases in interest expenses which was due to the declining structure of the debt service payments.

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, 2019 and June 30, 2018

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|----------------------------|---------------------------------------|-----------------------------|---------------------------------------|-----------------------------|---------------------------------------|
| | As of June 30, 2019 | As of June 30, 2018 as restated | As of June 30, 2019 | As of June 30, 2018 as restated | As of June 30, 2019 | As of June 30, 2018 as restated |
| Current and other assets | \$ 190,252,795 | \$ 180,802,013 | \$ 332,565,126 | \$ 346,094,157 | \$ 522,817,921 | \$ 526,896,170 |
| Capital assets, net of depreciation | 249,461,901 | 255,457,386 | 1,009,838,489 | 962,117,654 | 1,259,300,390 | 1,217,575,040 |
| Total assets | 439,714,696 | 436,259,399 | 1,342,403,615 | 1,308,211,811 | 1,782,118,311 | 1,744,471,210 |
| Deferred outflows of resources | 36,062,683 | 34,155,013 | 64,342,168 | 57,009,669 | 100,404,851 | 91,164,682 |
| Total assets and deferred outflows of resources | 475,777,379 | 470,414,412 | 1,406,745,783 | 1,365,221,480 | 1,882,523,162 | 1,835,635,892 |
| Long-term liabilities outstanding | 391,407,152 | 383,427,680 | 792,885,072 | 753,345,685 | 1,184,292,224 | 1,136,773,365 |
| Other liabilities | 33,825,624 | 34,701,739 | 38,691,178 | 34,575,369 | 72,516,802 | 69,277,108 |
| Total liabilities | 425,232,776 | 418,129,419 | 831,576,250 | 787,921,054 | 1,256,809,026 | 1,206,050,473 |
| Deferred inflow of resources | 9,746,273 | 10,522,509 | 2,365,802 | 999,850 | 12,112,075 | 11,522,359 |
| Net position | | | | | | |
| Net investment in capital assets | 164,314,702 | 173,383,176 | 430,555,601 | 434,302,299 | 594,870,303 | 607,685,475 |
| Restricted | 25,838,653 | 22,581,397 | 1,302,306 | 1,270,897 | 27,140,959 | 23,852,294 |
| Unrestricted | (149,355,025) | (154,202,089) | 140,945,824 | 140,727,380 | (8,409,201) | (13,474,709) |
| Total net position | \$ 40,798,330 | \$ 41,762,484 | \$ 572,803,731 | \$ 576,300,576 | \$ 613,602,061 | \$ 618,063,060 |

As of June 30, 2019, 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, \$594,870,303 (97%), 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.

CITY OF COLUMBIA, SOUTH CAROLINA
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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, \$27,140,959 (4%), represents resources that are subject to external restrictions on how they may be used. The remaining deficit of \$(8,409,201) (-1%) is unrestricted.

For governmental activities, the City reported a deficit balance in unrestricted net position of \$(149,355,025). This deficit resulted primarily from the adoption of GASBS 75 during the prior 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 \$140,945,824. The City reported a positive balance of \$13,914,263 in unassigned fund balance for the general fund as of June 30, 2019. 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, 2019, which totaled approximately \$378,935,000, increased from the year ended June 30, 2018. The increase for the City as a whole was approximately \$28,161,000, which was an increase of 8%. Revenues for the business-type activities increased approximately \$23,328,000 (14%). Water and sewer operating revenues increased approximately \$15,105,000 (11%). Although the City has increased its number of customers, water sales have largely remained flat due to increasing water efficiency and conservation and above-average precipitation. However, the City still experienced overall growth in charges for services in 2019 due to increasing combined Water and Sewer rates by 9.76%. There was also an increase in nonoperating revenues of approximately \$6,024,000, due primarily to improvements in investment income. This is the result of favorable market conditions and redeploying the City's investments following an analysis of the performance of its investments and bank accounts. The Hydro-electric Facilities Fund reported a decrease in revenue during the current fiscal year. The majority of the revenue in the prior year 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. The City paid the first of three annual installments to complete the terms of the Release and Termination Agreement with the Lockhart Power Company during the current year. Total stormwater revenues increased during the fiscal year. Operating revenues increased approximately \$1,564,000 (12%) 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 \$240,000 (3%) 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 excluding transfers in for the year ended June 30, 2019, which totaled approximately \$191,248,000, represented an increase from the year ended June 30, 2018 of approximately \$4,833,000 (3%). The change in revenues was primarily the net result of an increase in revenues from property taxes and business privilege license revenue due to an increase in the number of taxable properties 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. In addition, there was an increase in investment income, due to improved market performance and mix of investments during 2019.

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Table 2
City of Columbia
Changes in Net Position
Years Ended June 30, 2019 and June 30, 2018

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|------------------------------------|-----------------------------|--|-----------------------------|--|-----------------------------|--|
| | Year ended June 30, 2019 | Year ended June 30, 2018 as restated | Year ended June 30, 2019 | Year ended June 30, 2018 as restated | Year ended June 30, 2019 | Year ended June 30, 2018 as restated |
| Revenues: | | | | | | |
| Program revenues | | | | | | |
| Charges for services | | | | | | |
| General government | \$ 42,512,489 | \$ 41,914,647 | \$ - | \$ - | \$ 42,512,489 | \$ 41,914,647 |
| Community promotion | - | 165,358 | - | - | - | 165,358 |
| Public safety | 47,734,678 | 48,314,997 | - | - | 47,734,678 | 48,314,997 |
| Parks and recreation | 880,984 | 876,137 | - | - | 880,984 | 876,137 |
| Public services | 728,323 | 596,340 | - | - | 728,323 | 596,340 |
| General services | 229,196 | 212,115 | - | - | 229,196 | 212,115 |
| Tourism and community development | 85,626 | 71,225 | - | - | 2,838,364 | 71,225 |
| Water/sewer facilities | - | - | 147,913,149 | 133,114,566 | 147,913,149 | 133,114,566 |
| Hydro-electric plant | - | - | - | 993,569 | - | 993,569 |
| Stormwater facilities | - | - | 14,260,785 | 12,708,897 | 14,260,785 | 12,708,897 |
| Parking facilities | - | - | 8,719,441 | 8,450,211 | 8,719,441 | 8,450,211 |
| Redevelopment programs | - | - | 620,775 | 561,668 | 620,775 | 561,668 |
| Parks and recreation camps | - | - | 353,166 | 319,316 | 353,166 | 319,316 |
| Operating grants and contributions | | | | | | |
| General government | 1,033,403 | 516,669 | - | - | 1,033,403 | 516,669 |
| Public safety | 5,695,089 | 1,804,642 | - | - | 5,695,089 | 1,804,642 |
| General services | - | 36,493 | - | - | - | 36,493 |
| Tourism and community development | 6,863,231 | 7,561,175 | - | - | 4,110,493 | 7,561,175 |
| Water/sewer facilities | - | - | 70,628 | - | 70,628 | - |
| Stormwater facilities | - | - | 1,218,658 | 127,343 | 1,218,658 | 127,343 |
| Capital grants and contributions | | | | | | |
| General government | 1,106,108 | 4,087,256 | - | - | 1,106,108 | 4,087,256 |
| Public services | - | 838,875 | - | - | - | 838,875 |
| Water/sewer facilities | - | - | 5,785,610 | 5,817,810 | 5,785,610 | 5,817,810 |
| Stormwater facilities | - | - | 108,418 | 272,070 | 108,418 | 272,070 |
| Tourism and community development | 296,862 | - | - | - | 296,862 | - |
| General revenues | | | | | | |
| General property taxes | 37,225,108 | 35,292,150 | - | - | 37,225,108 | 35,292,150 |
| Local Option Sales Tax | 20,775,337 | 20,811,587 | - | - | 20,775,337 | 20,811,587 |
| Hospitality and admission taxes | 12,716,579 | 12,287,708 | - | - | 12,716,579 | 12,287,708 |
| Accommodations tax | 2,944,112 | 2,753,342 | - | - | 2,944,112 | 2,753,342 |
| Tourism development revenue | 3,924,883 | 4,080,751 | - | - | 3,924,883 | 4,080,751 |
| Liquor permit revenue | 451,750 | 350,825 | - | - | 451,750 | 350,825 |
| State shared revenue | 2,955,787 | 3,575,571 | - | - | 2,955,787 | 3,575,571 |
| Unrestricted investment earnings | 2,289,589 | 267,877 | 8,496,571 | 1,992,506 | 10,786,160 | 2,260,383 |
| Gain on disposal of capital assets | 134,786 | - | 139,086 | - | 273,872 | - |
| Insurance recoveries | 129,260 | - | - | - | 129,260 | - |
| Other revenue | 535,077 | - | - | - | 535,077 | - |
| Total revenues | \$ 191,248,257 | \$ 186,415,740 | \$ 187,686,287 | \$ 164,357,956 | \$ 378,934,544 | \$ 350,773,696 |

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Table 2
City of Columbia
Changes in Net Position (Continued)
Years Ended June 30, 2019 and June 30, 2018

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|-----------------------------|--|-----------------------------|--|-----------------------------|--|
| | Year ended June 30, 2019 | Year ended June 30, 2018 as restated | Year ended June 30, 2019 | Year ended June 30, 2018 as restated | Year ended June 30, 2019 | Year ended June 30, 2018 as restated |
| Expenses: | | | | | | |
| General government | \$ 24,646,183 | \$ 23,203,693 | \$ - | \$ - | \$ 24,646,183 | \$ 23,203,693 |
| Judicial | 3,243,546 | 3,594,550 | - | - | 3,243,546 | 3,594,550 |
| Finance | 1,873,596 | 1,906,543 | - | - | 1,873,596 | 1,906,543 |
| Community promotion | 259,673 | 347,449 | - | - | 259,673 | 347,449 |
| Planning and development | 4,495,177 | 4,314,300 | - | - | 4,495,177 | 4,314,300 |
| Public safety | 100,864,885 | 97,240,671 | - | - | 100,864,885 | 97,240,671 |
| Parks and recreation | 15,452,425 | 14,862,563 | - | - | 15,452,425 | 14,862,563 |
| Public services | 19,565,757 | 18,569,541 | - | - | 19,565,757 | 18,569,541 |
| General services | 2,680,538 | 2,585,254 | - | - | 2,680,538 | 2,585,254 |
| Tourism and community development | 21,965,449 | 22,250,372 | - | - | 21,965,449 | 22,250,372 |
| Interest on long-term debt | 2,719,188 | 3,814,060 | - | - | 2,719,188 | 3,814,060 |
| Non-departmental | 1,529,083 | 3,365,104 | - | - | 1,529,083 | 3,365,104 |
| Water/sewer facilities | - | - | 163,192,833 | 148,618,415 | 163,192,833 | 148,618,415 |
| Hydro-electric plant | - | - | 1,308,062 | 3,941,247 | 1,308,062 | 3,941,247 |
| Stormwater facilities | - | - | 9,029,891 | 6,211,028 | 9,029,891 | 6,211,028 |
| Parking facilities | - | - | 8,886,953 | 8,138,572 | 8,886,953 | 8,138,572 |
| Redevelopment programs | - | - | 1,206,148 | 1,043,347 | 1,206,148 | 1,043,347 |
| Parks and recreation camps | - | - | 476,156 | 406,390 | 476,156 | 406,390 |
| | | | | | | |
| Total expenses | 199,295,500 | 196,054,100 | 184,100,043 | 168,358,999 | 383,395,543 | 364,413,099 |
| Change in net position before transfers | (8,047,243) | (9,638,360) | 3,586,244 | (4,001,043) | (4,460,999) | (13,639,403) |
| Transfers | 7,083,089 | 8,036,037 | (7,083,089) | (8,036,037) | - | - |
| Change in net position | (964,154) | (1,602,323) | (3,496,845) | (12,037,080) | (4,460,999) | (13,639,403) |
| | | | | | | |
| Net position, beginning of period | 41,762,484 | 43,364,807 | 576,300,576 | 588,337,656 | 618,063,060 | 631,702,463 |
| Net position, end of period | \$ 40,798,330 | \$ 41,762,484 | \$ 572,803,731 | \$ 576,300,576 | \$ 613,602,061 | \$ 618,063,060 |

Total expenses for the City were approximately \$383,396,000 for the year ended June 30, 2019. This represents an increase of approximately \$18,982,000 (5%) when compared to the year ended June 30, 2018. This overall increase in expenses resulted from an increase of approximately \$3,241,000 in governmental activities and an increase of approximately \$15,741,000 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 \$15,741,000, or 9%, compared to the year ended June 30, 2018. The overall increase in expenses was primarily in the Water and Sewer Facilities Fund.

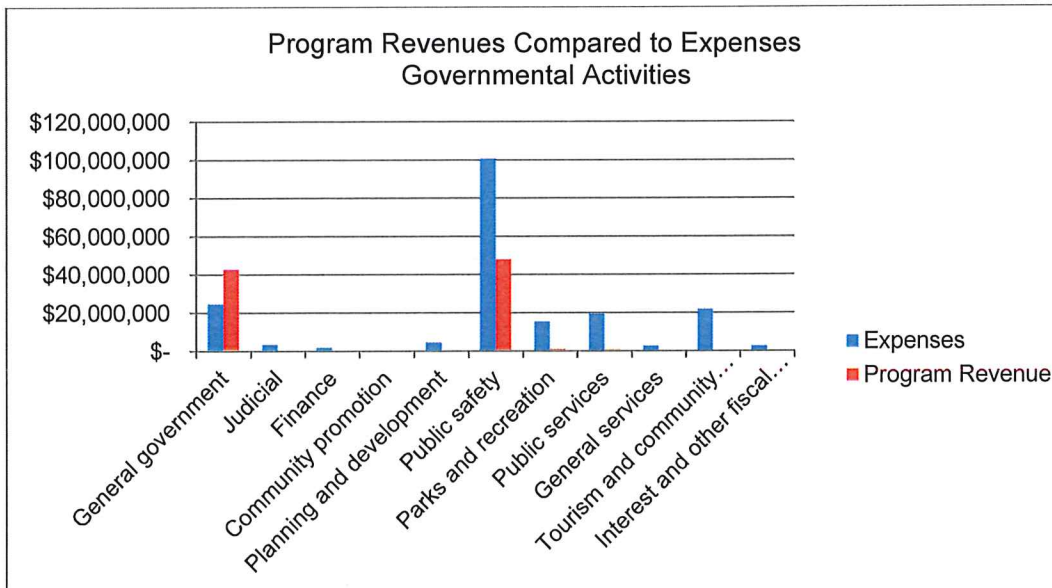
CITY OF COLUMBIA, SOUTH CAROLINA
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The Water and Sewer Facilities Fund experienced increases in professional fees due to expenditures relating to assessments of the System infrastructure, which among other things, are being undertaken for purposes of complying with the Consent Decree and preliminary design plans for future system improvements which are not immediately undertaken. Increase in depreciation expense was due to the completion of various capital projects, which were placed into service in Fiscal Year 2019. In addition, there was an increase in interest expense for the Water and Sewer Facilities Fund, due to the City's implementation of GASB 89, which requires interest cost incurred before the end of a construction period to be recognized as an expense. The increased expenses for the Water and Sewer Facilities Fund were somewhat offset by a decrease in the Hydro-electric Facilities Fund. Expenses decreased significantly for the Hydro-electric Facilities Fund, due to the bulk of the Release and Termination Agreement fee having been paid to Lockhart Power Company in the prior fiscal year.

The City's net position decreased by approximately \$4,461,000 during the year ended June 30, 2019. The net position for governmental activities decreased by \$964,000, while the net position of business-type activities decreased by \$3,497,000. The overall decrease in net position was approximately \$9,178,000 less when compared to the prior fiscal year. This was due to an approximate \$638,000 increase in the governmental activities and an approximate \$8,540,000 increase in business-type activities. The main factor contributing to the overall decrease in net position was the fact that the majority of the funds that had revenue growth were offset by increased expenses. The increased expenses resulted in a decrease in net position for both the governmental and business-type activities. As discussed previously, most of the increase in expenses was the result of increased retirement cost, other postemployment benefit costs, depreciation expense, and interest expense. In addition, decreased capital contributions offset gains in property tax revenue, business license revenue, and Stormwater operating revenues resulting in an overall decrease in net position.

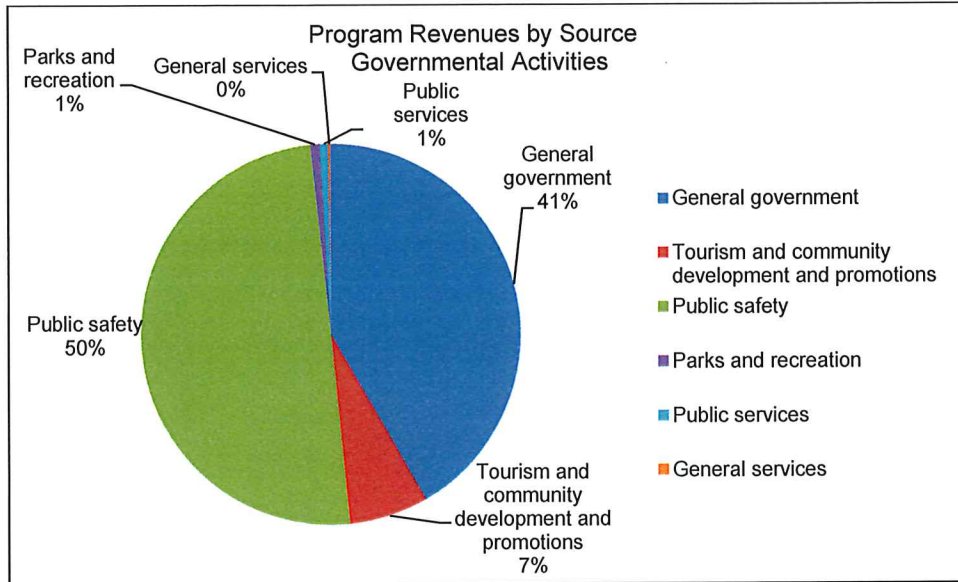
Governmental Activities – A comparative analysis of the governmental activities expenses and program revenues is presented below.

Figure 1
Program Revenues Compared to Expenses
Governmental Activities
Year Ended June 30, 2019



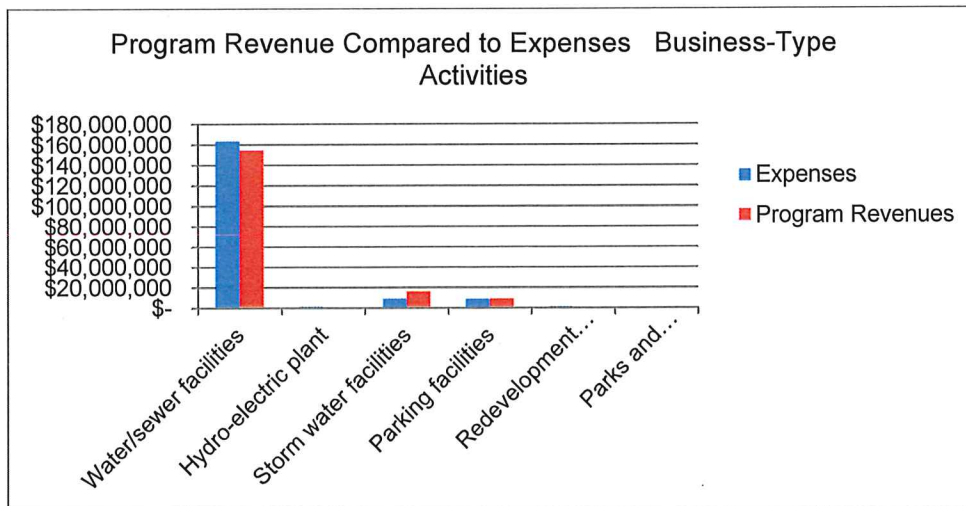
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Figure 2
Program Revenues by Source
Governmental Activities
Year Ended June 30, 2019



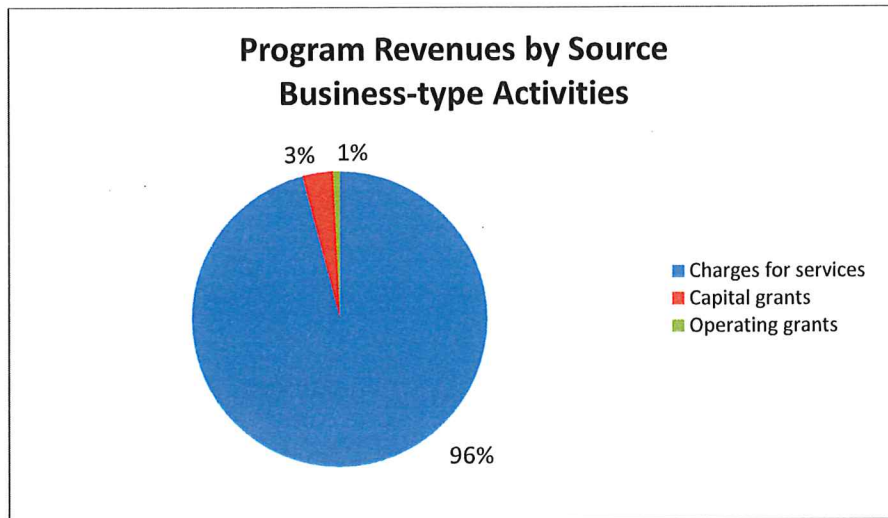
Business-type Activities – The net position of the City's business-type activities decreased by approximately \$3,497,000 for the year ended June 30, 2019. This decrease is primarily attributable to the operations of the Water and Sewer and Parking operations. A comparative analysis and discussion of 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, 2019



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Figure 4
Program Revenues by Source
for Business-type Activities
Year Ended June 30, 2019



Water and Sewer Facilities Fund – The net position for the Water and Sewer Facilities fund for the year ended June 30, 2019, decreased by approximately \$5,939,000.

Table 3
Water and Sewer Facilities Fund Revenues and Expenses
Years Ended June 30, 2019 and June 30, 2018

| | Year Ended June 30, | |
|--|---------------------|-----------------|
| | 2019 | 2018 |
| Revenues | | |
| Total operating revenues | \$147,624,943 | \$132,519,769 |
| Non-operating revenues | 7,820,087 | 1,795,899 |
| Development contributions and capital grants | 5,785,610 | 5,817,810 |
| Total revenues | 161,230,640 | 140,133,478 |
| Expenses | | |
| Total operating expenses | 135,633,176 | 127,300,423 |
| Interest and amortization expense | 24,355,547 | 16,747,249 |
| Transfers, net | 7,181,315 | 6,818,649 |
| Total expenses | 167,170,038 | 150,866,321 |
| Change in net position | \$ (5,939,398) | \$ (10,732,843) |

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Total operating revenues, which primarily consist of water and sewer fees, increased by approximately \$15,105,000, or 11%, to \$147,625,000. This 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 most significant increase was in charges for services, which increased due to a combined Water and Sewer rate increase of 9.76%. Nonoperating revenues were approximately \$7,820,000, an increase of \$6,024,000, or 335%. The increase in nonoperating revenues was primarily due to improvement in investment income.

Total operating expenses increased by approximately \$8,333,000, or 7%, to \$135,633,000 when compared to the year ended June 30, 2018. The increase was primarily the result of increased professional fees and depreciation expense. Professional fees increased due to expenditures relating to assessments of the System infrastructure, which among other things, are being undertaken for purposes of complying with the Consent Decree and preliminary design plans for future system improvements which are not immediately undertaken. Increase in depreciation expense was due to the completion of various capital projects, which were placed into service in Fiscal Year 2019. Nonoperating expenses were approximately \$24,356,000, an increase of \$7,608,000, or 45%. The most significant increase was in interest expense, which increased due to the City's implementation of GASB Statement No. 89 which requires interest cost incurred before the end of a construction period be recognized as an expense. Net transfers from the Water and Sewer Facilities Fund remained fairly consistent with the prior year.

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, 2019, decreased by approximately \$702,000.

Table 4
Parking Facilities Fund Revenue and Expenses
Years Ended June 30, 2019 and June 30, 2018

| | Year Ended June 30, | |
|-----------------------------------|---------------------|--------------|
| | 2019 | 2018 |
| Revenues | | |
| Total operating revenues | \$ 8,584,331 | \$ 8,344,518 |
| Non-operating revenues | 303,558 | 196,021 |
| Gain (loss) on sale of assets | - | 1,800 |
| Total revenues | 8,887,889 | 8,542,339 |
| Expenses | | |
| Total operating expenses | 5,989,926 | 6,245,265 |
| Interest and amortization expense | 2,722,542 | 1,656,649 |
| Transfers, net | 877,118 | 887,894 |
| Total expenses | 9,589,586 | 8,789,808 |
| Change in net position | \$ (701,697) | \$ (247,469) |

Total operating revenues, which primarily consist of parking fees and fines, increased by approximately \$240,000, or 3%, to \$8,584,000. 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 \$108,000 due primarily to increased investment income received during the current fiscal year. Total revenues for the year ended June 30, 2019, increased approximately \$346,000, or 4%, to \$8,888,000, 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.

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Total operating expenses decreased by approximately \$255,000, or 4%, to \$5,990,000 when compared to the year ended June 30, 2018. This was primarily the result of decreased employee benefit costs in 2019, and decreased maintenance work performed on the parking decks in 2019.

Interest and amortization expense increased in fiscal year 2019 by approximately \$1,066,000, or 64%, when compared to fiscal year 2018, due to increased bond costs as new debt was issued during 2019. Total expenses increased by approximately \$800,000, or 9%, to \$9,590,000. The increase in interest expense was the primary reason for the increase in total expenses.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2019, the City's governmental funds reported combined ending fund balances of approximately \$64,562,000, an increase of approximately \$2,746,000. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2019, the City had an unassigned fund balance of approximately \$13,914,000, a decrease of approximately \$4,300,000 compared to the year ended June 30, 2018.

The general fund is the chief operating fund of the City. During the year ended June 30, 2019, the fund balance of the general fund increased by approximately \$8,395,000 to approximately \$41,496,000. 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 \$2,274,000 (2%) from the prior year. The majority of this increase was from three sources. Property taxes increased approximately \$1,277,000 due to an increase in taxable properties during the current year. The continued development of the downtown and Vista areas resulted in business license revenue increasing by approximately \$515,000. Federal and state grant revenues increased by a net of approximately \$448,000. This increase was primarily due to additional funding from the Department of Housing and Urban Development (HUD). Total expenditures increased by approximately \$2,124,000 from the prior year. The main source of this increase was from principal and interest payments on debt, as the City issued new capital leases during 2019. Principal payments in fiscal year 2019 were approximately \$1,147,000 more than in fiscal year 2018. The new debt resulted in interest expenditures increasing approximately \$118,000 in fiscal year 2019. In addition, general government expenses increased by approximately \$545,000 due to an increase in work performed for repairs related to the 2015 flood. Other financing sources increased by approximately \$4,114,000 compared to the prior year, due to proceeds from new capital leases issued during 2019.

The unassigned fund balance, which is available for use without restriction, decreased by approximately \$3,519,000 to approximately \$17,429,000. Unrestricted fund balance is the combination of unassigned fund balance (\$17,429,000), assigned fund balance (\$9,160,000), and committed fund balance (\$4,964,000), and totals approximately \$31,552,000. The fund balance in the general fund is comprised of approximately \$9,259,000 in restricted fund balance, \$684,000 in nonspendable fund balance, \$4,964,000 in committed fund balance, and \$9,160,000 in assigned 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.

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Revenue payments from Richland County for the year ended June 30, 2019, decreased by approximately \$163,000, or 1%, 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, 2019, increased by approximately \$433,000, or 2%, 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.

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, 2019, were approximately \$150,379,000, approximately \$1,338,000, or 1%, more than the final budget of approximately \$149,041,000. The increase in total revenue was the result of an increase in federal grants and proceeds from new capital leases in 2019.

Total general fund expenditures and other financing uses were approximately \$141,983,000 for the year ended June 30, 2019, approximately \$7,058,000, or 5%, less than the final budgeted expenditures and other financing uses of approximately \$149,041,000. Closely monitoring of expenditures resulted in most city departments being under budget.

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, 2019, totaled \$1,259,300,390 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, 2019, was approximately \$41,725,350, or 3.43%.

Major capital asset events during the year ended June 30, 2019, included the following:

- Construction in progress (CIP) increased by a net \$56,511,571. This increase was the result of several significant uncompleted projects as of June 30, 2019, the most significant of which were the Train 1 Aeration System Improvements at the Metro Wastewater Treatment Plant budgeted at \$30,947,605 and the Wallace Street Stormwater Improvements, budgeted at \$6,290,219. Major business-type activities completed projects included \$7,050,904 in improvements to the Canal Water Treatment Plant Sedimentation Basin, \$3,917,160 in sanitary sewer rehabilitations to Saluda River Basins SR-03, SR-10 & SR-12 and \$2,648,801 in improvements to the Metro Wastewater Treatment Plant Non-Potable Water System. Completed construction projects in the governmental projects included the Busbee Street Community Center, Hampton Park Community Center, Colony-North Pointe Recreation Center, rebuild of a portion of Lost Creek, and road repairs to Main Street. Major business-type activities construction projects started during fiscal year 2019 included an \$11,177,552 sewer line rehabilitation project and a \$3,000,000 stormwater upgrade at Whaley and Main. Major governmental activities projects started during the current fiscal year included improvements to Finley Park. There was an approximate increase of \$4,821,000 in the governmental CIP balance. There was a net increase of approximately \$51,690,000 in the business-type activities CIP balance as the City completed several smaller projects while work began or progressed on numerous others that varied in scope and size.

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- Buildings and improvements additions totaled approximately \$38,330,934 during the year ended June 30, 2019. Most of these were the result of completed construction projects started in prior years. Significant additions included renovation of the force main 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 \$7,754,375 during the year ended June 30, 2019. 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 \$61,639,896 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, 2019 and June 30, 2018

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

| | Governmental | | Business-type | | Total | |
|----------------------------|------------------------|------------------------|-------------------------|------------------------|-------------------------|-------------------------|
| | Activities | | Activities | | Primary Government | |
| | As of June 30, 2019 | As of June 30, 2018 | As of June 30, 2019 | As of June 30, 2018 | As of June 30, 2019 | As of June 30, 2018 |
| Land | \$ 37,104,644 | \$ 37,104,644 | \$ 32,386,711 | \$ 31,609,113 | \$ 69,491,355 | \$ 68,713,757 |
| Construction in progress | 21,868,812 | 17,047,405 | 200,619,404 | 148,929,240 | 222,488,216 | 165,976,645 |
| Buildings and improvements | 151,442,733 | 159,078,332 | 759,318,993 | 757,906,213 | 910,761,726 | 916,984,545 |
| Infrastructure | 20,444,343 | 22,103,103 | - | - | 20,444,343 | 22,103,103 |
| Machinery and equipment | 18,601,369 | 20,123,902 | 17,513,381 | 23,673,088 | 36,114,750 | 43,796,990 |
| Total | \$ 249,461,901 | \$ 255,457,386 | \$ 1,009,838,489 | \$ 962,117,654 | \$ 1,259,300,390 | \$ 1,217,575,040 |

Long-term debt – The City's long-term debt, including capital leases payable, reflected a net increase of approximately \$24,248,000, or 3%, as shown in Table 6. This net increase was the result of \$63,366,888 in principal payments and \$2,660,573 in amortization of bond premiums, combined with proceeds of \$82,275,411, including a premium of \$5,120,411, from the issuance of stormwater and parking revenue bonds. The series 2018 Stormwater Revenue Bonds were issued for the purposes of funding certain improvements, extensions, and enlargements to the Waterworks and Sewer System. The series 2018 Parking Bonds were issued as a taxable refunding of the Parking series 2005A and series 2014 bonds. In addition, proceeds of \$8,000,000 were received for a new capital lease. The capital lease was issued to fund the purchase of various capital asset items.

Principal payments of \$7,835,000 were made on governmental activities bonds and notes payable. Principal payments of \$52,220,000 were made on business-type activity revenue bonds. Principal payments of \$3,311,888 were made on governmental activities capital lease obligations.

Total governmental activities debt had a net decrease of approximately \$3,607,000, while business-type activities debt had a net increase of approximately \$27,855,000.

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Table 6
Outstanding Indebtedness
As of June 30, 2019 and June 30, 2018

| | Governmental | | Business-type | | Total | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | Activities | | Activities | | Primary Government | |
| | As of June 30, 2019 | As of June 30, 2018 | As of June 30, 2019 | As of June 30, 2018 | As of June 30, 2019 | As of June 30, 2018 |
| Notes payable | \$ 525,000 | \$ 600,000 | \$ - | \$ - | \$ 525,000 | \$ 600,000 |
| General obligation bonds | 21,315,000 | 25,345,000 | - | - | 21,315,000 | 25,345,000 |
| Bond premiums | 2,002,930 | 2,333,433 | - | - | 2,002,930 | 2,333,433 |
| Revenue bonds | 42,715,000 | 46,445,000 | - | - | 42,715,000 | 46,445,000 |
| Bond premiums | 3,144,739 | 3,273,975 | - | - | 3,144,739 | 3,273,975 |
| Parking Facilities revenue bonds | - | - | 37,290,000 | 38,340,000 | 37,290,000 | 38,340,000 |
| Bond premiums | - | - | - | 36,272 | - | 36,272 |
| Waterworks and Sewer System revenue bonds | - | - | 535,975,000 | 547,890,000 | 535,975,000 | 547,890,000 |
| Bond premiums | - | - | 44,793,537 | 46,861,245 | 44,793,537 | 46,861,245 |
| Stormwater System revenue bonds | - | - | 37,900,000 | - | 37,900,000 | - |
| Bond premiums | - | - | 5,023,557 | - | 5,023,557 | - |
| Capital leases payable | 18,354,869 | 13,666,757 | - | - | 18,354,869 | 13,666,757 |
| Total | <u>\$ 88,057,538</u> | <u>\$ 91,664,165</u> | <u>\$ 660,982,094</u> | <u>\$ 633,127,517</u> | <u>\$ 749,039,632</u> | <u>\$ 724,791,682</u> |

As noted earlier, the City's underlying bond rating for its general obligation debt issues was an AA+ by Standard and Poor's and Aa1 by Moody's. The underlying bond rating for its Water and Sewer revenue bonds as of June 30, 2019, 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, 2019, were rated "A-" by Standard and Poor's Rating Service and "A1" 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 from "A2," and Standard and Poor's upgraded their rating from "BBB+." Stormwater revenue bonds were issued for the first time in December, 2018 and the system received a rating of "Aa2" from Moody's Rating Service and "AA+" from Standard and Poor's Rating Service.

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, 2019, had \$21,315,000 in debt subject to this limitation which is less than the \$46,837,915 allowed without approval by the voters in the City.

Additional information regarding the City's long-term obligations can be found in Note III. H 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, 2019. 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 2020.

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In developing its fiscal year 2020 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.

The City's adopted operating budget for all funds for the year ending June 30, 2020, is \$361,553,656. The adopted budget for the general fund for the year ending June 30, 2020, is \$156,337,435. This represents an increase from the prior year of approximately \$8,236,283 or 5.6%. Revenues are expected to increase approximately \$5,686,817 or 4.4%. The largest increase is expected to be charges for services which is projected to increase approximately \$2,782,600 or 21.9%. The fiscal year 2020 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 2020 is 93.8 mills after reassessment and millage rollback, a reduction of 4.3 mills. In keeping with its sustainability budget development goal, the projected use of fund balance in fiscal year 2020 totals \$3,000,000. This represents an increase of \$1,209,466 from the prior year.

In developing the fiscal year 2020 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 2020 are detailed below:

- Water and Sewer rates will increase 7.06% from the fiscal year 2019 rates.
- Stormwater fee will increase 78 cents per equivalent residential unit (ERU) per month, from \$12.54 per month to \$13.32 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 \$512,983 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 \$9,250,000 capital lease obligation.
- South Carolina Retirement System contribution rate will increase one percentage point from the fiscal year 2019 rate of 14.56% of earnable compensation.
- Police Officer Retirement System contribution rate will increase one percentage point from the fiscal year 2019 rate of 17.04% 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, 2019

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 FINACIAL STATEMENTS

CITY of COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2019

| | Primary Government | | | Component Units |
|--|----------------------------|-----------------------------|----------------------|-------------------|
| | Governmental Activities | Business-type Activities | Total | |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and equivalents | \$ 136,175,406 | \$ 141,293,305 | \$ 277,468,711 | \$ 11,543,468 |
| Certificates of deposit | - | - | - | 600,000 |
| Cash on deposit with escrow agent | - | - | - | 4,469,256 |
| Investments | 12,123,211 | 92,985,196 | 105,108,407 | - |
| Receivables | | | | |
| Property taxes, net of allowance | 1,702,255 | - | 1,702,255 | - |
| Federal government | 3,351,216 | 321,639 | 3,672,855 | - |
| State government | 364,992 | 486,962 | 851,954 | - |
| County government | 206,237 | - | 206,237 | - |
| Accounts, net of allowance | 1,911,466 | 11,565,682 | 13,477,148 | 1,643,857 |
| Accrued interest | 50,944 | 427,116 | 478,060 | 1,603 |
| Mortgage notes, net of allowance | - | - | - | 320,224 |
| Due from component units | - | 500,000 | 500,000 | - |
| Due from grantee agency | 6 | - | 6 | - |
| Internal balances | 22,309,471 | (22,309,471) | - | - |
| Prepaid expenses | 901,745 | 163,026 | 1,064,771 | 507,614 |
| Inventory | 712,524 | 2,514,406 | 3,226,930 | - |
| Real estate held for sale and development | - | 878,341 | 878,341 | - |
| Restricted assets | | | | |
| Restricted cash | 8,821,454 | - | 8,821,454 | 17,026 |
| Restricted investments | - | 1,302,306 | 1,302,306 | - |
| Real estate held for sale and development | - | - | - | 28,800 |
| Total current assets | 188,630,927 | 230,128,508 | 418,759,435 | 19,131,848 |
| Noncurrent Assets | | | | |
| Cash on deposit with escrow agent | - | - | - | 6,708,874 |
| Investments | 1,543,123 | 77,608,330 | 79,151,453 | - |
| Mortgage notes receivable, net of current portion | - | 24,608,519 | 24,608,519 | 1,789,305 |
| Deposits | 78,745 | - | 78,745 | - |
| Other assets | | | | |
| Prepaid bond insurance costs | - | 219,769 | 219,769 | - |
| Organizational costs | - | - | - | 2,605 |
| Real estate held for sale or development | - | - | - | 2,378,547 |
| Security deposits | - | - | - | 11,349 |
| Investment in joint venture | - | - | - | 100 |
| VAPIB loans receivable | - | - | - | 6,315 |
| Capital assets not being depreciated | | | | |
| Land | 37,104,644 | 32,386,711 | 69,491,355 | 2,291,388 |
| Construction in progress | 21,868,812 | 200,619,404 | 222,488,216 | - |
| Capital assets net of accumulated depreciation | | | | |
| Buildings, improvements and utility plant | 151,442,733 | 759,318,993 | 910,761,726 | 9,565,342 |
| Infrastructure | 20,444,343 | - | 20,444,343 | - |
| Machinery and equipment | 18,601,369 | 17,513,381 | 36,114,750 | - |
| Total noncurrent assets | 251,083,769 | 1,112,275,107 | 1,363,358,876 | 22,753,825 |
| TOTAL ASSETS | 439,714,696 | 1,342,403,615 | 1,782,118,311 | 41,885,673 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred charge on refunding | 1,115,388 | 22,450,036 | 23,565,424 | - |
| Deferred outflows related to other postemployment benefits liability | 7,440,021 | 2,506,530 | 9,946,551 | - |
| Deferred outflows related to net pension liability | 27,507,274 | 9,340,066 | 36,847,340 | - |
| Accumulated decrease in fair value of hedging derivatives | - | 30,045,536 | 30,045,536 | - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 36,062,683 | 64,342,168 | 100,404,851 | - |

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION (CONTINUED)
June 30, 2019

| | Primary Government | | | Component Units |
|--|----------------------------|-----------------------------|-----------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total | |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts payable and accrued expenses | \$ 11,489,811 | \$ 18,695,025 | \$ 30,184,836 | \$ 723,765 |
| Pooled cash liability | 618,334 | - | 618,334 | - |
| Accrued salaries and benefits | 3,701,895 | 732,891 | 4,434,786 | - |
| Accrued liability for claims | 16,308,223 | 23,600 | 16,331,823 | - |
| Accrued interest | 727,863 | 11,630,434 | 12,358,297 | - |
| Retainage payable | 2,525 | 7,177,135 | 7,179,660 | - |
| Unearned revenue | 733,623 | 344,256 | 1,077,879 | 1,040,983 |
| Due to primary government | - | - | - | 500,000 |
| Refundable advances | 163,836 | - | 163,836 | - |
| Compensated absences | 1,574,808 | 381,879 | 1,956,687 | 218,899 |
| Due to grantor agency | - | - | - | 68,511 |
| Due to others | 56,143 | - | 56,143 | - |
| Deposits payable | 23,371 | 87,837 | 111,208 | 62,537 |
| Current notes payable | 75,000 | - | 75,000 | 792,660 |
| General obligation bonds, current portion | 2,870,000 | - | 2,870,000 | - |
| Revenue bonds, current portion | 3,825,000 | 14,615,000 | 18,440,000 | - |
| Obligation under capital leases - current portion | 3,776,230 | - | 3,776,230 | - |
| Total current liabilities | 45,946,662 | 53,688,057 | 99,634,719 | 3,407,355 |
| Noncurrent liabilities | | | | |
| Compensated absences | 6,299,233 | 1,527,516 | 7,826,749 | 74,625 |
| Net pension liability | 160,531,273 | 54,485,529 | 215,016,802 | - |
| Total OPEB liability | 134,944,300 | 45,462,518 | 180,406,818 | - |
| Notes payable, net of current portion | 450,000 | - | 450,000 | 4,242,542 |
| General obligation bonds, net of current portion | 20,447,930 | - | 20,447,930 | - |
| Revenue bonds, net of current portion | 42,034,739 | 646,367,094 | 688,401,833 | - |
| Obligation under capital leases - net of current portion | 14,578,639 | - | 14,578,639 | - |
| Derivative instrument liability, interest rate swap | - | 30,045,536 | 30,045,536 | - |
| Due to grantor agency | - | - | - | 6,501 |
| Total noncurrent liabilities | 379,286,114 | 777,888,193 | 1,157,174,307 | 4,323,668 |
| TOTAL LIABILITIES | 425,232,776 | 831,576,250 | 1,256,809,026 | 7,731,023 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows related to net pension liability | 3,688,587 | 1,249,930 | 4,938,517 | - |
| Deferred inflows related to other postemployment benefits liability | 3,312,188 | 1,115,872 | 4,428,060 | - |
| Deferred inflow - property sale | 304,000 | - | 304,000 | - |
| Deferred inflow - property tax credit | 2,441,498 | - | 2,441,498 | - |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 9,746,273 | 2,365,802 | 12,112,075 | - |
| NET POSITION | | | | |
| Net investment in capital assets | 164,314,702 | 430,555,601 | 594,870,303 | 7,468,903 |
| Restricted for | | | | |
| Capital projects | 14,649,565 | - | 14,649,565 | - |
| Debt service | 3,491,801 | 1,302,306 | 4,794,107 | - |
| Tourism | 5,715,193 | - | 5,715,193 | 10,299,189 |
| Public safety | 669,477 | - | 669,477 | - |
| Community development | | | | |
| Expendable | 1,307,617 | - | 1,307,617 | 67,045 |
| Nonexpendable | 5,000 | - | 5,000 | - |
| Unrestricted | (149,355,025) | 140,945,824 | (8,409,201) | 16,319,513 |
| TOTAL NET POSITION | \$ 40,798,330 | \$ 572,803,731 | \$ 613,602,061 | \$ 34,154,650 |

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

| FUNCTIONS/PROGRAMS | Program Revenue | | | | Net (Expense) Revenue and Changes in Net Position | | | Component Units |
|---|-----------------------|------------------------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|----------------------|
| | Expenses | Operating Grants and Contributions | | Capital Grants and Contributions | Primary Government | | Total | |
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | | |
| Primary Government | | | | | | | | |
| Governmental activities | | | | | | | | |
| General government | \$ 24,646,183 | \$ 42,512,489 | \$ 1,033,403 | \$ 1,106,108 | \$ 20,005,817 | \$ - | \$ 20,005,817 | \$ - |
| Judicial | 3,243,546 | - | - | - | (3,243,546) | - | (3,243,546) | - |
| Finance department | 1,873,596 | - | - | - | (1,873,596) | - | (1,873,596) | - |
| Community promotions | 259,673 | - | - | - | (259,673) | - | (259,673) | - |
| Planning and development | 4,495,177 | - | - | - | (4,495,177) | - | (4,495,177) | - |
| Public safety | 100,864,885 | 47,734,678 | 5,695,089 | - | (47,435,118) | - | (47,435,118) | - |
| Parks and recreation | 15,452,425 | 880,984 | - | - | (14,571,441) | - | (14,571,441) | - |
| Public services | 19,565,757 | 728,323 | - | - | (18,837,434) | - | (18,837,434) | - |
| General services | 2,660,538 | 229,198 | - | - | (2,451,342) | - | (2,451,342) | - |
| Tourism and community development | 21,965,449 | 85,626 | 6,863,231 | 296,862 | (14,719,730) | - | (14,719,730) | - |
| Interest and other fiscal charges | 2,719,188 | - | - | - | (2,719,188) | - | (2,719,188) | - |
| Nondepartmental | 1,529,083 | - | - | - | (1,529,083) | - | (1,529,083) | - |
| Total governmental activities | 199,295,500 | 92,171,296 | 13,591,723 | 1,402,970 | (92,129,511) | - | (92,129,511) | - |
| Business-type activities | | | | | | | | |
| Water/sewer facilities | 163,192,833 | 147,913,149 | 70,628 | 5,785,610 | - | (9,423,446) | (9,423,446) | - |
| Hydro-electric plant | 1,308,062 | - | - | - | - | (1,308,062) | (1,308,062) | - |
| Stormwater facilities | 9,029,891 | 14,260,785 | 1,218,658 | 108,418 | - | 6,557,970 | 6,557,970 | - |
| Parking facilities | 8,886,953 | 8,719,441 | - | - | - | (167,512) | (167,512) | - |
| Redevelopment programs | 1,206,148 | 620,775 | - | - | - | (585,373) | (585,373) | - |
| Parks and recreation camps | 476,156 | 353,166 | - | - | - | (122,990) | (122,990) | - |
| Total business-type activities | 184,100,043 | 171,867,316 | 1,289,286 | 5,894,028 | - | (5,049,413) | (5,049,413) | - |
| Total Primary Government | \$ 383,395,543 | \$ 264,038,612 | \$ 14,881,009 | \$ 7,296,998 | (92,129,511) | (5,049,413) | (97,178,924) | - |
| COMPONENT UNITS | \$ 15,118,882 | \$ 6,441,966 | \$ 9,138,322 | \$ 150,000 | - | - | - | 611,606 |
| General revenues: | | | | | | | | |
| General property taxes | | | | | 37,225,108 | - | 37,225,108 | - |
| Local Option Sales Tax | | | | | 20,775,337 | - | 20,775,337 | - |
| Hospitality and admission taxes | | | | | 12,716,579 | - | 12,716,579 | - |
| Accommodations tax | | | | | 2,944,112 | - | 2,944,112 | - |
| Tourism development revenue | | | | | 3,924,883 | - | 3,924,883 | - |
| Liquor permit revenue | | | | | 451,750 | - | 451,750 | - |
| State shared revenue | | | | | 2,955,787 | - | 2,955,787 | - |
| Appropriations - City of Columbia | | | | | - | - | - | 1,622,171 |
| Unrestricted investment earnings | | | | | 2,289,589 | 8,496,571 | 10,786,160 | 237,333 |
| Gain on disposal of capital assets | | | | | 134,786 | 139,086 | 273,872 | 78,373 |
| Insurance recoveries | | | | | 129,260 | - | 129,260 | - |
| Other revenues | | | | | 535,077 | - | 535,077 | 19,662 |
| Transfers | | | | | 7,083,089 | (7,083,089) | - | - |
| Total general revenues and transfers | | | | | 91,165,357 | 1,552,568 | 92,717,925 | 1,957,539 |
| Change in net position | | | | | (964,154) | (3,496,845) | (4,460,999) | 2,569,145 |
| Net position - beginning of period as previously reported | | | | | 504,478 | 622,100,542 | 622,605,020 | 31,585,505 |
| Correction of an error (Note VII D) | | | | | 41,258,006 | (45,799,968) | (4,541,960) | - |
| Net position - beginning of period as restated | | | | | 41,762,484 | 576,300,576 | 618,063,060 | 31,585,505 |
| Net position - end of period | \$ 40,798,330 | \$ 572,803,731 | \$ 613,602,061 | \$ 34,154,650 | \$ 40,798,330 | \$ 572,803,731 | \$ 613,602,061 | \$ 34,154,650 |

The accompanying notes are an integral part of these financial statements.

**CITY OF COLUMBIA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019**

| | General Fund | County Services | Other Governmental Funds | Total Governmental Funds |
|---|-----------------------------|--------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 38,504,634 | \$ - | \$ 21,107,318 | \$ 59,611,952 |
| Restricted cash | 8,821,454 | - | - | 8,821,454 |
| Investments | 4,861,124 | - | 8,805,210 | 13,666,334 |
| Receivables | | | | |
| Property taxes, net | 1,702,255 | - | - | 1,702,255 |
| Federal government | - | - | 3,351,216 | 3,351,216 |
| State government | 314,118 | - | 50,874 | 364,992 |
| County government | - | - | 206,237 | 206,237 |
| Accounts, net | 1,140,393 | 368,410 | 27,464 | 1,536,267 |
| Accrued interest | 22,734 | - | 28,210 | 50,944 |
| Due from other funds | - | - | 567,138 | 567,138 |
| Due from grantee agency | - | - | 6 | 6 |
| Prepaid charges | 684,418 | 89,329 | - | 773,747 |
| TOTAL ASSETS | <u>\$ 56,051,130</u> | <u>\$ 457,739</u> | <u>\$ 34,143,673</u> | <u>\$ 90,652,542</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 5,641,918 | \$ 387,111 | \$ 3,836,185 | \$ 9,865,214 |
| Accrued salaries and benefits | 2,629,515 | 921,210 | 77,780 | 3,628,505 |
| Pooled cash liability | - | 93,822 | 524,512 | 618,334 |
| Retainage payable | - | - | 2,525 | 2,525 |
| Refundable advances | - | - | 163,836 | 163,836 |
| Due to other funds | - | 2,480,538 | 3,048,003 | 5,528,541 |
| Due to others | 56,143 | - | - | 56,143 |
| Customer deposits | 23,371 | - | - | 23,371 |
| Advances from other funds | 2,021,667 | - | - | 2,021,667 |
| Total liabilities | <u>10,372,614</u> | <u>3,882,681</u> | <u>7,652,841</u> | <u>21,908,136</u> |
| Deferred inflows of resources | | | | |
| Deferred revenue - deferred property tax credit | 2,441,498 | - | - | 2,441,498 |
| Deferred revenue - property sale | 304,000 | - | - | 304,000 |
| Unavailable revenue - property taxes | 1,437,009 | - | - | 1,437,009 |
| Total deferred inflows of resources | <u>4,182,507</u> | <u>-</u> | <u>-</u> | <u>4,182,507</u> |
| Fund balances | | | | |
| Nonspendable | 684,418 | 89,329 | 5,000 | 778,747 |
| Restricted | 9,259,223 | - | 16,574,430 | 25,833,653 |
| Committed | 4,963,776 | - | - | 4,963,776 |
| Assigned | 9,160,058 | - | 9,911,402 | 19,071,460 |
| Unassigned | 17,428,534 | (3,514,271) | - | 13,914,263 |
| Total fund balances (deficits) | <u>41,496,009</u> | <u>(3,424,942)</u> | <u>26,490,832</u> | <u>64,561,899</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 56,051,130</u> | <u>\$ 457,739</u> | <u>\$ 34,143,673</u> | <u>\$ 90,652,542</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2019

Total fund balance, governmental funds \$ 64,561,899

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 | 21,868,812 | |
| Buildings and improvements, net | 151,442,733 | |
| Infrastructure, net | 20,444,343 | |
| Machinery and equipment, net | 18,601,369 | |
| Less: Net capital assets reported in the Internal Service Funds | (322,056) | 249,139,845 |

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 change on refunding | \$ 1,115,388 | |
| Pension related deferred outflows | 27,507,274 | |
| Less: Pension related deferred outflows reported in the Internal Service Funds | (888,947) | 27,733,715 |

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.

1,437,009

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

(703,837)

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.

(76,152,891)

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.

29,648,889

Some liabilities (such as notes payable, capital leases, contracts payable, compensated absences, net pension liability, 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 | \$ (7,874,041) | |
| Less: Compensated absences reported in the Internal Service Funds | 274,505 | |
| Accrued interest payable | (727,863) | |
| Net pension liability | (160,531,273) | |
| Less: Net pension liability reported in the Internal Service Funds | 5,617,740 | |
| Bonds and notes payable | (64,555,000) | |
| Capital lease payable | (18,354,869) | |
| Unamortized premium | (5,147,669) | (251,298,470) |

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 | \$ (3,688,587) | |
| Less: Pension related deferred inflows reported in the Internal Service Funds | 120,758 | (3,567,829) |

Net position of governmental activities in the statement of net position

\$ 40,798,330

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2019

| | General Fund | County Services | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|-----------------------|--------------------------------|--------------------------------|
| REVENUES | | | | |
| General property taxes | \$ 35,689,037 | \$ - | \$ 959,562 | \$ 36,648,599 |
| Local option sales tax | 20,775,337 | - | - | 20,775,337 |
| Hospitality and admission taxes | 869,619 | - | 11,846,960 | 12,716,579 |
| Accommodations tax | - | - | 2,944,112 | 2,944,112 |
| Tourism development fee | - | - | 3,924,883 | 3,924,883 |
| Liquor permit fee | - | - | 451,750 | 451,750 |
| Licenses and permits | 28,404,652 | - | - | 28,404,652 |
| Franchise fees | 11,974,635 | - | - | 11,974,635 |
| Intergovernmental revenue | 16,558,061 | - | 65,117 | 16,623,178 |
| Charges for services | 13,306,139 | - | 73,323 | 13,379,462 |
| Fines and forfeitures | 677,587 | - | 367,456 | 1,045,043 |
| Federal government | 21,767 | - | 9,866,729 | 9,888,496 |
| State government | 1,010,667 | - | 349,423 | 1,360,090 |
| County government | - | 23,508,218 | 2,752,738 | 26,260,956 |
| Promotions | - | - | 33,000 | 33,000 |
| Private grants | 969 | - | 992,400 | 993,369 |
| Interest | 303,676 | - | 487,146 | 790,822 |
| Rental income | 99,943 | - | - | 99,943 |
| Other revenues | 9,576 | - | 525,501 | 535,077 |
| Total revenues | 129,701,665 | 23,508,218 | 35,640,100 | 188,849,983 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 12,917,481 | - | 1,317,408 | 14,234,889 |
| Judicial | 3,025,420 | - | - | 3,025,420 |
| Finance department | 1,782,499 | - | - | 1,782,499 |
| Planning and development | 4,276,616 | - | - | 4,276,616 |
| Public safety | 66,111,113 | 24,276,562 | 2,233,923 | 92,621,598 |
| Parks and recreation | 12,674,154 | - | 77,745 | 12,751,899 |
| Public services | 15,134,908 | - | 3,170,709 | 18,305,617 |
| General services | 2,524,071 | - | - | 2,524,071 |
| Tourism and community development | 4,066,379 | - | 16,826,138 | 20,892,517 |
| Community promotions | 247,048 | - | - | 247,048 |
| Debt service | | | | |
| Principal payment on bonds | 3,311,888 | - | 7,835,000 | 11,146,888 |
| Interest on bonds | 307,002 | - | 2,607,944 | 2,914,946 |
| Fiscal agent charges | - | - | 14,297 | 14,297 |
| Capital outlay | | | | |
| Capital outlay | 3,444,253 | - | 7,146,041 | 10,590,294 |
| Total expenditures | 129,822,832 | 24,276,562 | 41,229,205 | 195,328,599 |
| Excess (deficiency) of revenues over (under) expenditures | (121,167) | (768,344) | (5,589,105) | (6,478,616) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 12,363,513 | 1,762 | 11,811,217 | 24,176,492 |
| Transfers (out) | (12,160,400) | - | (11,105,256) | (23,265,656) |
| Sale of general capital assets | 184,147 | - | - | 184,147 |
| Issuance of capital leases | 8,000,000 | - | - | 8,000,000 |
| Insurance recoveries | 129,260 | - | - | 129,260 |
| Total other financing sources (uses) | 8,516,520 | 1,762 | 705,961 | 9,224,243 |
| Net change in fund balance | 8,395,353 | (766,582) | (4,883,144) | 2,745,627 |
| Beginning fund balances (deficits) as previously reported | 33,718,547 | (2,658,360) | 31,032,866 | 62,093,053 |
| Correction of an error (Note VII D) | (617,891) | - | 341,110 | (276,781) |
| Beginning fund balances (deficits) as restated | 33,100,656 | (2,658,360) | 31,373,976 | 61,816,272 |
| Ending fund balances (deficits) | \$ 41,496,009 | \$ (3,424,942) | \$ 26,490,832 | \$ 64,561,899 |

The accompanying notes are an integral part of these 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, 2019

Net change in fund balances - total governmental funds \$ 2,745,627

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 | \$ 10,590,294 | |
| Depreciation expense | (16,578,722) | |
| Less: depreciation expense reported in the Internal Service Funds | 148,021 | (5,840,407) |

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 | | (52,384) |
|---|--|----------|

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.

255,590

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.

46,189

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 tax | | 576,509 |
| Intergovernmental revenues | | 12,763 |

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 | \$ (8,000,000) | |
| Principal retirement of long-term debt | 11,146,888 | |
| Amortization of premium | 459,739 | |
| Amortization of bond refunding deferred charge | (264,855) | 3,341,772 |

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 | \$ (435,182) | |
| Pension expense | (5,218,720) | |
| Accrued interest payable | 15,172 | (5,638,730) |

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.

3,588,917

Change in net position of governmental activities

\$ (964,154)

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
June 30, 2019

| | Business-type Activities - Enterprise Funds | | | | Governmental |
|--|--|--------------------|---------------------|----------------------|------------------------------|
| | Water/Sewer | Parking | Nonmajor | Total | Activities |
| | Facilities Fund | Facilities Fund | Enterprise Funds | | Internal Service Funds |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | \$ 117,630,912 | \$ 6,232,335 | \$ 17,430,058 | \$ 141,293,305 | \$ 76,563,454 |
| Investments | 83,661,011 | 2,239,246 | 7,084,939 | 92,985,196 | - |
| Restricted investments | 1,302,306 | - | - | 1,302,306 | - |
| Accounts receivable, net | 11,198,004 | 365,530 | 2,148 | 11,565,682 | 375,199 |
| Accrued interest receivable | 383,184 | 10,550 | 33,382 | 427,116 | - |
| Due from federal government | 303,679 | - | 17,960 | 321,639 | - |
| Due from state government | 486,242 | - | 720 | 486,962 | - |
| Due from other funds | 13,056,927 | - | - | 13,056,927 | - |
| Due from component units | 500,000 | - | - | 500,000 | - |
| Inventory | 2,458,808 | 55,598 | - | 2,514,406 | 712,524 |
| Prepaid expenses | 127,572 | 22,280 | 13,174 | 163,026 | 127,998 |
| Real estate held for resale | - | - | 878,341 | 878,341 | - |
| Total current assets | 231,108,645 | 8,925,539 | 25,460,722 | 265,494,906 | 77,779,175 |
| Noncurrent Assets | | | | | |
| Mortgage notes receivable, net | 126,761 | - | 24,481,758 | 24,608,519 | - |
| Investments | 35,921,774 | - | 41,686,556 | 77,608,330 | - |
| Deposits | - | - | - | - | 78,745 |
| Prepaid bond insurance costs | - | 219,769 | - | 219,769 | - |
| Advances to other funds | 1,150,042 | - | - | 1,150,042 | - |
| Capital assets | | | | | |
| Land | 14,123,853 | 17,706,907 | 555,951 | 32,386,711 | - |
| Buildings, improvements and utility plant | 1,161,616,290 | 60,757,521 | 37,030,647 | 1,259,404,458 | 914,576 |
| Machinery and equipment | 78,017,550 | 1,881,242 | 4,507,983 | 84,406,775 | 1,701,837 |
| Less accumulated depreciation | (530,082,168) | (23,046,259) | (13,850,432) | (566,978,859) | (2,294,357) |
| Construction in progress | 180,120,114 | 665,229 | 19,834,061 | 200,619,404 | - |
| Net capital assets | 903,795,639 | 57,964,640 | 48,078,210 | 1,009,838,489 | 322,056 |
| Total noncurrent assets | 940,994,216 | 58,184,409 | 114,246,524 | 1,113,425,149 | 400,801 |
| TOTAL ASSETS | 1,172,102,861 | 67,109,948 | 139,707,246 | 1,378,920,055 | 78,179,976 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred charge on refunding | 22,450,036 | - | - | 22,450,036 | - |
| Deferred outflows related to other postemployment benefits liability | 2,160,391 | 140,246 | 205,893 | 2,506,530 | 7,440,021 |
| Deferred outflows related to net pension liability | 8,021,762 | 583,723 | 734,581 | 9,340,066 | 888,947 |
| Accumulated decrease in fair value of hedging derivatives | 30,045,536 | - | - | 30,045,536 | - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 62,677,725 | 723,969 | 940,474 | 64,342,168 | 8,328,968 |

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS (CONTINUED)
June 30, 2019

| | Business-type Activities - Enterprise Funds | | | | Governmental |
|---|--|----------------------|----------------------|-----------------------|------------------------------|
| | Water/Sewer | Parking | Nonmajor | Total | Activities |
| | Facilities Fund | Facilities Fund | Enterprise Funds | | Internal Service Funds |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts payable | \$ 17,030,668 | \$ 226,363 | \$ 1,437,994 | \$ 18,695,025 | \$ 1,624,597 |
| Accrued salaries and benefits | 597,473 | 39,908 | 95,510 | 732,891 | 73,390 |
| Compensated absences | 340,004 | 22,219 | 19,656 | 381,879 | 54,901 |
| Retainage payable | 6,536,256 | - | 640,879 | 7,177,135 | - |
| Accrued interest payable | 10,046,900 | 634,150 | 949,384 | 11,630,434 | - |
| Revenue bonds payable | 13,000,000 | 1,185,000 | 430,000 | 14,615,000 | - |
| Due to other funds | - | - | 6,867,551 | 6,867,551 | 356,348 |
| Deposits payable | 87,837 | - | - | 87,837 | - |
| Unearned revenue | 224,828 | 15,336 | 104,092 | 344,256 | 29,786 |
| Accrued liability for claims | 23,600 | - | - | 23,600 | 16,308,223 |
| Total current liabilities | 47,887,566 | 2,122,976 | 10,545,066 | 60,555,608 | 18,447,245 |
| Noncurrent Liabilities | | | | | |
| Compensated absences | 1,360,016 | 88,877 | 78,623 | 1,527,516 | 219,604 |
| Net pension liability | 46,874,233 | 3,527,903 | 4,083,393 | 54,485,529 | 5,617,740 |
| Total OPEB liability | 39,184,361 | 2,543,736 | 3,734,421 | 45,462,518 | 134,944,300 |
| Revenue bonds payable - net | 567,768,537 | 36,105,000 | 42,493,557 | 646,367,094 | - |
| Derivative instrument liability - interest rate swap | 30,045,536 | - | - | 30,045,536 | - |
| Total noncurrent liabilities | 685,232,683 | 42,265,516 | 50,389,994 | 777,888,193 | 140,781,644 |
| TOTAL LIABILITIES | 733,120,249 | 44,388,492 | 60,935,060 | 838,443,801 | 159,228,889 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred inflows related to other postemployment benefits liability | 961,775 | 62,436 | 91,661 | 1,115,872 | 3,312,188 |
| Deferred inflows related to net pension liability | 1,075,803 | 78,709 | 95,418 | 1,249,930 | 120,758 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 2,037,578 | 141,145 | 187,079 | 2,365,802 | 3,432,946 |
| FUND NET POSITION | | | | | |
| Net investment in capital assets | 364,750,548 | 20,674,640 | 45,130,413 | 430,555,601 | 322,056 |
| Restricted for debt service | 1,302,306 | - | - | 1,302,306 | - |
| Unrestricted | 133,569,905 | 2,629,640 | 34,395,168 | 170,594,713 | (76,474,947) |
| TOTAL FUND NET POSITION | \$ 499,622,759 | \$ 23,304,280 | \$ 79,525,581 | 602,452,620 | \$ (76,152,891) |
| 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 | | | | (29,648,889) | |
| Net position of business-type activities | | | | \$ 572,803,731 | |

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2019

| | Business-type Activities - Enterprise Funds | | | | Governmental |
|--|--|----------------------|----------------------|-----------------------|------------------------|
| | Water/Sewer | Parking | Nonmajor | Total | Internal |
| | Facilities Fund | Facilities Fund | Enterprise Funds | | Service Funds |
| Operating revenues | | | | | |
| Charges for service | \$ 147,624,943 | \$ 6,954,924 | \$ 15,196,311 | \$ 169,776,178 | \$ 49,538,895 |
| Intergovernmental revenue | - | - | 19,006 | 19,006 | 28,418 |
| Other operating revenue | - | 1,629,407 | 17,909 | 1,647,316 | - |
| Total operating revenues | 147,624,943 | 8,584,331 | 15,233,226 | 171,442,500 | 49,567,313 |
| Operating expenses | | | | | |
| Personnel services | 39,849,139 | 2,884,712 | 3,740,966 | 46,474,817 | 9,068,786 |
| Materials and supplies | 10,932,937 | 189,627 | 391,211 | 11,513,775 | 8,897,621 |
| Other services and charges | 37,234,408 | 1,044,934 | 3,920,907 | 42,200,249 | 4,974,839 |
| Heat, light and power | 5,789,471 | 201,007 | - | 5,990,478 | 3,655 |
| Depreciation | 41,786,221 | 1,669,646 | 1,605,307 | 45,061,174 | 148,021 |
| Claims and premiums | 41,000 | - | - | 41,000 | 33,892,844 |
| Loan bad debt expense | - | - | 338,743 | 338,743 | - |
| Total operating expenses | 135,633,176 | 5,989,926 | 9,997,134 | 151,620,236 | 56,985,766 |
| Operating income (loss) | 11,991,767 | 2,594,405 | 5,236,092 | 19,822,264 | (7,418,453) |
| Nonoperating revenues (expenses) | | | | | |
| Investment income (loss) | 7,381,337 | 168,448 | 946,786 | 8,496,571 | 1,498,767 |
| Rental income | 199,606 | 111,560 | 1,500 | 312,666 | - |
| Other nonoperating revenue | 88,600 | 23,550 | - | 112,150 | - |
| Federal grant revenue | 52,971 | - | 1,218,658 | 1,271,629 | - |
| State grant revenue | 17,657 | - | - | 17,657 | - |
| Gain (loss) from sale of assets | 79,916 | - | 59,170 | 139,086 | 3,023 |
| Interest expense | (22,961,387) | (1,526,635) | (852,530) | (25,340,552) | - |
| Bond related costs | (31,732) | (854,010) | (960,271) | (1,846,013) | - |
| Amortization of deferred charges | (1,362,428) | (341,897) | - | (1,704,325) | - |
| Total nonoperating revenues (expenses) | (16,535,460) | (2,418,984) | 413,313 | (18,541,131) | 1,501,790 |
| Income (loss) before contributions and transfers | (4,543,693) | 175,421 | 5,649,405 | 1,281,133 | (5,916,663) |
| Capital contributions and transfers | | | | | |
| Transfers in | - | - | 2,208,913 | 2,208,913 | 8,644,733 |
| Transfers out | (7,181,315) | (877,118) | (1,233,569) | (9,292,002) | (2,472,480) |
| Capital grants | - | - | 108,418 | 108,418 | - |
| Development contributions | 5,785,610 | - | - | 5,785,610 | - |
| Total capital contributions and transfers | (1,395,705) | (877,118) | 1,083,762 | (1,189,061) | 6,172,253 |
| Change in net position | (5,939,398) | (701,697) | 6,733,167 | 92,072 | 255,590 |
| Net position - beginning of period as previously reported | 545,626,367 | 26,329,947 | 76,204,200 | | (117,943,268) |
| Correction of an error (Note VII D) | (40,064,210) | (2,323,970) | (3,411,786) | | 41,534,787 |
| Net position - beginning of period as restated | 505,562,157 | 24,005,977 | 72,792,414 | | (76,408,481) |
| Net position - ending | \$ 499,622,759 | \$ 23,304,280 | \$ 79,525,581 | | \$ (76,152,891) |
| Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds | | | | (3,588,917) | |
| Change in net position of business-type activities | | | | <u>\$ (3,496,845)</u> | |

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2019

| | Business-type Activities - Enterprise Funds | | | | Governmental |
|--|--|-------------------------------|---------------------------------|-----------------------|------------------------------|
| | Water/Sewer Facilities Fund | Parking Facilities Fund | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| Cash Flows From Operating Activities | | | | | |
| Receipts from customers and users | \$ 144,476,595 | \$ 8,318,348 | \$ 15,231,884 | \$ 168,026,827 | \$ 394,966 |
| Internal activity - receipts from other funds | - | - | - | - | 49,191,329 |
| Internal activity - payments to other funds | (2,906,809) | (84,346) | (242,204) | (3,233,359) | - |
| Payments to suppliers | (62,718,529) | (2,275,325) | (5,794,704) | (70,788,558) | (17,236,528) |
| Claims paid | (41,000) | - | - | (41,000) | (35,999,422) |
| Payments to employees | (23,797,928) | (1,695,167) | (2,183,406) | (27,676,501) | (3,294,015) |
| Net cash provided by (used in) operating activities | 55,012,329 | 4,263,510 | 7,011,570 | 66,287,409 | (6,943,670) |
| Cash Flows From Noncapital Financing Activities | | | | | |
| Advances from other funds | - | - | 1,167,149 | 1,167,149 | 99,289 |
| Advances to other funds | (4,399,757) | - | - | (4,399,757) | (24,479) |
| Nonoperating grants | 885,209 | - | 1,279,766 | 2,164,975 | - |
| Other nonoperating revenues | 88,600 | 23,550 | - | 112,150 | - |
| Transfers in | - | - | 2,208,913 | 2,208,913 | 8,644,733 |
| Transfers out | (7,181,315) | (877,118) | (1,233,569) | (9,292,002) | (2,472,480) |
| Net cash (used in) provided by noncapital financing activities | (10,607,263) | (853,568) | 3,422,259 | (8,038,572) | 6,247,063 |
| Cash Flows From Capital And Related Financing Activities | | | | | |
| Principal paid on bonds and notes | (11,915,000) | (40,305,000) | - | (52,220,000) | - |
| Proceeds from revenue bonds | - | 39,255,000 | 43,020,411 | 82,275,411 | - |
| Interest paid on debt | (23,083,584) | (1,603,645) | - | (24,687,229) | - |
| Proceeds from capital contributions | 5,785,610 | - | 108,418 | 5,894,028 | - |
| Bond related costs | (31,732) | (854,010) | (960,271) | (1,846,013) | - |
| Prepaid bond insurance costs | - | (231,226) | - | (231,226) | - |
| Net cash (used in) provided by capital and related financing activities | (29,244,706) | (3,738,881) | 42,168,558 | 9,184,971 | - |
| Cash Flows From Investing Activities | | | | | |
| Purchase of investments | - | - | (42,083,193) | (42,083,193) | - |
| Sale of investments | 46,007,307 | 1,669,506 | 32,061 | 47,708,874 | - |
| Purchases of capital assets | (77,680,501) | (4,581,718) | (10,107,714) | (92,369,933) | - |
| Purchases of real estate held for resale | - | - | (234,661) | (234,661) | - |
| Proceeds from sale of assets | 214,103 | - | 59,170 | 273,273 | 3,885 |
| Receipts from property rentals | 199,606 | 111,560 | - | 311,166 | - |
| Advances of mortgage notes receivable | - | - | (3,681,591) | (3,681,591) | - |
| Collections of mortgage notes receivable | 43,676 | - | 1,642,246 | 1,685,922 | - |
| Interest received | 7,253,477 | 174,307 | 944,228 | 8,372,012 | 1,498,767 |
| Net cash (used in) provided by investing activities | (23,962,332) | (2,626,345) | (53,429,454) | (80,018,131) | 1,502,652 |
| Net (decrease) increase in cash and cash equivalents | (8,801,972) | (2,955,284) | (827,067) | (12,584,323) | 806,045 |
| Cash and cash equivalents, July 1, 2018 | 126,432,884 | 9,187,619 | 18,257,125 | 153,877,628 | 75,757,409 |
| Cash and cash equivalents, June 30, 2019 | \$ 117,630,912 | \$ 6,232,335 | \$ 17,430,058 | \$ 141,293,305 | \$ 76,563,454 |

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
Year Ended June 30, 2019

| | Business-type Activities - Enterprise Funds | | | | Governmental |
|--|--|----------------------------|----------------------------|-----------------------------|------------------------------|
| | Water/Sewer | Parking | Nonmajor | Total | Internal |
| | Facilities Fund | Facilities Fund | Enterprise Funds | | Service Funds |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities | | | | | |
| Operating income (loss) | <u>\$ 11,991,767</u> | <u>\$ 2,594,405</u> | <u>\$ 5,236,092</u> | <u>\$ 19,822,264</u> | <u>\$ (7,418,453)</u> |
| Adjustments to reconcile operating income to net cash (loss) provided by (used in) operating activities: | | | | | |
| Depreciation | 41,786,221 | 1,669,646 | 1,605,307 | 45,061,174 | 148,021 |
| Accrued benefits related to net pension liability | 1,610,399 | 140,260 | 106,599 | 1,857,258 | 261,952 |
| Bad debt expense | - | - | 338,743 | 338,743 | - |
| Change in operating assets and liabilities | | | | | |
| Accounts receivable | (3,166,586) | (267,240) | (339,354) | (3,773,180) | 17,614 |
| Inventory | (241,307) | 1,902 | - | (239,405) | 19,426 |
| Prepaid expenses | 31,533 | (22,280) | (2,665) | 6,588 | (127,243) |
| Accounts payable | 866,394 | 9,662 | (149,644) | 726,412 | (93,825) |
| Accrued salaries | 2,637 | - | 2,692 | 5,329 | - |
| Accrued compensated absences | (38,566) | (6,058) | 6,128 | (38,496) | 21,533 |
| OPEB liability | 2,186,715 | 141,956 | 208,403 | 2,537,074 | 2,332,515 |
| Unearned revenue | 18,238 | 1,257 | (731) | 18,764 | 1,368 |
| Deposits payable | (35,116) | - | - | (35,116) | - |
| Accrued liability for claims | - | - | - | - | (2,106,578) |
| Total adjustments | <u>43,020,562</u> | <u>1,669,105</u> | <u>1,775,478</u> | <u>46,465,145</u> | <u>474,783</u> |
| Net cash provided by (used in) operating activities | <u><u>\$ 55,012,329</u></u> | <u><u>\$ 4,263,510</u></u> | <u><u>\$ 7,011,570</u></u> | <u><u>\$ 66,287,409</u></u> | <u><u>\$ (6,943,670)</u></u> |

The accompanying notes are an integral part of these financial statements.

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

June 30, 2019

| | <u>Private- Purpose Trust Funds</u> | <u>Agency Funds</u> |
|--------------------------------|---|-------------------------|
| ASSETS | | |
| Cash and cash equivalents | <u>\$ 5,773</u> | <u>\$ 38,393</u> |
| Total assets | <u>5,773</u> | <u>\$ 38,393</u> |
| LIABILITIES | | |
| Accounts payable | <u>-</u> | <u>\$ 38,393</u> |
| Total liabilities | <u>-</u> | <u>\$ 38,393</u> |
| NET POSITION | | |
| Held in trust - other purposes | <u>\$ 5,773</u> | |

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS

Year Ended June 30, 2019

| | <u>Private- Purpose Trust Funds</u> |
|-------------------------------|---|
| ADDITIONS | |
| Contributions: | |
| Private donations | \$ 1,104 |
| Total additions | <u>1,104</u> |
| DEDUCTIONS | |
| Program expenses | <u>45</u> |
| Total deductions | <u>45</u> |
| Change in net position | 1,059 |
| Net position - beginning | <u>4,714</u> |
| Net position - ending | <u><u>\$ 5,773</u></u> |

The accompanying notes are an integral part of these financial statements.

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

June 30, 2019

| | 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 | \$ 941,573 | \$ 906,262 | \$ 266,834 | \$ 7,356,646 | \$ 617,826 | \$ 1,454,327 | \$ 11,543,468 |
| Certificates of deposit | 200,000 | 100,000 | 200,000 | - | 100,000 | - | 600,000 |
| Cash on deposit with escrow agent | - | - | - | 4,209,734 | - | 259,522 | 4,469,256 |
| Accounts receivable, net | 2,635 | 2,694 | 5,770 | 1,540,707 | 84,182 | 7,869 | 1,643,857 |
| Accrued interest receivable | - | - | - | - | - | 1,603 | 1,603 |
| Mortgage notes receivable, current portion | - | 190,316 | - | - | - | 129,908 | 320,224 |
| Prepaid expenses | 6,584 | 4,075 | 3,015 | 457,259 | 31,082 | 5,599 | 507,614 |
| Restricted Assets | | | | | | | |
| Restricted cash | - | - | - | - | - | 17,026 | 17,026 |
| Real estate held for sale and development | - | 28,800 | - | - | - | - | 28,800 |
| Total current assets | <u>1,150,792</u> | <u>1,232,147</u> | <u>475,619</u> | <u>13,564,346</u> | <u>833,090</u> | <u>1,875,854</u> | <u>19,131,848</u> |
| Capital Assets | | | | | | | |
| Capital assets, not being depreciated | 159,829 | 77,398 | 58,000 | - | 710,731 | 1,285,430 | 2,291,388 |
| Capital assets, net of accumulated depreciation | 992,496 | 488,633 | 211,501 | 3,247,271 | 2,548,072 | 2,077,369 | 9,565,342 |
| Net capital assets | <u>1,152,325</u> | <u>566,031</u> | <u>269,501</u> | <u>3,247,271</u> | <u>3,258,803</u> | <u>3,362,799</u> | <u>11,856,730</u> |
| Other Assets | | | | | | | |
| Mortgage note receivable, net of allowance | - | 298,645 | - | - | - | 1,490,660 | 1,789,305 |
| Real estate held for sale and development | 863,304 | 441,898 | 518,804 | - | 554,541 | - | 2,378,547 |
| Organizational costs | - | - | - | - | - | 2,605 | 2,605 |
| Security deposits | 3,000 | - | - | 2,500 | 5,849 | - | 11,349 |
| Investment in joint venture | - | - | - | - | - | 100 | 100 |
| VAPIB loans receivable | - | - | - | - | - | 6,315 | 6,315 |
| Cash on deposit with escrow agent | - | - | - | 6,708,874 | - | - | 6,708,874 |
| Total other assets | <u>866,304</u> | <u>740,543</u> | <u>518,804</u> | <u>6,711,374</u> | <u>560,390</u> | <u>1,499,680</u> | <u>10,897,095</u> |
| TOTAL ASSETS | <u>3,169,421</u> | <u>2,538,721</u> | <u>1,263,924</u> | <u>23,522,991</u> | <u>4,652,283</u> | <u>6,738,333</u> | <u>41,885,673</u> |

(Continued)

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

June 30, 2019

| | 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 | \$ 6,606 | \$ 33,136 | \$ 11,160 | \$ 377,609 | \$ 38,558 | \$ 7,862 | \$ 474,931 |
| Accrued expenses | 10,293 | 24,530 | 5,447 | 198,748 | 6,171 | 3,645 | 248,834 |
| Customer deposits | - | 4,775 | 1,350 | - | 39,386 | 17,026 | 62,537 |
| Due to primary government | 200,000 | 100,000 | 100,000 | - | 100,000 | - | 500,000 |
| Due to grantor agency | - | 68,511 | - | - | - | - | 68,511 |
| Compensated absences | 8,021 | 3,635 | 317 | 200,243 | 2,168 | 4,515 | 218,899 |
| Mortgage/bonds/notes payable/ lines of credit - current portion | 13,534 | - | 621,977 | - | 157,149 | - | 792,660 |
| Unearned revenue | 1,155 | 141,492 | - | 853,268 | 45,068 | - | 1,040,983 |
| Total current liabilities | <u>239,609</u> | <u>376,079</u> | <u>740,251</u> | <u>1,629,868</u> | <u>388,500</u> | <u>33,048</u> | <u>3,407,355</u> |
| Noncurrent Liabilities | | | | | | | |
| Compensated absences | 32,085 | 14,541 | 1,267 | - | 8,671 | 18,061 | 74,625 |
| Mortgage/bonds/lines of credit payable | 175,844 | 621,723 | - | - | 3,444,975 | - | 4,242,542 |
| Due to grantor agency | - | - | 6,501 | - | - | - | 6,501 |
| Total noncurrent liabilities | <u>207,929</u> | <u>636,264</u> | <u>7,768</u> | <u>-</u> | <u>3,453,646</u> | <u>18,061</u> | <u>4,323,668</u> |
| TOTAL LIABILITIES | <u>447,538</u> | <u>1,012,343</u> | <u>748,019</u> | <u>1,629,868</u> | <u>3,842,146</u> | <u>51,109</u> | <u>7,731,023</u> |
| NET POSITION | | | | | | | |
| Net investment in capital assets | 962,947 | (55,692) | 294,899 | 3,247,271 | (343,321) | 3,362,799 | 7,468,903 |
| Restricted | | | | | | | |
| Community development | - | 28,800 | 38,245 | - | - | - | 67,045 |
| Tourism | - | - | - | 10,299,189 | - | - | 10,299,189 |
| Unrestricted | 1,758,936 | 1,553,270 | 182,761 | 8,346,663 | 1,153,458 | 3,324,425 | 16,319,513 |
| TOTAL NET POSITION | <u>\$ 2,721,883</u> | <u>\$ 1,526,378</u> | <u>\$ 515,905</u> | <u>\$ 21,893,123</u> | <u>\$ 810,137</u> | <u>\$ 6,687,224</u> | <u>\$ 34,154,650</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF ACTIVITIES -
 BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS
 Year Ended June 30, 2019

| | Program Revenue | | | | Net (Expense) Revenues and Changes in Net Position | | | | | | Totals |
|--|----------------------|----------------------|------------------------------------|----------------------------------|--|--|------------------------------------|---|----------------------------|---------------------------------|----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Columbia Development Corporation | Columbia Housing Development Corporation | Eau Claire Development Corporation | Midlands Authority for Conventions, Sports, and Tourism | TN Development Corporation | Columbia Empowerment Zone, Inc. | |
| Columbia Development Corporation Community Development | \$ 380,863 | \$ 81,438 | \$ 4,725 | \$ - | \$ (294,700) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (294,700) |
| Columbia Housing Development Corporation Community Development | 367,399 | 54,870 | 73,663 | - | - | (238,866) | - | - | - | - | (238,866) |
| Eau Claire Development Corporation Community Development | 327,989 | 36,399 | - | - | - | - | (291,600) | - | - | - | (291,600) |
| Midlands Authority for Convention, Sports, and Tourism Community Promotions | 11,736,044 | 5,012,603 | 9,059,934 | - | - | - | - | 2,336,493 | - | - | 2,336,493 |
| TN Development Corporation Community Development | 1,716,614 | 994,515 | - | - | - | - | - | - | (722,099) | - | (722,099) |
| Columbia Empowerment Zone, Inc. Community Development | 589,773 | 262,151 | - | 150,000 | - | - | - | - | - | (177,622) | (177,622) |
| Total component units | \$ 15,118,682 | \$ 6,441,966 | \$ 9,138,322 | \$ 150,000 | (294,700) | (238,866) | (291,600) | 2,336,493 | (722,099) | (177,622) | 611,606 |
| General revenues: | | | | | | | | | | | |
| Appropriations - City of Columbia | | | | | 344,753 | 303,275 | 259,235 | - | 479,503 | 235,405 | 1,622,171 |
| Investment earnings | | | | | 1,399 | 6,456 | 281 | 204,401 | - | 24,796 | 237,333 |
| Gain on disposal of capital assets | | | | | - | 78,373 | - | - | - | - | 78,373 |
| Other revenues | | | | | - | 19,662 | - | - | - | - | 19,662 |
| Total general revenues | | | | | 346,152 | 407,766 | 259,516 | 204,401 | 479,503 | 260,201 | 1,957,539 |
| Change in net position | | | | | 51,452 | 168,900 | (32,084) | 2,540,894 | (242,596) | 82,579 | 2,569,145 |
| Net position - beginning of period | | | | | 2,670,431 | 1,357,478 | 547,989 | 19,352,229 | 1,052,733 | 6,604,645 | 31,585,505 |
| Net position - ending | | | | | \$ 2,721,883 | \$ 1,526,378 | \$ 515,905 | \$ 21,893,123 | \$ 810,137 | \$ 6,687,224 | \$ 34,154,650 |

The accompanying notes are an integral part of these financial statements.

INDEX TO NOTES TO FINANCIAL STATEMENTS

CITY OF COLUMBIA, SOUTH CAROLINA
Index to Notes to Financial Statements
Year Ended June 30, 2019

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Year Ended June 30, 2019

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CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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 one blended component unit and six discretely presented component units.

Blended Component Unit

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. H. 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, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

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.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Discretely Presented Component Units (Continued)

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, 2019

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, 2019

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, 2019

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, 2019

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 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.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

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 follows the provisions of GASB Statement No.62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA 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 and GASB 72, 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, 2019

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, 2019

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.

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 2006, the acquisition date is assumed to have been on the last day of the fiscal year. For assets acquired after 2006, the acquisition date is the actual date of purchase. Infrastructure assets acquired during fiscal year 2006 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, restricted cash, and restricted investments.

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, 2019. 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, 2019

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 OPEB 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 and OPEB liability result from contributions made to the South Carolina Public Employee Benefit Authority subsequent to the measurement date, which will be recognized as reductions of the liabilities in the subsequent year, changes in assumptions, and differences between expected and actual experience, which will be amortized 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 investments and actual return on those investments will be amortized 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 liability over a four year period.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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 2019, 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, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES, EXPENDITURES, AND EXPENSES (Continued)

Property Tax Revenues (Continued)

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

Local Option Sales Tax Revenue

The City incorporated a Local Option Sales Tax during the year ended June 30, 2006, of 1% to offset a reduction in property taxes. The tax generated approximately \$21 million during the year ended June 30, 2019. As a result of the City's revenue recognition policy, deferred inflows of resources of approximately \$2,441,000 are reported in the General Fund and Statement of Net Position as of June 30, 2019.

Investment Income

The City has a policy of allocating interest income on pooled cash and investments to appropriate funds on an annual basis. The allocation is based on a percentage of the fund's month-end balance in pooled cash and investments to the total month-end balance in cash and investments.

Grant Revenue

Revenues from grants are recognized when qualifying expenditures are made and all grant requirements have been met. Cash received by the City prior to the City incurring qualifying expenditures is recorded as a refundable advance on the balance sheet or statement of net position as applicable.

Operating and Nonoperating Revenues and Expenses

Proprietary and internal service funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. The principal operating revenues of the water/sewer facilities fund, the parking facilities fund, the stormwater facilities fund, the hydroelectric facilities fund, the redevelopment programs fund, and the parks and recreation camp funds are charges to customers for sales and services. Operating revenues for internal service funds consist of charges to other funds for the services being provided by the internal service funds and sales to entities external to the City. Operating expenses for business-type funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Characteristic: Current (further classified by function)
 Debt Service
 Capital Outlay

Proprietary Funds – By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES, EXPENDITURES AND EXPENSES (Continued)

Pensions and Other Post Employment Benefits Liability

The net pension liability and related deferred outflows and inflows and expense are measured using information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS). 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. The OPEB liability and related deferred outflows and inflows and expense are actuarially determined for the City's defined benefit OPEB plan. 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 and proprietary funds have been eliminated.

F. 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.

G. FUND BALANCE

In accordance with GASB Statement No. 54, *Fund Balance Reporting and 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND BALANCE (Continued)

Committed fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The City recognizes committed fund balances that have been approved for specific purposes by City Council before the fiscal year end.

Assigned fund balance

The assigned fund balance classification includes amounts that are constrained by the City's intent to be used for specific purposes, but are not restricted or committed. The authority for making an assignment is not required to be the City's highest level of decision-making authority, and as such, the nature of the actions necessary to remove or modify an assignment does not require the City's highest level of authority. However, City Council has not granted the authority to anyone to make assignments of fund balance. Assigned fund balance amounts in the City's financial statements represent amounts approved by City Council to be transferred and spent after year end and for specific purposes. In the special revenue fund, assigned fund balances represent amounts to be spent for specific purposes.

Unassigned fund balance

The unassigned fund balance classification includes amounts that have not been assigned to other funds and has not been restricted, committed, or assigned for specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount.

Based on the City's policies regarding fund balance classifications as noted above, the City considers amounts that are restricted, committed, or assigned to be spent when the corresponding expenditure that has been designated by City Council or donors has been made. It is the City's policy to consider restricted fund balances to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. After these fund balances have been depleted, unassigned fund balance will be considered to have been spent.

| <u>Classification / Fund</u> | <u>Purpose</u> | <u>Amount</u> |
|---------------------------------------|---|-------------------|
| Nonspendable | | |
| General Fund | Prepaid charges | \$ 684,418 |
| County Services | Prepaid charges | 89,329 |
| Dickson Trust | Nonspendable principal | 5,000 |
| Total nonspendable | | <u>778,747</u> |
| Restricted | | |
| General Fund | Capital projects | 8,821,454 |
| General Fund | Community development | 437,769 |
| Liquor Permit Fee | Tourism | 921,972 |
| Accommodations Tax | Tourism | 375,276 |
| Tourism Development Convention Center | Tourism | 3,965,604 |
| Hospitality Tax | Tourism | 452,341 |
| Confiscated Drug Program | Law enforcement | 393,409 |
| Federal grants | Public safety | 276,068 |
| Other Programs | Community development | 1,163,599 |
| Community Development | Community development | (293,751) |
| Debt Service Fund | Debt Service | 3,491,801 |
| Congaree Vista District | Construction of parks in the Congaree Vista District | 5,029,703 |
| Miscellaneous Projects | General Fund capital projects | <u>798,408</u> |
| Total restricted | | <u>25,833,653</u> |

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND BALANCE (Continued)

| | | |
|--------------------------|--------------------------------|----------------------|
| Committed | | |
| General Fund | Community development | \$ 213,731 |
| General Fund | Public safety | <u>4,750,045</u> |
| Total committed | | <u>4,963,776</u> |
| Assigned | | |
| General Fund | Subsequent year expenditures | 9,160,058 |
| General Capital Projects | Capital projects | 3,393,827 |
| Streetscaping | Streetscaping capital projects | <u>6,517,575</u> |
| Total assigned | | <u>19,071,460</u> |
| Unassigned | | |
| General Fund | | 17,428,534 |
| County Services | | <u>(3,514,271)</u> |
| Total unassigned | | <u>13,914,263</u> |
| Total fund balances | | <u>\$ 64,561,899</u> |

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. DEFICIT FUND EQUITY

At June 30, 2019, The County Services Fund had a deficit fund balance of \$3,424,942. The Community Development Fund had a deficit fund balance of \$293,751. The Parks and Recreation Camp Fund had a deficit net position of \$593,738. The Risk Management Internal Service Fund had a deficit net position of \$70,568,861. The Fleet Management Internal Service Fund had a deficit net position of \$5,405,789. The Support Services Internal Service Fund had a deficit net position of \$178,421. Revenues and transfers from other funds in subsequent years are expected to fund these deficits.

C. RISK MANAGEMENT

Prior to January 1, 2019, the City was self-insured for medical and dental coverage. 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 accrued liability for claims represents estimates for medical and dental claims incurred as of June 30, 2019. Some of these claims were reported at June 30, 2019, 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 had a liability of approximately \$53,000 related to health claims at June 30, 2019.

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 | Liability | Estimates | Payments | Liability |
|----------------|--------------|--------------|----------------|--------------|
| 2018 | \$17,429,226 | \$42,023,346 | (\$41,014,171) | \$18,438,401 |
| 2019 | \$18,438,401 | \$33,933,844 | (\$36,040,422) | \$16,331,823 |

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. RISK MANAGEMENT (Continued)

This liability is reported in both the Risk Management Fund of the internal services funds (\$16,308,223) and the Water and Sewer Facilities Fund (\$23,600). Fiscal year 2019 aggregate liability above includes the following amounts for legal claims: \$4,508,596 beginning liability, \$1,814,854 current year claims and changes in estimates, and \$2,152,800 claims payments. The ending liability for legal claims is \$4,170,650. See also Note VI. C. Property and Boiler Coverage policies are accounted for in the Risk Management Fund as well as other small insurance policies such as surety bond coverage and miscellaneous floaters. Funds are charged expenditures based on premium amounts and administrative charges. The City has had no significant reductions in insurance coverage during the year, and settlements have not exceeded insurance coverage for each of the past three fiscal years.

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. DEPOSITS AND INVESTMENTS

As of June 30, 2019, the City, excluding component units, had the following investments:

| Investment Type | Investment Maturities (in Years) | | |
|-----------------|----------------------------------|-----------------------|----------------------|
| | Fair Value | Less Than 1 | Greater Than 1 |
| Money Market | \$ 90,460,436 | \$ 90,460,436 | \$ - |
| Treasuries | 74,129,644 | 15,871,126 | 58,258,518 |
| Agencies | 20,972,086 | 6,362,493 | 14,609,593 |
| Total | \$ 185,562,166 | \$ 112,694,055 | \$ 72,868,111 |

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.

The City allows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. The City measures and records its investments using fair value measurement guidelines established by GASB Statement No. 72. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1 that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

A. DEPOSITS AND INVESTMENTS (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The City believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value. At June 30, 2019, all investments, including derivatives discussed further in Note V, are reported using the Level 1 fair value hierarchy.

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, 2019

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, 2019, 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, 2019, 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 | \$ 286,334,331 |
| Fair Value of Investments | <u>185,562,166</u> |
| Total Deposits and Investments | <u>\$ 471,896,497</u> |
| | |
| Statement of Net Position | |
| Cash and Equivalents | \$ 286,290,165 |
| Investments - Current | 106,410,713 |
| Investments - Noncurrent | 79,151,453 |
| | |
| Statement of Net Position - Fiduciary Funds | |
| Cash and Equivalents - Trust Funds | 5,773 |
| Cash and Equivalents - Agency Funds | <u>38,393</u> |
| Total Cash and Investments | <u>\$ 471,896,497</u> |

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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, 2019, are as follows:

| | |
|-----------------------------------|--------------|
| General Fund | \$ 955,778 |
| Water/Sewer Facilities | \$ 5,638,284 |
| Parking Facilities | \$ 3,112,086 |
| Nonmajor Business-type activities | \$ 9,902 |
| Internal Service Funds | \$ 77,861 |

Receivables for the component units consist of items totaling approximately \$1,644,000 at June 30, 2019, which are net of allowances for doubtful accounts. As of June 30, 2019, the allowance for doubtful accounts was approximately \$17,000 for the component units.

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

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. Total net mortgage notes receivable were approximately \$24,609,000 as of June 30, 2019. An allowance of approximately \$3,196,000 was recorded as of June 30, 2019.

Component units

The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of \$488,961, which is net of an allowance for uncollectible loans of \$123,396. 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 \$1,620,568, which is the net of allowance for uncollectible loans of \$83,470. 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, 2019

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, 2019, are as follows:

| | Interfund Receivables | Interfund Payables |
|-----------------------|--------------------------|-----------------------|
| Funds: | | |
| General | \$ - | \$ 2,021,667 |
| County services | - | 2,480,538 |
| Water/sewer | 14,206,969 | - |
| Nonmajor governmental | 567,138 | 3,048,003 |
| Nonmajor proprietary | - | 6,867,551 |
| Internal service | - | 356,348 |
| Total | \$ 14,774,107 | \$ 14,774,107 |

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, 2019, are as follows:

| | Transfers In | Transfers Out |
|-----------------------|---------------|---------------|
| General | \$ 12,363,513 | \$ 12,160,400 |
| County services | 1,762 | - |
| Nonmajor governmental | 11,811,217 | 11,105,256 |
| Water/sewer | - | 7,181,315 |
| Parking | - | 877,118 |
| Nonmajor proprietary | 2,208,913 | 1,233,569 |
| Internal service | 8,644,733 | 2,472,480 |
| | \$ 35,030,138 | \$ 35,030,138 |

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 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, 2019

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, 2019, were approximately \$1,318,000. Future minimum lease payments for these leases are as follows:

| Year Ending June 30, | Amount |
|----------------------|---------------------|
| 2020 | \$ 1,589,171 |
| 2021 | 1,453,112 |
| 2022 | 1,303,227 |
| 2023 | 1,321,532 |
| 2024 | 798,949 |
| 2025 - 2029 | 1,463,705 |
| 2030 - 2034 | 864,478 |
| 2035 - 2039 | 427,991 |
| Total | \$ 9,222,165 |

F. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, is as follows:

| | Balance June 30, 2018 | Increases | Transfers | Decreases | Balance June 30, 2019 |
|---|--------------------------|-----------------------|------------------|--------------------|--------------------------|
| Governmental Activities | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 37,104,644 | \$ - | \$ - | \$ - | \$ 37,104,644 |
| Construction in progress | 17,047,405 | 5,486,523 | (665,116) | - | 21,868,812 |
| Total capital assets not being depreciated | 54,152,049 | 5,486,523 | (665,116) | - | 58,973,456 |
| Capital assets, being depreciated: | | | | | |
| Buildings and improvements | 247,672,310 | - | 665,116 | - | 248,337,426 |
| Machinery and equipment | 68,910,309 | 5,102,909 | - | (1,775,884) | 72,237,334 |
| Infrastructure | 39,502,034 | 46,189 | - | - | 39,548,223 |
| Total capital assets, being depreciated | 356,084,653 | 5,149,098 | 665,116 | (1,775,884) | 360,122,983 |
| Less accumulated depreciation: | | | | | |
| Buildings and improvements | (88,593,978) | (8,300,715) | - | - | (96,894,693) |
| Machinery and equipment | (48,786,407) | (6,573,058) | - | 1,723,500 | (53,635,965) |
| Infrastructure | (17,398,931) | (1,704,949) | - | - | (19,103,880) |
| Total accumulated depreciation | (154,779,316) | (16,578,722) | - | 1,723,500 | (169,634,538) |
| Total capital assets, being depreciated, net | 201,305,337 | (11,429,624) | 665,116 | (52,384) | 190,488,445 |
| Governmental activities capital assets, net | \$ 255,457,386 | \$ (5,943,101) | \$ - | \$ (52,384) | \$ 249,461,901 |

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

F. CAPITAL ASSETS (Continued)

| | Balance June 30, 2018 | Increases | Transfers | Decreases | Balance June 30, 2019 |
|--|--------------------------|---------------|--------------|--------------|--------------------------|
| Business-Type Activities | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 31,609,113 | \$ 908,748 | \$ - | \$ (131,150) | \$ 32,386,711 |
| Construction in progress | 148,929,240 | 89,355,982 | (37,665,818) | - | 200,619,404 |
| Total capital assets not being depreciated | 180,538,353 | 90,264,730 | (37,665,818) | (131,150) | 233,006,115 |
| Capital assets, being depreciated: | | | | | |
| Buildings and improvements | 1,221,738,640 | - | 37,665,818 | - | 1,259,404,458 |
| Machinery and equipment | 82,941,355 | 2,651,466 | - | (1,186,046) | 84,406,775 |
| Total capital assets, being depreciated | 1,304,679,995 | 2,651,466 | 37,665,818 | (1,186,046) | 1,343,811,233 |
| Less accumulated depreciation: | | | | | |
| Buildings and improvements | (463,832,427) | (36,253,038) | - | - | (500,085,465) |
| Machinery and equipment | (59,268,267) | (8,808,136) | - | 1,183,009 | (66,893,394) |
| Total accumulated depreciation | (523,100,694) | (45,061,174) | - | 1,183,009 | (566,978,859) |
| Total capital assets, being depreciated, net | 781,579,301 | (42,409,708) | 37,665,818 | (3,037) | 776,832,374 |
| Business-type activities capital assets, net | \$ 962,117,654 | \$ 47,855,022 | \$ - | \$ (134,187) | \$ 1,009,838,489 |

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

| | |
|---|----------------------|
| Governmental Activities: | |
| General government | \$ 9,212,966 |
| Public safety | 3,339,111 |
| Parks and recreation | 1,949,210 |
| Public services | 308,829 |
| Judicial | 60,421 |
| Community development | 4,945 |
| General services | 26,136 |
| Nondepartmental | 1,529,083 |
| Internal service funds | 148,021 |
| Total depreciation expense - governmental activities | <u>\$ 16,578,722</u> |
| Business-type Activities: | |
| Water/Sewer facilities | \$ 41,786,221 |
| Stormwater facilities | 1,212,016 |
| Parking facilities | 1,669,646 |
| Hydro-electric plant | 393,291 |
| Total depreciation expense - business-type activities | <u>\$ 45,061,174</u> |

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

III. DETAIL NOTES ON ACTIVITIES AND FUNDS (Continued)

F. CAPITAL ASSETS (Continued)

During the year ended June 30, 2019, the City recorded \$46,189 in infrastructure contributions by developers in governmental activities.

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. Effective July 1, 2018, the City changed their self-insured plan to the South Carolina PEBA plan. However, since the PEBA plan reports are on a one year lag based on the previous year's contributions, the City was not included in the state's actuarial calculation. The City will first be included in the PEBA plan for its fiscal year ended June 30, 2020.

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, 2019, 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, 2019

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 \$180,406,818 was measured as of June 30, 2019, 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, 2019, 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 3.50% and was based on the 20 Year Municipal Bond Rate, using the basis of the Bond Buyer GO 20-Bond Municipal Bond Index. Mortality rates were based on PUB-2010 Public Plans, "General" Classification, Amounts-Weighted, Above-Median Income, Healthy Annuitant Mortality Table with Generational Improvements by Scale MP2018.

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

| | Total OPEB Liability |
|---|-----------------------------|
| Balance at June 30, 2018 | <u>\$ 164,820,581</u> |
| Changes for the year: | |
| Service cost | 4,303,230 |
| Interest cost | 6,419,751 |
| Changes in assumptions | 11,402,855 |
| Benefit payments | <u>(6,539,599)</u> |
| Net change in total OPEB liability | <u>15,586,237</u> |
| Balance at June 30, 2019 | <u>\$ 180,406,818</u> |

Changes in assumptions include:

- The discount rate decreased from 3.87% to 3.5%.
- The mortality assumption was updated from RP 2006 with projection scale MP 2017 to PUB-2010 Public Plans, "General" Classification, Amounts-Weighted, Above-Medium Income, Healthy Annuitant Mortality Table with Generational Improvements by Scale MP2018.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

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

Changes in the Total OPEB Liability (Continued)

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 (3.5%) or one percentage point higher (4.5%) than the current discount rate:

| | 1% Decrease (2.5%) | Discount Rate (3.5%) | 1% Increase (4.5%) |
|----------------------|------------------------------|--------------------------------|------------------------------|
| Total OPEB liability | \$ 202,069,026 | \$ 180,406,818 | \$ 159,908,496 |

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended June 30, 2019, the City recognized OPEB expense of \$4,869,589. At June 30, 2019, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

| | Changes in Assumptions |
|--------------------------------|-------------------------------|
| Deferred Inflows of Resources | \$ (4,428,060) |
| Deferred Outflows of Resources | \$ 9,946,551 |

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

| Year Ended June 30, | |
|----------------------------|--------------|
| 2020 | \$ (686,206) |
| 2021 | (686,206) |
| 2022 | (686,206) |
| 2023 | (686,206) |
| 2024 | (686,206) |
| Total thereafter | (2,087,461) |

As of June 30, 2019, there were no payables due to the OPEB Plan.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

H. LONG-TERM OBLIGATIONS

Activity related to long-term obligations during 2019 was as follows:

| | Balance June 30, 2018 | Additions | Reductions | Balance June 30, 2019 | Amount Due in 2020 |
|--|--------------------------|-----------------------|------------------------|--------------------------|-----------------------|
| Governmental Activities | | | | | |
| Notes payable | \$ 600,000 | \$ - | \$ (75,000) | \$ 525,000 | \$ 75,000 |
| GO bonds | 25,345,000 | - | (4,030,000) | 21,315,000 | 2,870,000 |
| Revenue bonds | 46,445,000 | - | (3,730,000) | 42,715,000 | 3,825,000 |
| Unamortized bond premiums | 5,607,408 | - | (459,739) | 5,147,669 | - |
| Capital lease payable | 13,666,757 | 8,000,000 | (3,311,888) | 18,354,869 | 3,776,230 |
| Compensated absences | 7,417,326 | 7,874,041 | (7,417,326) | 7,874,041 | 1,574,808 |
| Net pension liability | 161,060,396 | - | (529,123) | 160,531,273 | - |
| Total OPEB obligation, as restated | 123,285,794 | 11,658,506 | - | 134,944,300 | - |
| Total governmental activities | 383,427,681 | 27,532,547 | (19,553,076) | 391,407,152 | 12,121,038 |
| Business-Type Activities | | | | | |
| Revenue bonds | 586,230,000 | 77,155,000 | (52,220,000) | 611,165,000 | 14,615,000 |
| Unamortized bond premiums | 46,897,517 | 5,120,411 | (2,200,834) | 49,817,094 | - |
| Compensated absences | 1,947,891 | 1,909,395 | (1,947,891) | 1,909,395 | 381,879 |
| Net pension liability | 54,663,791 | - | (178,262) | 54,485,529 | - |
| Total OPEB obligation, as restated | 41,534,787 | 3,927,731 | - | 45,462,518 | - |
| Derivative instrument liability | 22,071,699 | 7,973,837 | - | 30,045,536 | - |
| Total business-type activities | 753,345,685 | 96,086,374 | (56,546,987) | 792,885,072 | 14,996,879 |
| Total all long-term obligations | \$ 1,136,773,366 | \$ 123,618,921 | \$ (76,100,063) | \$ 1,184,292,224 | \$ 27,117,917 |

Debt Service

Long-term liabilities for the internal service funds are allocated between government and business-type activities. At year end, \$274,505 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 pension and other post-employment benefit liabilities are allocated across the internal service, business type, and governmental activities funds.

Terms of Default

For the majority of the general obligation bonds and revenue bonds, in the event of default, no judgment for any deficiency upon the indebtedness will be sought or obtained by the bank. For the Water and Sewer Fund Revenue Bonds Series 2010, 2011A, 2012, and 2018, in the event of default, the unpaid principal and interest becomes due in full. In addition, for the Water and Sewer Fund Revenue Bond Series 2009, in the event of default, the credit provider may terminate the initial credit facility, declare all amounts due in full, exercise a lien or right of attachment, assess interest on amounts due and payable, and exercise any other rights per the financing documents.

**CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

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

H. LONG-TERM OBLIGATIONS (Continued)

The annual requirements to amortize all outstanding debt of the City as of June 30, 2019, 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 |
|----------------------------|--------------------------------|---------------------|----------------------|----------------------|-------------------|-------------|-----------------------------|---------------------|----------------------|----------------------|
| 2020 | \$ 2,870,000 | \$ 723,213 | \$ 3,825,000 | \$ 1,667,430 | \$ 75,000 | \$ - | \$ 3,776,230 | \$ 365,586 | \$ 10,546,230 | \$ 2,756,229 |
| 2021 | 2,685,000 | 635,288 | 3,910,000 | 1,575,178 | 75,000 | - | 3,830,361 | 284,993 | 10,500,361 | 2,495,459 |
| 2022 | 2,425,000 | 549,700 | 4,000,000 | 1,480,827 | 75,000 | - | 3,372,377 | 210,498 | 9,872,377 | 2,241,025 |
| 2023 | 1,095,000 | 462,650 | 1,370,000 | 1,384,251 | 75,000 | - | 2,903,378 | 147,018 | 5,443,378 | 1,993,919 |
| 2024 | 910,000 | 424,700 | 1,405,000 | 1,347,840 | 75,000 | - | 2,172,401 | 87,955 | 4,562,401 | 1,860,495 |
| 2025-2029 | 3,625,000 | 1,609,300 | 5,880,000 | 6,111,448 | 150,000 | - | 2,300,122 | 48,039 | 11,955,121 | 7,768,787 |
| 2030-2034 | 1,815,000 | 1,148,450 | 5,750,000 | 4,987,050 | - | - | - | - | 7,565,000 | 6,135,500 |
| 2035-2039 | 2,200,000 | 768,600 | 7,285,000 | 3,450,250 | - | - | - | - | 9,485,000 | 4,218,850 |
| 2040-2044 | 2,555,000 | 405,000 | 9,290,000 | 1,439,000 | - | - | - | - | 11,845,000 | 1,844,000 |
| 2045-2049 | 1,135,000 | 51,300 | - | - | - | - | - | - | 1,135,000 | 51,300 |
| | <u>\$ 21,315,000</u> | <u>\$ 6,778,201</u> | <u>\$ 42,715,000</u> | <u>\$ 23,443,274</u> | <u>\$ 525,000</u> | <u>\$ -</u> | <u>\$ 18,354,869</u> | <u>\$ 1,144,089</u> | <u>\$ 82,909,868</u> | <u>\$ 31,365,564</u> |

**CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

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

H. LONG-TERM OBLIGATIONS (Continued)

Business-Type Activities:

| Year Ending June 30, | Revenue Bonds | Interest |
|----------------------------|-----------------------|-----------------------|
| 2020 | \$ 14,615,000 | \$ 27,697,504 |
| 2021 | 15,415,000 | 26,898,210 |
| 2022 | 16,205,000 | 26,213,768 |
| 2023 | 17,160,000 | 25,510,640 |
| 2024 | 17,915,000 | 24,761,772 |
| 2025-2029 | 103,210,000 | 110,229,584 |
| 2030-2034 | 129,945,000 | 83,862,514 |
| 2035-2039 | 156,455,000 | 52,325,053 |
| 2040-2044 | 105,025,000 | 19,535,700 |
| 2045-2049 | 35,220,000 | 4,029,250 |
| | \$ 611,165,000 | \$ 401,063,995 |

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, 2019, are as follows:

Governmental Activities:

| | |
|--|-------------------|
| <p>\$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%</p> | <p>\$ 445,000</p> |
| <p>\$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%</p> | <p>3,355,000</p> |
| <p>\$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%</p> | <p>235,000</p> |
| <p>\$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%</p> | <p>615,000</p> |

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

H. LONG-TERM OBLIGATIONS (Continued)

General Obligation Bonds (Continued)

Governmental Activities (Continued):

| | |
|--|------------------------------------|
| <p>\$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%</p> | <p>\$ 1,100,000</p> |
| <p>\$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%</p> | <p>5,130,000</p> |
| <p>\$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%</p> | <p><u>10,435,000</u></p> |
| <p style="text-align: center;"><i>Total Governmental Activities General Obligation Bonds</i></p> | <p><u><u>\$ 21,315,000</u></u></p> |

Revenue Bonds, Notes Payable 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:

| | |
|--|---------------------------------|
| <p>\$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%.</p> | <p>\$ 525,000</p> |
| <p style="text-align: center;"><i>Total Governmental Activities Note Payable</i></p> | <p><u><u>\$ 525,000</u></u></p> |

Revenue Bonds

During January 2019, the Water and Sewer Fund Series 2011B bonds were paid in full, in accordance with the repayment schedule. These bonds were issued for the purpose of refunding a portion of the Series 2001 bonds. Total payments made on these bonds during 2019 were \$4,455,000. The governmental activities revenue bonds are backed by hospitality tax revenue. The Water and Sewer Fund revenue bonds are backed by the Water and Sewer System. Revenue bonds outstanding as of June 30, 2019, 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. Proceeds for: Acquisition of capital assets Annual principal installments of \$1,000,000 to \$1,315,000 through Feb. 1, 2025 Interest rate: 2.50%</p> | <p>\$ 7,420,000</p> |
|--|---------------------|

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

H. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds, Notes and Certificates of Participation (Continued)

Governmental Activities (Continued):

\$24,260,000 Certificates of Participation Series 2012
 Payable from revenues derived by the City from tourism development fees.
 Proceeds for: Acquisition of capital assets
 Annual principal installments of \$2,225,000 to \$2,660,000 through June 1, 2022
 Interest rate: 2.29% \$ 7,815,000

\$26,175,000 Special Obligation Revenue Bond - Hospitality Fee Pledge, Series 2014
 Payable from revenues derived by the City from hospitality taxes.
 Proceeds for: Acquisition of capital assets
 Annual principal installments of \$900,000 to \$2,045,000 through Feb. 1, 2044
 Interest rate: 2.42 to 3.15% 26,175,000

\$1,460,000 Special Obligation Revenue Bond - Hospitality Fee Pledge, Series 2018
 Payable from revenues derived by the City from hospitality taxes.
 Proceeds for: Acquisition of capital assets
 Annual principal installments of \$50,000 to \$155,000 through Feb. 1, 2029
 Interest rate: 4.29% 1,305,000

Total Governmental Activities Revenue Bonds \$ 42,715,000

Business-Type Activities:

Parking Facilities Fund:

\$39,255,000 Parking Facilities Refunding Revenue Bonds, Series 2018
 Payable from revenues derived by the City from operation of off-street
 and on-street parking facilities.
 Proceeds for: Refunding the Series 2005A and 2014 bonds
 Annual principal installments of \$1,735,000 to \$2,935,000 through Feb. 1, 2037
 Interest rate: 2.96 to 4.34% \$ 37,290,000

Total Parking Facilities Revenue Bonds \$ 37,290,000

Water and Sewer Fund:

\$81,860,000 Waterworks and Sewer System Revenue Bonds, Series 2009
 Payable from revenues derived from the City's water and sewer system
 Proceeds for: Cost of improvements to the System
 Annual principal installments of \$525,000 to \$10,840,000 through Feb. 1, 2038
 Interest rate: 3.6 to 5.0%
 See Note V for details regarding the interest rate swap related to this
 bond issue. \$ 81,860,000

\$105,000,000 Waterworks and Sewer System Revenue Bonds, Series 2010
 Payable from revenues derived from the City's water and sewer system
 Proceeds for: Cost of improvements to the System
 Annual principal installments of \$1,025,000 to \$4,120,000 through Feb. 1, 2034
 Interest rate: 3.0 to 5.0% 8,770,000

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

H. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds, Notes and Certificates of Participation (Continued)

Business-Type Activities: (Continued)

Water and Sewer Fund: (Continued)

| | | |
|---------------|---|-----------------------|
| \$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% | \$ 29,835,000 |
| \$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% | 58,055,000 |
| \$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% | 66,615,000 |
| \$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% | 59,740,000 |
| \$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% | 144,675,000 |
| \$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% | <u>86,425,000</u> |
| | <i>Total Water and Sewer Revenue Bonds</i> | <u>\$ 535,975,000</u> |

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

H. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds, Notes and Certificates of Participation (Continued)

Business-Type Activities: (Continued)

Stormwater Facilities Fund

\$37,900,000 Stormwater System Bond, 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 \$430,000 to \$2,370,000 through Feb. 1, 2048

Interest rate: 4.0 to 5.0%

37,900,000

Total Stormwater Revenue Bonds

37,900,000

Total Business-Type Activities Revenue Bonds

\$ 611,165,000

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 \$3,076,000 was included in depreciation expense on assets acquired with capital lease proceeds. These assets had a balance of approximately \$10,080,000 net of accumulated depreciation at June 30, 2019. The City had approximately \$8,821,000 in unspent lease funds at June 30, 2019.

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 December 2014

Proceeds for: Acquisition of capital assets

Monthly principal and interest installments of \$89,105 through December 1, 2021

Interest rate: 1.57%

\$ 2,609,149

\$8,100,000 Capital Lease Payable Bank of America issued September 2016

Proceeds for: Acquisition of capital assets

Monthly principal and interest installments of \$101,531 through September 30, 2023

Interest rate: 1.57%

4,993,165

\$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%

3,180,057

\$8,000,000 Capital Lease Payable to Regions Bank issued December 2018

Proceeds for: Acquisition of capital assets

Monthly principal and interest installments of \$105,004 through January 1, 2026

Interest rate: 2.78%

7,572,498

Total Governmental Activities Capital Leases Payable

\$ 18,354,869

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

H. 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, 2019, the balance of this conduit debt was approximately \$1,924,000.

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. On June 30, 2019, the amount considered defeased related to these bonds is approximately \$143,160,000. During the year ended June 30, 2019, the City defeased its Series 2005A and Series 2014 Parking Facilities Revenue Bonds with proceeds from the new Series 2018 Revenue Bonds totaling \$39,255,000. On June 30, 2019, the amount considered defeased related to these bonds is approximately \$38,340,000. Proceeds from the new Series 2018 Revenue Bonds were placed in an irrevocable trust to provide for future debt service payments of the old bonds. Approximately \$854,000 was recorded in expense for bond costs, and approximately \$220,000 was recorded in prepaid insurance associated with the new bonds. Approximately \$330,000 in bond related costs for the old bonds was recognized as an accounting loss in 2019. The total economic gain from the from the refunding was approximately \$1,866,000. The trust account assets and the liability of the defeased bonds are not included in the City's financial statements.

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, 2019, the City did not have any arbitrage profits due to the federal government.

I. TAX ABATEMENTS

While the City of Columbia does not have any of its own tax abatement agreements as of June 30, 2019, 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, 2019

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

I. 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 2018, City property taxes abated resulting from the FILOT program totaled approximately \$3,243,593. The City received approximately \$4,004,155 in fee-in-lieu of *ad valorem* property tax payments from taxpayers with active agreements under the FILOT program in property tax year 2018.

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, 2019

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

I. 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 2018, City property taxes abated resulting from the SSRC program totaled approximately \$541,833 – 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 \$768,983 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 taxpayers property must be located in a multicounty industrial or business park. Additionally, the County may locate a taxpayer's property in a multicounty industrial or business park at the request of the taxpayer so that the taxpayer may secure enhanced credits from certain state taxes. To locate a taxpayers property in a multicounty industrial or business park, the County must develop, with one or more contiguous counties, a multicounty industrial or business park by entering into an agreement with the contiguous counties which sets forth how the counties will share the revenues and expenses from the multicounty industrial or business park. The agreement must further specify how the revenues from the multicounty industrial or business parks will be distributed to each taxing entity in the participating counties.

For the property tax year 2018, of the total payments made by taxpayers who were subject to the County's multicounty industrial park agreements, \$346,510 would have been received by the City but for the taxpayers' location within its multicounty industrial park. For the property tax year 2018, fee-in-lieu of standard *ad valorem* tax payments from taxpayers within the multicounty industrial park totaled \$4,465,413.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

IV. PENSION PLANS (Continued)

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). 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.

- 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

IV. PENSION PLANS (Continued)

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.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

IV. PENSION PLANS (Continued)

Contributions (Continued)

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 are as follows: | | |
| SCRS | Fiscal Year 2019 | Fiscal Year 2018 |
| Employee Class Two | 9.00% of earnable compensation | 9.00% of earnable compensation |
| Employee Class Three | 9.00% of earnable compensation | 9.00% of earnable compensation |
| PORS | | |
| Employee Class Two | 9.75% of earnable compensation | 9.75% of earnable compensation |
| Employee Class Three | 9.75% of earnable compensation | 9.75% of earnable compensation |
| Required <u>employer</u> contribution rates are as follows: | | |
| SCRS | | |
| Employer Class Two | 14.41% of earnable compensation | 13.41% of earnable compensation |
| Employer Class Three | 14.41% of earnable compensation | 13.41% of earnable compensation |
| Employer Incidental Death Benefit | 0.15% of earnable compensation | 0.15% of earnable compensation |
| PORS | | |
| Employer Class Two | 16.84% of earnable compensation | 15.84% of earnable compensation |
| Employer Class Three | 16.84% of earnable compensation | 15.84% of earnable compensation |
| Employer Incidental Death Benefit | 0.20% of earnable compensation | 0.20% of earnable compensation |
| Employer Accidental Death Program | 0.20% of earnable compensation | 0.20% of earnable compensation |

Contributions (Continued)

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

| | | |
|---------------------------------|--------------|--------------|
| Year Ended June 30, 2019 | SCRS | PORS |
| Required contributions | \$ 9,117,950 | \$ 7,519,937 |
| Actual contributions | \$ 9,117,950 | \$ 7,519,937 |

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

IV. PENSION PLANS (Continued)

Actuarial Assumptions and Methods (Continued)

The June 30, 2018, 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, 2018, 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, 2018. The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2018.

| | <u>SCRS</u> | <u>PORS</u> |
|----------------------------|-----------------------------------|----------------------------------|
| 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, 2018, TPL are as follows.

| <u>Former Job Class</u> | <u>Males</u> | <u>Females</u> |
|---|------------------------------------|--------------------------------------|
| Educators | 2016 PRSC Males multiplied by 92% | 2016 PRSC Females multiplied by 98% |
| General Employees and Members of the General Assembly | 2016 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% |

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. NPL totals, as of June 30, 2018, for SCRS and PORS are presented below:

| System | Total Pension Liability | Plan Fiduciary Net Position | Employers' Net Pension Liability | Plan Fiduciary Net Position as a Percentage of Total Pension Liability |
|---------------|--------------------------------|------------------------------------|---|---|
| SCRS | \$ 48,821,730,067 | \$ 26,414,916,370 | \$ 22,406,813,697 | 54.1% |
| PORS | 7,403,972,673 | 4,570,430,247 | 2,833,542,426 | 61.7% |
| Total | \$ 56,225,702,740 | \$ 30,985,346,617 | \$ 25,240,356,123 | |

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

IV. PENSION PLANS (Continued)

Net Pension Liability (Continued)

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> |
|--|---|---------------|--------------|
| 2017 | 2018 | \$132,942,302 | \$82,781,885 |
| 2018 | 2019 | \$129,535,220 | \$85,481,582 |

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, 2018, 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, 2017, 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, 2018 measurement date, the City's percentage of the SCRS and PORS net pension liability was 0.578106% and 3.01677%, respectively. This is a decrease of 0.012444% for SCRS and a decrease of 0.004946% for PORS from its proportion measured as of June 30, 2017.

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 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.25% 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, 2019

IV. PENSION PLANS (Continued)

Net Pension Liability (Continued)

| Asset Class | Target Asset Allocation | Expected Arithmetic Real Rate of Return | Long-Term Expected Portfolio Real Rate of Return |
|----------------------------------|-------------------------|---|--|
| Global Equity | 47.0% | | |
| Global Public Equity | 33.0% | 6.99% | 2.31% |
| Private Equity | 9.0% | 8.73% | 0.79% |
| Equity Option Strategies | 5.0% | 5.52% | 0.28% |
| Real Assets | 10.0% | | |
| Real Estate (Private) | 6.0% | 3.54% | 0.21% |
| Real Estate (REITs) | 2.0% | 5.46% | 0.11% |
| Infrastructure | 2.0% | 5.09% | 0.10% |
| Opportunistic | 13.0% | | |
| GTAA/Risk Parity | 8.0% | 3.75% | 0.30% |
| Hedge Funds (non-PA) | 2.0% | 3.45% | 0.07% |
| Other Opportunistic Strategies | 3.0% | 3.75% | 0.11% |
| Diversified Credit | 18.0% | | |
| Mixed Credit | 6.0% | 3.05% | 0.18% |
| Emerging Markets Debt | 5.0% | 3.94% | 0.20% |
| Private Debt | 7.0% | 3.89% | 0.27% |
| Conservative Fixed Income | 12.0% | | |
| Core Fixed Income | 10.0% | 0.94% | 0.09% |
| Cash and Short Duration (Net) | 2.0% | 0.34% | 0.01% |
| | | | |
| Total Expected Real Return | <u>100.0%</u> | | 5.03% |
| Inflation for Actuarial Purposes | | | <u>2.25%</u> |
| Total Expected Nominal Return | | | <u>7.28%</u> |

Sensitivity Analysis

The following table presents the collective net pension liability of the City 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 | \$ 165,521,958 | \$ 129,535,220 | \$ 103,808,152 |
| PORS | \$ 115,239,855 | \$ 85,481,582 | \$ 61,107,057 |

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, 2018 (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, 2018.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

IV. PENSION PLANS (Continued)

Net Pension Liability (Continued)

Pension Expense and Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2019, the City recognized pension expense of \$12,105,976 to SCRS and pension expense of \$11,886,623 to PORs for a total of \$22,992,599 in pension expense.

At June 30, 2019, the City reported deferred outflows (inflows) of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|-------------------------------------|
| <u>SCRS</u> | | |
| Pension contributions subsequent to the measurement date | \$ 9,117,950 | \$ - |
| Differences in actual and expected experience | 233,827 | 762,279 |
| Change in assumptions | 5,139,233 | - |
| Changes in proportion and differences between the City's contributions and proportionate share of contributions | 1,739,262 | 2,059,958 |
| Net differences between projected and actual earnings on plan investments | 2,057,670 | - |
| | <u>\$ 18,287,942</u> | <u>\$ 2,822,237</u> |
| <u>PORS</u> | | |
| Pension contributions subsequent to the measurement date | \$ 7,519,937 | \$ - |
| Differences in actual and expected experience | 2,633,826 | - |
| Change in assumptions | 5,636,218 | - |
| Changes in proportion and differences between the City's contributions and proportionate share of contributions | 1,059,991 | 2,116,280 |
| Net differences between projected and actual earnings on plan investments | 1,709,426 | - |
| | <u>\$ 18,559,398</u> | <u>\$ 2,116,280</u> |
| Total all plans | <u>\$ 36,847,340</u> | <u>\$ 4,938,517</u> |

The City reported \$16,637,887 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, 2020. 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, 2018, measurement date was 4.080 years for SCRS and 4.348 years for PORS. The following schedule reflects the amortization of the City's proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2019.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

IV. PENSION PLANS (Continued)

Net Pension Liability (Continued)

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

| Measurement Period Ending June 30, | Fiscal Year Ending June 30, | SCRS | PORS |
|---|-----------------------------------|---------------------|---------------------|
| 2019 | 2020 | \$ 4,985,936 | \$ 5,014,099 |
| 2020 | 2021 | 3,181,285 | 3,522,271 |
| 2021 | 2022 | (1,524,798) | 540,831 |
| 2022 | 2023 | (294,668) | (154,020) |
| Net Balance of Deferred Outflows/ (Inflows) of Resources | | <u>\$ 6,347,755</u> | <u>\$ 8,923,181</u> |

Payables to the Pension Plans

At June 30, 2019, the City reported a payable of approximately \$2,084,000 for the outstanding amount of contributions due to the pension plans. 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, 2019, 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, 2019

V. INTEREST RATE SWAP AGREEMENTS (Continued)

During the year ended June 30, 2019, the City made variable bond interest payments in the amount of \$1,249,958 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 \$1,269,975. The net of variable payments on the bonds and receipts on the swap was \$20,017.

The fair value balances and notional amounts of derivative instrument outstanding at June 30, 2019, 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 of resources | Liability | <u>\$30,045,536</u> | \$ 81,860,000 |
| | | \$ (7,973,837) | | | |

The following table displays the objectives and terms of the City's hedging derivative instrument outstanding at June 30, 2019, 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, 2019, 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 | |
| 2020 | \$ - | \$ - | \$ 3,907,411 | \$ 3,907,411 |
| 2021 | - | - | 3,905,679 | 3,905,679 |
| 2022 | 525,000 | - | 3,904,871 | 4,429,871 |
| 2023 | 550,000 | - | 3,879,737 | 4,429,737 |
| 2024 | 570,000 | - | 3,854,258 | 4,424,258 |
| 2025-2029 | 4,120,000 | - | 18,811,652 | 22,931,652 |
| 2030-2034 | 35,425,000 | - | 15,448,397 | 50,873,397 |
| 2035-2038 | 40,670,000 | - | 4,826,907 | 45,496,907 |
| | <u>\$81,860,000</u> | <u>\$ -</u> | <u>\$ 58,538,912</u> | <u>\$140,398,912</u> |

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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, 2019, 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, 2019, the interest rate on the City's hedged variable rate debt was 1.79%, while the SIFMA swap index rate was 1.90%.

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 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

VI. COMMITMENTS AND CONTINGENCIES (Continued)

B. CONSENT DECREE (Continued)

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 AND CONSTRUCTION

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.

As of June 30, 2019, the City had total encumbrances for construction projects in the amounts of approximately \$2,061,000, 162,062,000, and 10,712,000 for the Parking Facilities Fund, Water/Sewer Facilities Fund, and Stormwater Facilities Fund, respectively.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

VII. OTHER INFORMATION

A. SUBSEQUENT EVENTS

On September 6, 2019, the City purchased approximately 9.5 acres of property located at 1601 Assembly Street, Columbia, South Carolina for a purchase price of \$3,850,000. The total paid to the seller at closing was approximately \$3,677,000. Broker commissions, title fees, prorated rent, and escrow deposits totaled approximately \$173,000.

On November 20, 2019, the City issued series 2019A, 2019B, and 2019C Water and Sewer Fund bonds in the amounts of \$131,085,000, \$143,855,000, and \$6,875,000, respectively. The proceeds of the 2019A issuance will be used to fund improvements to the Waterworks and Sewer System. The proceeds of the 2019B issuance were used to partially defease the Water and Sewer Fund series 2011A, 2012, and 2013 bonds in the amounts of \$26,130,000, \$43,560,000, and \$60,165,000, respectively. The proceeds of the 2019C issuance were used to defease the Water and Sewer Fund series 2010 bonds in the amount of \$8,770,000. In addition, the proceeds will be used to fund improvements to the Waterworks and Sewer System. The series 2019A bonds have varying interest rates from 3% to 5% and maturity dates ranging from February 1, 2022 to February 1, 2049. The series 2019B bonds have varying interest rates from 1.756% to 3.256% and maturity dates ranging from February 1, 2020 to February 1, 2043. The series 2019C bonds have varying interest rates from 4% to 5% and maturity dates ranging from February 1, 2021 to February 1, 2034.

On December 30, 2019, the City issued a new capital lease in the amount of \$9,250,000. The lease was issued to finance the acquisition, replacement, and installation of equipment. The proceeds for the lease were deposited in an escrow fund. The lease term will continue through January 1, 2027, with monthly payments of approximately \$117,291 and a contract rate of 1.8% per annum.

B. GASB STATEMENTS IMPLEMENTED

GASB Statement No. 83, *Certain Asset Retirement Obligations*. The City implemented this statement during the year ended June 30, 2019. 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. Implementation of this Statement did not have a significant impact on the 2019 financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The City implemented this Statement during the year ended June 30, 2019. 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

VII. OTHER INFORMATION (Continued)

A. GASB STATEMENTS IMPLEMENTED (Continued)

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. Additional disclosures were added to the 2019 financial statements regarding collateral and terms of default related to debt, in accordance with this standard.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The City implemented this Statement early during the year ended June 30, 2019. 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. As a result of the implementation of this Statement, the City will no longer capitalize interest related to fixed assets. Instead, interest costs will be expensed when incurred.

B. PENDING IMPLEMENTATION OF GASB STATEMENTS

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

GASB Statement No. 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

VII. OTHER INFORMATION (Continued)

C. 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.

GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to increase the usefulness of financial statements by improving conduit debt obligation reporting. The Statement provides a single method of reporting conduit debt obligations for issuers and improves consistency of commitments extended by issuers, conduit debt arrangements, and related disclosures. This Statement eliminates confusion in the existing definition of conduit debt obligations, clarifies that these obligations are not liabilities of the issuer, creates standards for accounting and reporting of additional and voluntary commitments extended by issuers and related arrangements, and improves required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The City will implement the new guidance with the 2022 financial statements.

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

D. Restatements

During the year ended June 30, 2019, management of the City discovered that prior year FEMA grant revenues were overstated. The City corrected this by decreasing beginning fund balance for the general fund by \$276,781 and beginning net position for the Water/Sewer Facilities Fund by \$4,265,179. In addition, the OPEB liability and related expense were not properly allocated. The City corrected this by increasing beginning net position for the internal service funds by \$41,534,787 and decreasing beginning net position for the Water/Sewer Facilities Fund, Parking Facilities Fund, and nonmajor enterprise funds by \$35,799,031, \$2,323,970, and \$3,411,786, respectively. In addition, the Capital City Fund, which was previously reported within the General Fund, should have been reported as a special revenue fund. The City corrected this by decreasing beginning fund balance for the general fund and increasing beginning fund balance for other governmental funds by \$341,110. The impact of the restatements on the 2019 beginning net position/fund balance for each fund is below:

| | Governmental Activities | Business- type Activities | General Fund | Other Governmental Funds | Water/Sewer Facilities Fund | Parking Facilities Fund | Nonmajor Enterprise Funds | Internal Service Funds |
|--|----------------------------|---------------------------------|-----------------|--------------------------------|-----------------------------------|-------------------------------|---------------------------------|------------------------------|
| Beginning balance, as previously reported | \$ 504,478 | \$ 622,100,542 | \$ 33,718,547 | \$ 31,032,866 | \$ 545,626,367 | \$ 26,329,947 | \$ 76,204,200 | \$ (117,943,268) |
| FEMA revenue adjustment | (276,781) | (4,265,179) | (276,781) | - | (4,265,179) | - | - | - |
| OPEB expense adjustment | 41,534,787 | (41,534,787) | - | - | (35,799,031) | (2,323,970) | (3,411,786) | 41,534,787 |
| Capital Project Fund transfer | - | - | (341,110) | 341,110 | - | - | - | - |
| Beginning balance, as restated | \$ 41,762,484 | \$ 576,300,576 | \$ 33,100,656 | \$ 31,373,976 | \$ 505,562,157 | \$ 24,005,977 | \$ 72,792,414 | \$ (76,408,481) |

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
 (UNAUDITED)

| | <u>2019</u> | | <u>2018</u> |
|--|----------------|----|-------------|
| Total OPEB Liability | | | |
| Service cost | \$ 4,303,230 | \$ | 4,441,132 |
| Interest | 6,419,751 | | 6,050,483 |
| Changes in assumptions or other inputs | 11,402,855 | | (5,968,255) |
| Benefit payments | (6,539,599) | | (8,464,680) |
| | <hr/> | | <hr/> |
| Net change in total OPEB liability | 15,586,237 | | (3,941,320) |
| Total OPEB liability - beginning | 164,820,581 | | 168,761,901 |
| | <hr/> | | <hr/> |
| Total OPEB liability - ending | \$ 180,406,818 | \$ | 164,820,581 |
| | <hr/> | | <hr/> |
| Covered payroll | \$ 104,186,841 | \$ | 102,133,193 |
| | <hr/> | | <hr/> |
| Total OPEB liability as a percentage of covered payroll | 173.16% | | 161.38% |

Notes to Schedule:

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

The discount rate decreased from 3.87% to 3.5%.

The mortality assumption was updated from RP 2006 with projection scale MP 2017 to
 PUB-2010 Public Plans, "General" Classification, Amounts-Weighted, Above-Medium Income, Healthy Annuitant
 Mortality Table with Generational Improvements by Scale MP2018.

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 last two years of data are available.
 Each year the City will add an additional year of data until a total of ten years is presented.

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (UNAUDITED)
Year Ended June 30, 2019

| | Original Budget | Final Budget | Actual | Variance |
|--|----------------------|----------------------|----------------------|---------------------|
| REVENUES | | | | |
| General property and local option sales taxes | \$ 57,213,298 | \$ 57,213,298 | \$ 56,464,374 | \$ (748,924) |
| Hospitality and admission taxes | 200,000 | 200,000 | 869,619 | 669,619 |
| Licenses and permits | 27,818,001 | 27,818,001 | 28,404,652 | 586,651 |
| Franchise fees | 13,623,359 | 13,623,359 | 11,974,635 | (1,648,724) |
| Intergovernmental revenue | 16,113,090 | 16,113,090 | 16,558,061 | 444,971 |
| Charges for services | 12,783,190 | 12,783,190 | 13,306,139 | 522,949 |
| Fines and forfeitures | 868,000 | 868,000 | 677,587 | (190,413) |
| Federal government | - | - | 21,767 | 21,767 |
| State government | - | - | 1,010,667 | 1,010,667 |
| Private grants | - | - | 969 | 969 |
| Interest | 200,000 | 200,000 | 303,676 | 103,676 |
| Rental income | 97,000 | 97,000 | 99,943 | 2,943 |
| Other revenues | 100,000 | 100,000 | 9,576 | (90,424) |
| Total revenues | <u>129,015,938</u> | <u>129,015,938</u> | <u>129,701,665</u> | <u>685,727</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 12,747,146 | 12,493,153 | 12,917,481 | (424,328) |
| Judicial | 3,764,003 | 3,114,297 | 3,025,420 | 88,877 |
| Finance department | 2,053,267 | 2,053,267 | 1,782,499 | 270,768 |
| Planning and development | 4,568,591 | 4,852,786 | 4,276,616 | 576,170 |
| Public safety | 67,158,928 | 68,244,682 | 66,111,113 | 2,133,569 |
| Parks and recreation | 13,181,711 | 13,274,377 | 12,674,154 | 600,223 |
| Public services | 16,688,714 | 16,718,214 | 15,134,908 | 1,583,306 |
| General services | 2,701,973 | 2,717,823 | 2,524,071 | 193,752 |
| Tourism and community development | 4,575,744 | 4,575,744 | 4,066,379 | 509,365 |
| Community promotions | - | 200,000 | 247,048 | (47,048) |
| Debt service | | | | |
| Principal payment on bonds | 3,421,952 | 3,421,952 | 3,311,888 | 110,064 |
| Interest on bonds | - | - | 307,002 | (307,002) |
| Capital outlay | | | | |
| Capital outlay | 1,113,600 | 4,088,729 | 3,444,253 | 644,476 |
| Total expenditures | <u>131,975,629</u> | <u>135,755,024</u> | <u>129,822,832</u> | <u>5,932,192</u> |
| (Deficiency) excess of revenues over (under) expenditures | <u>(2,959,691)</u> | <u>(6,739,086)</u> | <u>(121,167)</u> | <u>6,617,919</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 16,974,680 | 16,974,680 | 12,363,513 | (4,611,167) |
| Transfers (out) | (16,125,523) | (13,285,800) | (12,160,400) | 1,125,400 |
| Sale of general capital assets | 320,000 | 320,000 | 184,147 | (135,853) |
| Issuance of capital leases | - | - | 8,000,000 | 8,000,000 |
| Insurance recoveries | - | - | 129,260 | 129,260 |
| Unappropriated surplus | 1,790,534 | 2,730,206 | - | (2,730,206) |
| Total other financing sources | <u>2,959,691</u> | <u>6,739,086</u> | <u>8,516,520</u> | <u>1,777,434</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures, other financing sources (uses) and special items | | | | |
| | - | - | 8,395,353 | 8,395,353 |
| Beginning fund balances (deficits) as previously reported | 33,718,547 | 33,718,547 | 33,718,547 | - |
| Restatements (Note VII D) | (617,891) | (617,891) | (617,891) | - |
| Beginning fund balance as restated | <u>33,100,656</u> | <u>33,100,656</u> | <u>33,100,656</u> | <u>-</u> |
| Ending fund balances (deficits) | <u>\$ 33,100,656</u> | <u>\$ 33,100,656</u> | <u>\$ 41,496,009</u> | <u>\$ 8,395,353</u> |

See accompanying independent auditor's report and notes to budgetary comparison schedule.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO BUDGETARY COMPARISON SCHEDULE
June 30, 2019

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 unappropriated surplus, decreases in the amount of transfers out and judicial expenses, and increases in general, planning and development, and public safety expenses. These amendments have been approved by City Council authorizations.

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULES OF THE CITY'S CONTRIBUTIONS - PENSION
YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

**SOUTH CAROLINA RETIREMENT SYSTEM
LAST 6 FISCAL YEARS
(UNAUDITED)**

| | <u>June 30, 2019</u> | <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 | \$ 9,117,950 | \$ 8,119,349 | \$ 6,888,470 | \$ 6,155,138 | \$ 5,815,863 | \$ 5,669,535 |
| Contributions made to the pension plan | <u>9,117,950</u> | <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> | <u>\$ -</u> |
| City's covered payroll | \$ 62,623,283 | \$ 59,877,207 | \$ 59,588,839 | \$ 55,652,247 | \$ 53,480,622 | \$ 52,411,010 |
| Contributions as a percentage of covered payroll | 14.56% | 13.56% | 11.56% | 11.06% | 10.87% | 10.82% |

**POLICE OFFICER'S RETIREMENT SYSTEM
LAST 6 FISCAL YEARS
(UNAUDITED)**

| | <u>June 30, 2019</u> | <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 | \$ 7,519,937 | \$ 6,777,860 | \$ 5,784,601 | \$ 5,548,189 | \$ 5,031,606 | \$ 4,736,002 |
| Contributions made to the pension plan | <u>7,519,937</u> | <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> | <u>\$ -</u> |
| City's covered payroll | \$ 43,619,124 | \$ 42,255,986 | \$ 41,200,865 | \$ 40,976,282 | \$ 37,437,424 | \$ 36,688,676 |
| Contributions as a percentage of covered payroll | 17.24% | 16.04% | 14.04% | 13.54% | 13.44% | 12.91% |

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

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
 SCHEDULES OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 YEAR ENDED JUNE 30, 2019
 (UNAUDITED)

SOUTH CAROLINA RETIREMENT SYSTEM
 LAST 6 FISCAL YEARS
 (UNAUDITED)

| | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| The City's percentage of the net pension liability | 0.578106% | 0.590550% | 0.575439% | 0.570267% | 0.589139% | 0.589139% |
| The City's proportionate share of the net pension liability | \$ 129,535,220 | \$ 132,942,302 | \$ 122,912,706 | \$ 108,153,887 | \$ 101,430,204 | \$ 105,670,520 |
| The City's covered payroll | \$ 59,877,207 | \$ 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 | 216.33% | 223.10% | 220.86% | 202.23% | 193.53% | 206.37% |
| The Plan's fiduciary net position as a percentage of the total pension liability | 54.10% | 53.30% | 52.90% | 57.00% | 59.92% | 59.92% |

POLICE OFFICER'S RETIREMENT SYSTEM
 LAST 6 FISCAL YEARS
 (UNAUDITED)

| | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| The City's percentage of the net pension liability | 3.01677% | 3.02172% | 3.17559% | 3.03491% | 3.06671% | 3.06671% |
| The City's proportionate share of the net pension liability | \$ 85,481,582 | \$ 82,781,885 | \$ 80,547,962 | \$ 66,145,819 | \$ 58,710,014 | \$ 63,572,138 |
| The City's covered payroll | \$ 42,255,986 | \$ 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 | 202.29% | 200.92% | 196.57% | 176.68% | 160.02% | 179.42% |
| The Plan's fiduciary net position as a percentage of the total pension liability | 61.70% | 60.90% | 60.40% | 64.60% | 67.55% | 67.55% |

The City implemented GASB 68 during fiscal year 2015, as such only the last six years of data are available. Each year the City will add an additional year of data until a total of ten years is presented. The amounts presented above were determined as of June 30th of the preceding year.

See accompanying independent auditor's report.

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, 2019

| | 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 | \$ 738,030 | \$ - | \$ 720,575 | \$ 467,471 | \$ 787,039 | \$ - | \$ - | \$ 1,144,770 | \$ 3,408,211 | \$ 7,266,096 |
| Investments | 183,079 | - | 175,354 | 111,280 | 297,757 | - | - | 240,050 | 350,490 | 1,358,010 |
| Receivables | | | | | | | | | | |
| Federal government | - | - | - | 5,715 | - | 1,213,407 | 2,128,167 | 3,927 | - | 3,351,216 |
| State government | - | - | - | - | - | - | - | 50,874 | - | 50,874 |
| County government | - | - | - | - | - | - | - | - | 206,237 | 206,237 |
| Accounts, net | - | - | - | - | 1,473 | 2,646 | 22,973 | 372 | - | 27,464 |
| Accrued interest receivable | 863 | - | 826 | - | 1,403 | - | - | 1,130 | 666 | 4,888 |
| Due from grantee agencies | - | - | - | - | - | - | 6 | - | - | 6 |
| TOTAL ASSETS | \$ 921,972 | \$ - | \$ 896,755 | \$ 584,466 | \$ 1,087,672 | \$ 1,216,053 | \$ 2,151,146 | \$ 1,441,123 | \$ 3,965,604 | \$ 12,264,791 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| Liabilities | | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 521,479 | \$ 79,777 | \$ 635,331 | \$ 292,802 | \$ 558,780 | \$ 24,823 | \$ - | \$ 2,112,992 |
| Accrued salaries and benefits | - | - | - | - | - | 7,705 | 58,597 | 11,478 | - | 77,780 |
| Pooled cash liability | - | - | - | - | - | - | 524,512 | - | - | 524,512 |
| Retainage payable | - | - | - | - | - | - | - | - | - | - |
| Refundable advances | - | - | - | 111,280 | - | - | 763 | 51,769 | - | 163,812 |
| Due to other funds | - | - | - | - | - | 1,209,297 | 732,426 | 189,454 | - | 2,131,177 |
| Total liabilities | - | - | 521,479 | 191,057 | 635,331 | 1,509,804 | 1,875,078 | 277,524 | - | 5,010,273 |
| Fund balances | | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - | - | - |
| Restricted | 921,972 | - | 375,276 | 393,409 | 452,341 | (293,751) | 276,068 | 1,163,599 | 3,965,604 | 7,254,518 |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Total fund balances | 921,972 | - | 375,276 | 393,409 | 452,341 | (293,751) | 276,068 | 1,163,599 | 3,965,604 | 7,254,518 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 921,972 | \$ - | \$ 896,755 | \$ 584,466 | \$ 1,087,672 | \$ 1,216,053 | \$ 2,151,146 | \$ 1,441,123 | \$ 3,965,604 | \$ 12,264,791 |

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 June 30, 2019

| | Capital Projects | | | | | Total Nonmajor Capital Projects Funds | Permanent Trust Anna Dickson Trust | Total Nonmajor Governmental Funds |
|--|----------------------|----------------------------|---------------------|--------------------------------|---------------------------|---|---|---|
| | Debt Service Fund | Congaree Vista District | Streetscaping | General Capital Projects | Miscellaneous Projects | | | |
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 1,505,069 | \$ 3,782,669 | \$ 5,058,706 | \$ 3,426,722 | \$ 63,056 | \$ 12,331,153 | \$ 5,000 | \$ 21,107,318 |
| Investments | 1,982,860 | 1,141,653 | 1,467,605 | 1,204,359 | 1,650,723 | 5,464,340 | - | 8,805,210 |
| Receivables | | | | | | | | |
| Federal government | - | - | - | - | - | - | - | 3,351,216 |
| State government | - | - | - | - | - | - | - | 50,874 |
| County government | - | - | - | - | - | - | - | 206,237 |
| Accounts, net | - | - | - | - | - | - | - | 27,464 |
| Accrued interest receivable | 3,872 | 5,381 | 6,915 | 5,675 | 1,479 | 19,450 | - | 28,210 |
| Due from other funds | - | 100,000 | - | 467,138 | - | 567,138 | - | 567,138 |
| Due from grantee agencies | - | - | - | - | - | - | - | 6 |
| TOTAL ASSETS | \$ 3,491,801 | \$ 5,029,703 | \$ 6,533,226 | \$ 5,103,894 | \$ 1,715,258 | \$ 18,382,081 | \$ 5,000 | \$ 34,143,673 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 15,651 | \$ 1,707,542 | \$ - | \$ 1,723,193 | \$ - | \$ 3,836,185 |
| Accrued salaries and benefits | - | - | - | - | - | - | - | 77,780 |
| Pooled cash liability | - | - | - | - | - | - | - | 524,512 |
| Retainage payable | - | - | - | 2,525 | - | 2,525 | - | 2,525 |
| Refundable advances | - | - | - | - | 24 | 24 | - | 163,836 |
| Due to other funds | - | - | - | - | 916,826 | 916,826 | - | 3,048,003 |
| Total liabilities | - | - | 15,651 | 1,710,067 | 916,850 | 2,642,568 | - | 7,652,841 |
| Fund balances | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | 5,000 | 5,000 |
| Restricted | 3,491,801 | 5,029,703 | - | - | 798,408 | 5,828,111 | - | 16,574,430 |
| Assigned | - | - | 6,517,575 | 3,393,827 | - | 9,911,402 | - | 9,911,402 |
| Total fund balances | 3,491,801 | 5,029,703 | 6,517,575 | 3,393,827 | 798,408 | 15,739,513 | 5,000 | 26,490,832 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 3,491,801 | \$ 5,029,703 | \$ 6,533,226 | \$ 5,103,894 | \$ 1,715,258 | \$ 18,382,081 | \$ 5,000 | \$ 34,143,673 |

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2019

Special Revenue

| | Liquor Permit Fee | Business Improvement District | Accommo- dations Tax | Confiscated Drug Program | Hospitality Tax | Community Development | Federal Grants | Other Programs | Tourism Development Convention Center | Total Nonmajor Special Revenue Funds |
|---|----------------------|-------------------------------------|-------------------------|-----------------------------|--------------------|--------------------------|-------------------|---------------------|--|--|
| REVENUES | | | | | | | | | | |
| General property taxes | \$ - | \$ 959,562 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 959,562 |
| Hospitality and admission taxes | - | - | - | - | 11,846,960 | - | - | - | - | 11,846,960 |
| Accommodations tax | - | - | 2,944,112 | - | - | - | - | - | - | 2,944,112 |
| Tourism development fee | - | - | - | - | - | - | - | - | 3,924,883 | 3,924,883 |
| Liquor permit fee | 451,750 | - | - | - | - | - | - | - | - | 451,750 |
| Intergovernmental revenue | - | - | - | - | - | 3,144 | 10,980 | 1,511 | - | 15,635 |
| Charges for services | - | - | - | - | - | - | - | 73,323 | - | 73,323 |
| Fines and forfeitures | - | - | - | 277,131 | - | - | - | 90,325 | - | 367,456 |
| Federal government | - | - | - | - | - | 4,110,493 | 5,642,528 | - | - | 9,753,021 |
| State government | - | - | - | - | - | - | - | 52,561 | - | 52,561 |
| County government | - | - | - | - | - | - | - | - | 2,752,738 | 2,752,738 |
| Promotions | - | - | - | - | - | - | - | 33,000 | - | 33,000 |
| Interest income | 13,396 | - | 12,822 | 35 | 21,787 | - | 36 | 17,573 | 10,562 | 78,211 |
| Other revenues | - | - | - | - | - | - | 21,890 | 503,611 | - | 525,501 |
| Total revenues | 465,146 | 959,562 | 2,956,934 | 277,166 | 11,868,747 | 4,113,637 | 5,675,434 | 771,904 | 6,688,183 | 33,776,713 |
| EXPENDITURES | | | | | | | | | | |
| Current | | | | | | | | | | |
| General government | 537 | - | - | - | 872 | - | 7,045 | 56,182 | - | 64,636 |
| Public safety | - | - | - | 144,377 | - | - | 1,811,108 | 278,438 | - | 2,233,923 |
| Parks and recreation | - | - | - | - | - | - | - | 77,745 | - | 77,745 |
| Public services | - | - | - | - | - | - | 3,170,709 | - | - | 3,170,709 |
| Tourism and community development | 200,155 | 959,562 | 3,087,177 | - | 5,698,022 | 2,425,010 | - | 39,670 | 3,957,379 | 16,366,975 |
| Debt service | | | | | | | | | | |
| Principal payment on bonds | - | - | - | - | - | - | - | - | 2,490,000 | 2,490,000 |
| Interest on bonds | - | - | - | - | - | - | - | - | 235,985 | 235,985 |
| Fiscal agent charges | - | - | - | - | - | - | - | - | 1,815 | 1,815 |
| Capital outlay | | | | | | | | | | |
| Capital outlay | - | - | - | 43,830 | - | - | 235,544 | - | 70,376 | 349,750 |
| Total expenditures | 200,692 | 959,562 | 3,087,177 | 188,207 | 5,698,894 | 2,425,010 | 5,224,406 | 452,035 | 6,755,555 | 24,991,538 |
| Excess (deficiency) of revenues over (under) expenditures | 264,454 | - | (130,243) | 88,959 | 6,169,853 | 1,688,627 | 451,028 | 319,869 | (67,372) | 8,785,175 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers in | - | - | - | 49,903 | - | 673,569 | 625,618 | 74,629 | - | 1,423,719 |
| Transfers (out) | - | - | (25,000) | (378,691) | (6,626,847) | (2,655,947) | (800,578) | (1,000) | - | (10,488,063) |
| Total other financing (uses) sources | - | - | (25,000) | (328,788) | (6,626,847) | (1,982,378) | (174,960) | 73,629 | - | (9,064,344) |
| Net change in fund balances | 264,454 | - | (155,243) | (239,829) | (456,994) | (293,751) | 276,068 | 393,498 | (67,372) | (279,169) |
| Beginning fund balances as previously reported | 657,518 | - | 530,519 | 633,238 | 909,335 | - | - | 428,991 | 4,032,976 | 7,192,577 |
| Correction of an error (Note VII D) | - | - | - | - | - | - | - | 341,110 | - | 341,110 |
| Beginning fund balances as restated | 657,518 | - | 530,519 | 633,238 | 909,335 | - | - | 770,101 | 4,032,976 | 7,533,687 |
| Ending fund balances (deficits) | \$ 921,972 | \$ - | \$ 375,276 | \$ 393,409 | \$ 452,341 | \$ (293,751) | \$ 276,068 | \$ 1,163,599 | \$ 3,965,604 | \$ 7,254,518 |

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 Year Ended June 30, 2019

| | Capital Projects | | | | | Total | Permanent | Total Nonmajor |
|--|---------------------|---------------------|---------------------|---------------------|--------------------|----------------------|-----------------|----------------------|
| | Debt Service | Congaree Vista | Streetscaping | General | Miscellaneous | Nonmajor | Trust | |
| | Fund | District | | Capital | Projects | Capital | Dickson | Funds |
| | | | | Projects | | Projects | Trust | |
| REVENUES | | | | | | | | |
| General property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 959,562 |
| Hospitality and admission taxes | - | - | - | - | - | - | - | 11,846,960 |
| Accommodations tax | - | - | - | - | - | - | - | 2,944,112 |
| Tourism development fee | - | - | - | - | - | - | - | 3,924,883 |
| Liquor permit fee | - | - | - | - | - | - | - | 451,750 |
| Intergovernmental revenue | - | - | - | 49,482 | - | 49,482 | - | 65,117 |
| Charges for services | - | - | - | - | - | - | - | 73,323 |
| Fines and forfeitures | - | - | - | - | - | - | - | 367,456 |
| Federal government | - | - | - | - | 113,708 | - | - | 9,866,729 |
| State government | - | - | - | 296,862 | - | 296,862 | - | 349,423 |
| County government | - | - | - | - | - | - | - | 2,752,738 |
| Promotions | - | - | - | - | - | - | - | 33,000 |
| Private grants | - | - | 992,400 | - | - | 992,400 | - | 992,400 |
| Interest income | 77,547 | 83,533 | 107,383 | 88,122 | 54,210 | 333,248 | 140 | 487,146 |
| Other revenues | - | - | - | - | - | - | - | 525,501 |
| Total revenues | 77,547 | 83,533 | 1,099,783 | 434,466 | 167,918 | 1,785,700 | 140 | 35,640,100 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General government | 2,407 | 3,344 | 4,300 | 3,530 | 1,238,408 | 1,249,582 | 783 | 1,317,408 |
| Public safety | - | - | - | - | - | - | - | 2,233,923 |
| Parks and recreation | - | - | - | - | - | - | - | 77,745 |
| Public services | - | - | - | - | - | - | - | 3,170,709 |
| Tourism and community development | - | - | - | 459,163 | - | 459,163 | - | 16,826,138 |
| Debt service | | | | | | | | |
| Principal payment on bonds | 5,345,000 | - | - | - | - | - | - | 7,835,000 |
| Interest on bonds | 2,371,959 | - | - | - | - | - | - | 2,607,944 |
| Fiscal agent charges | 10,382 | - | - | - | 2,100 | 2,100 | - | 14,297 |
| Capital outlay | | | | | | | | |
| Capital outlay | - | - | 845,403 | 4,878,362 | 1,072,526 | 6,796,291 | - | 7,148,041 |
| Total expenditures | 7,729,748 | 3,344 | 849,703 | 5,341,055 | 2,313,034 | 8,507,136 | 783 | 41,229,205 |
| Excess (deficiency) of revenues (under) over expenditures | (7,652,201) | 80,189 | 250,080 | (4,906,589) | (2,145,116) | (6,721,436) | (643) | (5,589,105) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | 7,882,447 | - | 283,500 | 983,686 | 1,237,865 | 2,505,051 | - | 11,811,217 |
| Transfers (out) | - | - | (566,959) | (49,903) | (331) | (617,193) | - | (11,105,256) |
| Total other financing sources (uses) | 7,882,447 | - | (283,459) | 933,783 | 1,237,534 | 1,887,858 | - | 705,961 |
| Net change in fund balances | 230,246 | 80,189 | (33,379) | (3,972,806) | (907,582) | (4,833,578) | (643) | (4,883,144) |
| Beginning fund balances as previously reported | 3,261,555 | 4,949,514 | 6,550,954 | 7,366,833 | 1,705,990 | 20,573,091 | 5,643 | 31,032,866 |
| Correction of an error (Note VII D) | - | - | - | - | - | - | - | 341,110 |
| Beginning fund balances as restated | <u>3,261,555</u> | <u>4,949,514</u> | <u>6,550,954</u> | <u>7,366,833</u> | <u>1,705,990</u> | <u>20,573,091</u> | <u>5,643</u> | <u>31,373,976</u> |
| Ending fund balances | \$ 3,491,801 | \$ 5,029,703 | \$ 6,517,575 | \$ 3,393,827 | \$ 798,408 | \$ 15,739,513 | \$ 5,000 | \$ 26,490,832 |

See accompanying independent auditor's report.

NONMAJOR ENTERPRISE FUNDS

Nonmajor Enterprise 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 FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2019

| | Hydro-electric Facilities Fund | Stormwater Facilities Fund | Redevelopment Programs Fund | Parks and Recreation Camp Fund | Total Nonmajor Enterprise Funds |
|--|--------------------------------------|----------------------------------|-----------------------------------|--------------------------------------|--|
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | \$ - | \$ 14,408,456 | \$ 2,959,140 | \$ 62,462 | \$ 17,430,058 |
| Investments | - | 7,084,522 | - | 417 | 7,084,939 |
| Accounts receivable, net | - | 2,148 | - | - | 2,148 |
| Mortgage notes receivable, net | - | - | - | - | - |
| Accrued interest receivable | - | 33,380 | - | 2 | 33,382 |
| Due from federal government | - | 17,960 | - | - | 17,960 |
| Due from state government | - | 720 | - | - | 720 |
| Prepaid expenses | - | 13,174 | - | - | 13,174 |
| Real estate held for resale | - | - | 878,341 | - | 878,341 |
| Total current assets | - | 21,560,360 | 3,837,481 | 62,881 | 25,460,722 |
| Noncurrent Assets | | | | | |
| Mortgage notes receivable, net | - | - | 24,481,758 | - | 24,481,758 |
| Investments | - | 41,686,556 | - | - | 41,686,556 |
| Capital assets | | | | | |
| Land | 327,169 | 228,782 | - | - | 555,951 |
| Buildings, improvements and utility plant | 18,155,310 | 18,875,337 | - | - | 37,030,647 |
| Machinery and equipment | - | 4,507,983 | - | - | 4,507,983 |
| Less accumulated depreciation | (5,534,430) | (8,316,002) | - | - | (13,850,432) |
| Construction in progress | - | 19,834,061 | - | - | 19,834,061 |
| Net capital assets | 12,948,049 | 35,130,161 | - | - | 48,078,210 |
| Total noncurrent assets | 12,948,049 | 76,816,717 | 24,481,758 | - | 114,246,524 |
| TOTAL ASSETS | 12,948,049 | 98,377,077 | 28,319,239 | 62,881 | 139,707,246 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred outflows related to the net pension liability | - | 622,987 | 65,947 | 45,647 | 734,581 |
| Deferred outflows related to OPEB liability | - | 175,059 | 10,941 | 19,893 | 205,893 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | - | 798,046 | 76,888 | 65,540 | 940,474 |

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
June 30, 2019

| | Hydro-electric Facilities Fund | Stormwater Facilities Fund | Redevelopment Programs Fund | Parks and Recreation Camp Fund | Total Nonmajor Enterprise Funds |
|--|--------------------------------------|----------------------------------|-----------------------------------|--------------------------------------|--|
| LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION | | | | | |
| Current Liabilities | | | | | |
| Accounts payable | \$ 34,211 | \$ 1,263,030 | \$ 122,053 | \$ 18,700 | \$ 1,437,994 |
| Accrued salaries and benefits | - | 44,741 | 2,964 | 47,805 | 95,510 |
| Compensated absences | - | 19,656 | - | - | 19,656 |
| Retainage payable | - | 640,879 | - | - | 640,879 |
| Accrued interest payable | - | 949,384 | - | - | 949,384 |
| Revenue bonds payable | - | 430,000 | - | - | 430,000 |
| Due to other funds | 6,802,748 | - | - | 64,803 | 6,867,551 |
| Unearned revenue | - | 16,261 | 86,889 | 942 | 104,092 |
| Total current liabilities | 6,836,959 | 3,363,951 | 211,906 | 132,250 | 10,545,066 |
| Noncurrent Liabilities | | | | | |
| Compensated absences | - | 78,623 | - | - | 78,623 |
| Net pension liability | - | 3,590,144 | 278,940 | 214,309 | 4,083,393 |
| Total OPEB liability | - | 3,175,160 | 198,448 | 360,813 | 3,734,421 |
| Revenue bonds payable - net | - | 42,493,557 | - | - | 42,493,557 |
| Total noncurrent liabilities | - | 49,337,484 | 477,388 | 575,122 | 50,389,994 |
| Total liabilities | 6,836,959 | 52,701,435 | 689,294 | 707,372 | 60,935,060 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred inflows related to the net pension liability | - | 83,366 | 6,121 | 5,931 | 95,418 |
| Deferred inflows related to the net OPEB liability | - | 77,934 | 4,871 | 8,856 | 91,661 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | - | 161,300 | 10,992 | 14,787 | 187,079 |
| FUND NET POSITION | | | | | |
| Net investment in capital assets | 12,948,049 | 32,182,364 | - | - | 45,130,413 |
| Unrestricted | (6,836,959) | 14,130,024 | 27,695,841 | (593,738) | 34,395,168 |
| Total fund net position | \$ 6,111,090 | \$ 46,312,388 | \$ 27,695,841 | \$ (593,738) | \$ 79,525,581 |

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 Year Ended June 30, 2019

| | Hydro-electric Facilities Fund | Stormwater Facilities Fund | Redevelopment Programs Fund | Parks and Recreation Camp Fund | Total Nonmajor Enterprise Funds |
|---|--------------------------------------|----------------------------------|-----------------------------------|--------------------------------------|--|
| Operating revenues | | | | | |
| Charges for service | \$ - | \$ 14,244,410 | \$ 600,239 | \$ 351,662 | \$ 15,196,311 |
| Intergovernmental revenue | - | 16,375 | 1,127 | 1,504 | 19,006 |
| Other operating revenue | - | - | 17,909 | - | 17,909 |
| Total operating revenues | <u>-</u> | <u>14,260,785</u> | <u>619,275</u> | <u>353,166</u> | <u>15,233,226</u> |
| Operating expenses | | | | | |
| Personnel services | - | 3,233,757 | 168,544 | 338,665 | 3,740,966 |
| Materials and supplies | - | 320,758 | 3,431 | 67,022 | 391,211 |
| Other services and charges | 914,771 | 2,273,267 | 671,749 | 61,120 | 3,920,907 |
| Depreciation | 393,291 | 1,212,016 | - | - | 1,605,307 |
| Bad debt expense | - | - | 338,743 | - | 338,743 |
| Total operating expenses | <u>1,308,062</u> | <u>7,039,798</u> | <u>1,182,467</u> | <u>466,807</u> | <u>9,997,134</u> |
| Operating income (loss) | <u>(1,308,062)</u> | <u>7,220,987</u> | <u>(563,192)</u> | <u>(113,641)</u> | <u>5,236,092</u> |
| Nonoperating revenues (expenses) | | | | | |
| Investment income (loss) | - | 906,999 | 39,756 | 31 | 946,786 |
| Rental income | - | - | 1,500 | - | 1,500 |
| Federal grant revenue | - | 1,218,658 | - | - | 1,218,658 |
| Gain (loss) from sale of assets | - | 59,170 | - | - | 59,170 |
| Interest expense | - | (852,530) | - | - | (852,530) |
| Bond related costs | - | (960,271) | - | - | (960,271) |
| Total nonoperating revenues (expenses) | <u>-</u> | <u>372,026</u> | <u>41,256</u> | <u>31</u> | <u>413,313</u> |
| Income (loss) before contributions and transfers | <u>(1,308,062)</u> | <u>7,593,013</u> | <u>(521,936)</u> | <u>(113,610)</u> | <u>5,649,405</u> |
| Capital contributions and transfers | | | | | |
| Transfers in | - | 789,801 | 1,418,112 | 1,000 | 2,208,913 |
| Transfers out | - | (560,000) | (673,569) | - | (1,233,569) |
| Capital contributions | - | 108,418 | - | - | 108,418 |
| Total capital contributions and transfers | <u>-</u> | <u>338,219</u> | <u>744,543</u> | <u>1,000</u> | <u>1,083,762</u> |
| Change in net position | <u>(1,308,062)</u> | <u>7,931,232</u> | <u>222,607</u> | <u>(112,610)</u> | <u>6,733,167</u> |
| Net position - beginning of period as previously reported | 7,419,152 | 41,281,998 | 27,654,537 | (151,487) | 76,204,200 |
| Correction of an error (Note VII D) | - | (2,900,842) | (181,303) | (329,641) | (3,411,786) |
| Net position - beginning of period as restated | <u>7,419,152</u> | <u>38,381,156</u> | <u>27,473,234</u> | <u>(481,128)</u> | <u>72,792,414</u> |
| Net position - ending | <u>\$ 6,111,090</u> | <u>\$ 46,312,388</u> | <u>\$ 27,695,841</u> | <u>\$ (593,738)</u> | <u>\$ 79,525,581</u> |

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
Year Ended June 30, 2019

| | Hydro-electric Facilities Fund | Stormwater Facilities Fund | Redevelopment Programs Fund | Parks and Recreation Camp Fund | Total Nonmajor Enterprise Funds |
|--|--------------------------------------|----------------------------------|-----------------------------------|--------------------------------------|--|
| Cash Flows From Operating Activities | | | | | |
| Receipts from customers and users | \$ - | \$ 14,260,060 | \$ 619,220 | \$ 352,604 | \$ 15,231,884 |
| Internal activity - payments to other funds | - | (242,204) | - | - | (242,204) |
| Payments to suppliers | (1,034,274) | (3,595,493) | (944,668) | (220,269) | (5,794,704) |
| Payments to employees | - | (1,793,706) | (117,923) | (271,777) | (2,183,406) |
| Net cash (used in) provided by operating activities | (1,034,274) | 8,628,657 | (443,371) | (139,442) | 7,011,570 |
| Cash Flows From Noncapital Financing Activities | | | | | |
| Advances from other funds | 1,016,529 | - | 85,817 | 64,803 | 1,167,149 |
| Operating grants | - | 1,279,766 | - | - | 1,279,766 |
| Transfers in | - | 789,801 | 1,418,112 | 1,000 | 2,208,913 |
| Transfers out | - | (560,000) | (673,569) | - | (1,233,569) |
| Net cash provided by noncapital financing activities | 1,016,529 | 1,509,567 | 830,360 | 65,803 | 3,422,259 |
| Cash Flows From Capital And Related Financing Activities | | | | | |
| Proceeds from revenue bonds | - | 43,020,411 | - | - | 43,020,411 |
| Payments for bond related costs | - | (960,271) | - | - | (960,271) |
| Proceeds from capital contributions | - | 108,418 | - | - | 108,418 |
| Net cash provided by capital and related financing activities | - | 42,168,558 | - | - | 42,168,558 |
| Cash Flows From Investing Activities | | | | | |
| Purchase of investments | - | (42,083,193) | - | - | (42,083,193) |
| Sale of investments | 17,678 | - | - | 14,383 | 32,061 |
| Purchases of capital assets | - | (10,107,714) | - | - | (10,107,714) |
| Purchases of real estate held for resale | - | - | (234,661) | - | (234,661) |
| Proceeds from sale of capital assets | - | 59,170 | - | - | 59,170 |
| Advances of mortgage notes receivable | - | - | (3,681,591) | - | (3,681,591) |
| Collections of mortgage notes receivable | - | - | 1,642,246 | - | 1,642,246 |
| Interest received | 67 | 899,412 | 44,664 | 85 | 944,228 |
| Net cash provided by (used in) investing activities | 17,745 | (51,232,325) | (2,229,342) | 14,468 | (53,429,454) |
| Net increase (decrease) in cash and cash equivalents | - | 1,074,457 | (1,842,353) | (59,171) | (827,067) |
| Cash and cash equivalents, July 1, 2018 | - | 13,333,999 | 4,801,493 | 121,633 | 18,257,125 |
| Cash and cash equivalents, June 30, 2019 | \$ - | \$ 14,408,456 | \$ 2,959,140 | \$ 62,462 | \$ 17,430,058 |

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
Year Ended June 30, 2019

| | Hydro-electric Facilities Fund | Stormwater Facilities Fund | Redevelopment Program Fund | Parks and Recreation Camp Fund | Total Nonmajor Enterprise Funds |
|--|--------------------------------------|----------------------------------|----------------------------------|--------------------------------------|--|
| Reconciliation of operating (loss) income to net cash provided by (used in) operating activities | | | | | |
| Operating (loss) income | <u>\$ (1,308,062)</u> | <u>\$ 7,220,987</u> | <u>\$ (563,192)</u> | <u>\$ (113,641)</u> | <u>\$ 5,236,092</u> |
| Adjustments to reconcile operating income to net cash (loss) provided by (used in) operating activities: | | | | | |
| Depreciation | 393,291 | 1,212,016 | - | - | 1,605,307 |
| Bad debt expense | - | - | 338,743 | - | 338,743 |
| Accrued benefits related to net pension liability | - | 115,164 | (7,388) | (1,177) | 106,599 |
| Change in operating assets and liabilities | | | | | |
| Accounts receivable | - | (611) | (338,743) | - | (339,354) |
| Prepaid expenses | - | (3,477) | 812 | - | (2,665) |
| Accounts payable | (119,503) | (98,672) | 115,377 | (46,846) | (149,644) |
| Accrued salaries | - | - | - | 2,692 | 2,692 |
| Accrued compensated absences | - | 6,171 | - | (43) | 6,128 |
| OPEB liability | - | 177,193 | 11,075 | 20,135 | 208,403 |
| Unearned revenue | - | (114) | (55) | (562) | (731) |
| Total adjustments | <u>273,788</u> | <u>1,407,670</u> | <u>119,821</u> | <u>(25,801)</u> | <u>1,775,478</u> |
| Net cash (used in) provided by operating activities | <u><u>\$ (1,034,274)</u></u> | <u><u>\$ 8,628,657</u></u> | <u><u>\$ (443,371)</u></u> | <u><u>\$ (139,442)</u></u> | <u><u>\$ 7,011,570</u></u> |

See accompanying independent auditor's report.

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 liability plans for employee health, worker's compensation, and tort liability for all City departments.

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF FUND NET POSITION
 INTERNAL SERVICE FUNDS
 June 30, 2019

| | Fleet Management Fund | Support Services Fund | Risk Management Fund | Total Internal Service Funds |
|--|-----------------------------|-----------------------------|----------------------------|---------------------------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ 1,311,773 | \$ 1,109,101 | \$ 74,142,580 | \$ 76,563,454 |
| Accounts receivable, net | 76,777 | 969 | 297,453 | 375,199 |
| Inventory | - | 712,524 | - | 712,524 |
| Prepaid expenses | 4,936 | 123,062 | - | 127,998 |
| Total current assets | <u>1,393,486</u> | <u>1,945,656</u> | <u>74,440,033</u> | <u>77,779,175</u> |
| Noncurrent Assets | | | | |
| Deposits | - | - | 78,745 | 78,745 |
| Capital assets | | | | |
| Buildings, improvements and utility plant | 903,586 | 10,990 | - | 914,576 |
| Machinery and equipment | 431,196 | 1,270,641 | - | 1,701,837 |
| Less accumulated depreciation | <u>(1,117,788)</u> | <u>(1,176,569)</u> | <u>-</u> | <u>(2,294,357)</u> |
| Net capital assets | <u>216,994</u> | <u>105,062</u> | <u>-</u> | <u>322,056</u> |
| Total noncurrent assets | <u>216,994</u> | <u>105,062</u> | <u>78,745</u> | <u>400,801</u> |
| TOTAL ASSETS | <u>1,610,480</u> | <u>2,050,718</u> | <u>74,518,778</u> | <u>78,179,976</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows related to other postemployment benefits liability | 152,182 | 3,979 | 7,283,860 | 7,440,021 |
| Deferred outflows related to the net pension liability | <u>602,707</u> | <u>227,625</u> | <u>58,615</u> | <u>888,947</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>754,889</u> | <u>231,604</u> | <u>7,342,475</u> | <u>8,328,968</u> |

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF FUND NET POSITION
 INTERNAL SERVICE FUNDS (CONTINUED)
 June 30, 2019

| | Fleet Management Fund | Support Services Fund | Risk Management Fund | Total Internal Service Funds |
|--|-----------------------------|-----------------------------|----------------------------|---------------------------------------|
| LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION | | | | |
| Current Liabilities | | | | |
| Accounts payable | \$ 1,117,514 | \$ 227,005 | \$ 280,078 | \$ 1,624,597 |
| Accrued salaries and benefits | 35,186 | 29,150 | 9,054 | 73,390 |
| Compensated absences | 20,848 | 21,613 | 12,440 | 54,901 |
| Due to other funds | - | 252,760 | 103,588 | 356,348 |
| Unearned revenue | 13,390 | 12,170 | 4,226 | 29,786 |
| Accrued liability for claims | - | - | 16,308,223 | 16,308,223 |
| Total current liabilities | 1,186,938 | 542,698 | 16,717,609 | 18,447,245 |
| Noncurrent Liabilities | | | | |
| Compensated absences | 83,392 | 86,454 | 49,758 | 219,604 |
| Net pension liability | 3,591,771 | 1,725,511 | 300,458 | 5,617,740 |
| Total OPEB liability | 2,760,224 | 72,163 | 132,111,913 | 134,944,300 |
| Total noncurrent liabilities | 6,435,387 | 1,884,128 | 132,462,129 | 140,781,644 |
| Total liabilities | 7,622,325 | 2,426,826 | 149,179,738 | 159,228,889 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows related to other postemployment benefits liability | 67,749 | 1,771 | 3,242,668 | 3,312,188 |
| Deferred inflows related to the net pension liability | 81,084 | 31,966 | 7,708 | 120,758 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 148,833 | 33,737 | 3,250,376 | 3,432,946 |
| FUND NET POSITION | | | | |
| Net investment in capital assets Unrestricted | 216,994 (5,622,783) | 105,062 (283,303) | - (70,568,861) | 322,056 (76,474,947) |
| Total fund net position | \$ (5,405,789) | \$ (178,241) | \$ (70,568,861) | \$ (76,152,891) |

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 Year Ended June 30, 2019

| | Fleet Management Fund | Support Services Fund | Risk Management Fund | Total Internal Service Funds |
|---|------------------------------|-----------------------------|-------------------------------|---------------------------------------|
| Operating revenues | | | | |
| Charges for service | \$ 10,331,177 | \$ 860,992 | \$ 38,346,726 | \$ 49,538,895 |
| Intergovernmental revenues | <u>14,391</u> | <u>10,103</u> | <u>3,924</u> | <u>28,418</u> |
| Total operating revenues | <u>10,345,568</u> | <u>871,095</u> | <u>38,350,650</u> | <u>49,567,313</u> |
| Operating expenses | | | | |
| Personnel services* | 2,684,419 | 2,165,451 | 4,218,916 | 9,068,786 |
| Materials and supplies | 7,830,816 | 932,384 | 134,421 | 8,897,621 |
| Other services and charges | 167,237 | 1,906,318 | 2,901,284 | 4,974,839 |
| Heat, light and power | - | - | 3,655 | 3,655 |
| Depreciation | 32,450 | 115,571 | - | 148,021 |
| Claims and premiums | <u>-</u> | <u>-</u> | <u>33,892,844</u> | <u>33,892,844</u> |
| Total operating expenses | <u>10,714,922</u> | <u>5,119,724</u> | <u>41,151,120</u> | <u>56,985,766</u> |
| Operating income (loss) | <u>(369,354)</u> | <u>(4,248,629)</u> | <u>(2,800,470)</u> | <u>(7,418,453)</u> |
| Nonoperating revenues | | | | |
| Investment income | - | - | 1,498,767 | 1,498,767 |
| Gain (loss) from sale of assets | <u>3,023</u> | <u>-</u> | <u>-</u> | <u>3,023</u> |
| Total nonoperating revenues | <u>3,023</u> | <u>-</u> | <u>1,498,767</u> | <u>1,501,790</u> |
| Income (loss) before contributions and transfers | <u>(366,331)</u> | <u>(4,248,629)</u> | <u>(1,301,703)</u> | <u>(5,916,663)</u> |
| Transfers | | | | |
| Transfers in | - | 4,206,877 | 4,437,856 | 8,644,733 |
| Transfers out | <u>(2,437,413)</u> | <u>(35,067)</u> | <u>-</u> | <u>(2,472,480)</u> |
| Total transfers | <u>(2,437,413)</u> | <u>4,171,810</u> | <u>4,437,856</u> | <u>6,172,253</u> |
| Change in net position | <u>(2,803,744)</u> | <u>(76,819)</u> | <u>3,136,153</u> | <u>255,590</u> |
| Net position - beginning of period as previously reported | (80,290) | (35,494) | (117,827,484) | (117,943,268) |
| Correction of an error in OPEB allocations (Note VII D) | <u>(2,521,755)</u> | <u>(65,928)</u> | <u>44,122,470</u> | <u>41,534,787</u> |
| Net position - beginning of period as restated | <u>(2,602,045)</u> | <u>(101,422)</u> | <u>(73,705,014)</u> | <u>(76,408,481)</u> |
| Net position - ending | <u><u>\$ (5,405,789)</u></u> | <u><u>\$ (178,241)</u></u> | <u><u>\$ (70,568,861)</u></u> | <u><u>\$ (76,152,891)</u></u> |

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 Year Ended June 30, 2019

| | Fleet Management Fund | Support Services Fund | Risk Management Fund | Total Internal Service Funds |
|---|-----------------------------|-----------------------------|-----------------------------|---------------------------------------|
| Cash Flows From Operating Activities | | | | |
| Receipts from customers and users | \$ 394,966 | \$ - | \$ - | \$ 394,966 |
| Internal activity - receipts from other funds | 9,987,765 | 872,193 | 38,331,371 | 49,191,329 |
| Payments to suppliers | (8,482,505) | (3,552,454) | (5,201,569) | (17,236,528) |
| Claims paid | - | - | (35,999,422) | (35,999,422) |
| Payments to employees | (1,487,696) | (1,340,812) | (465,507) | (3,294,015) |
| Net cash provided by (used in) operating activities | <u>412,530</u> | <u>(4,021,073)</u> | <u>(3,335,127)</u> | <u>(6,943,670)</u> |
| Cash Flows From Noncapital Financing Activities | | | | |
| Advances to other funds | - | (24,479) | - | (24,479) |
| Advances from other funds | - | - | 99,289 | 99,289 |
| Transfers in | - | 4,206,877 | 4,437,856 | 8,644,733 |
| Transfers out | (2,437,413) | (35,067) | - | (2,472,480) |
| Net cash (used in) provided by noncapital financing activities | <u>(2,437,413)</u> | <u>4,147,331</u> | <u>4,537,145</u> | <u>6,247,063</u> |
| Cash Flows From Investing Activities | | | | |
| Proceeds from sale of assets | 3,885 | - | - | 3,885 |
| Interest received | - | - | 1,498,767 | 1,498,767 |
| Net cash provided by investing activities | <u>3,885</u> | <u>-</u> | <u>1,498,767</u> | <u>1,502,652</u> |
| Net (decrease) increase in cash and cash equivalents | (2,020,998) | 126,258 | 2,700,785 | 806,045 |
| Cash and cash equivalents, July 1, 2018 | <u>3,332,771</u> | <u>982,843</u> | <u>71,441,795</u> | <u>75,757,409</u> |
| Cash and cash equivalents, June 30, 2019 | <u><u>\$ 1,311,773</u></u> | <u><u>\$ 1,109,101</u></u> | <u><u>\$ 74,142,580</u></u> | <u><u>\$ 76,563,454</u></u> |

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS (CONTINUED)
 Year Ended June 30, 2019

| | Fleet Management Fund | Support Services Fund | Risk Management Fund | Total Internal Service Funds |
|--|-----------------------------|------------------------------|------------------------------|---------------------------------------|
| Reconciliation of operating (loss) income to net cash provided by (used in) operating activities | | | | |
| Operating (loss) income | <u>\$ (369,354)</u> | <u>\$ (4,248,629)</u> | <u>\$ (2,800,470)</u> | <u>\$ (7,418,453)</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation | 32,450 | 115,571 | - | 148,021 |
| Accrued benefits related to net pension liability | 134,789 | 123,691 | 3,472 | 261,952 |
| Change in operating assets and liabilities | | | | |
| Accounts receivable | 38,164 | (969) | (19,581) | 17,614 |
| Inventory | - | 19,426 | - | 19,426 |
| Prepaid expenses | (4,181) | (123,062) | - | (127,243) |
| Accounts payable | 424,941 | 71,516 | (590,282) | (93,825) |
| Accrued compensated absences | 2,686 | 15,289 | 3,558 | 21,533 |
| Unearned revenue | (1,001) | 2,067 | 302 | 1,368 |
| OPEB liability | 154,036 | 4,027 | 2,174,452 | 2,332,515 |
| Accrued liability for claims | - | - | (2,106,578) | (2,106,578) |
| Total adjustments | <u>781,884</u> | <u>227,556</u> | <u>(534,657)</u> | <u>474,783</u> |
| Net cash provided by (used in) operating activities | <u><u>\$ 412,530</u></u> | <u><u>\$ (4,021,073)</u></u> | <u><u>\$ (3,335,127)</u></u> | <u><u>\$ (6,943,670)</u></u> |

See accompanying independent auditor's report.

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, 2019

| | Private-Purpose Trust Funds | | | Total Private-Purpose Trust Funds |
|--------------------------------|---------------------------------------|---|---|--|
| | Breast Cancer Awareness Fund | Employee Special Activity Fund | Mayor's Commission Employ People with Disabilities Fund | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,725 | \$ 502 | \$ 2,546 | \$ 5,773 |
| Total assets | <u>2,725</u> | <u>502</u> | <u>2,546</u> | <u>5,773</u> |
| NET POSITION | | | | |
| Held in trust - other purposes | <u>\$ 2,725</u> | <u>\$ 502</u> | <u>\$ 2,546</u> | <u>\$ 5,773</u> |

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
 PRIVATE PURPOSE TRUST FUNDS
 Year Ended June 30, 2019

| | <u>Private-Purpose Trust Funds</u> | | | |
|---------------------------------|---|---|--|--|
| | <u>Breast Cancer Awareness Fund</u> | <u>Employee Special Activity Fund</u> | <u>Mayor's Commission Employ People with Disabilities Fund</u> | <u>Total Private-Purpose Trust Funds</u> |
| ADDITIONS | | | | |
| Contributions: | | | | |
| Private Donations | \$ 1,068 | \$ 5 | \$ 31 | \$ 1,104 |
| Total contributions | <u>1,068</u> | <u>5</u> | <u>31</u> | <u>1,104</u> |
| DEDUCTIONS | | | | |
| Program expenses | 43 | - | 2 | 45 |
| Total deductions | <u>43</u> | <u>-</u> | <u>2</u> | <u>45</u> |
| Change in net position | 1,025 | 5 | 29 | 1,059 |
| Net position - beginning | <u>1,700</u> | <u>497</u> | <u>2,517</u> | <u>4,714</u> |
| Net position - ending | <u>\$ 2,725</u> | <u>\$ 502</u> | <u>\$ 2,546</u> | <u>\$ 5,773</u> |

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 Year Ended June 30, 2019

| | Balance | Additions | Deductions | Balance |
|---------------------------|----------------------|------------------|-------------------|----------------------|
| | June 30, 2018 | | | June 30, 2019 |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 47,025 | \$ 47,696 | \$ (56,328) | \$ 38,393 |
| Total assets | \$ 47,025 | \$ 47,696 | \$ (56,328) | \$ 38,393 |
| LIABILITIES | | | | |
| Accounts payable | \$ 47,025 | \$ (43,047) | \$ 34,415 | \$ 38,393 |
| Total liabilities | \$ 47,025 | \$ (43,047) | \$ 34,415 | \$ 38,393 |

See accompanying independent auditor's report.

OTHER SCHEDULE

**CITY OF COLUMBIA, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
YEAR ENDED JUNE 30, 2019**

| <u>For the State Treasurer's Office</u> | <u>Municipal Court</u> |
|--|------------------------|
| COUNTY/MUNICIPAL FUNDS COLLECTED by the CLERK OF COURT | |
| Court Fines and Assessments: | |
| Court fines and assessments collected | \$ 1,625,103 |
| Court fines and assessments remitted to the State Treasurer | (867,717) |
| Total Court Fines and Assessments Retained | \$ 757,386 |
| | |
| Surcharges and Assessments Retained for Victim Services: | |
| Surcharges Collected and Retained | \$ 16,561 |
| Assessments Retained | 73,764 |
| Total Surcharges and Assessments Retained for Victim Services | \$ 90,325 |
| | |
| <u>For the Department of Crime Victim Compensation (DCVC)</u> | |
| Victim Service Funds Collected | |
| Carryforward From Previous Year - Beginning Balance | \$ 189,454 |
| <u>Victim Service Revenue</u> | |
| Victim Service Assessments Retained by City/County Treasurer | 73,764 |
| Victim Service Surcharges Retained by City/County Treasurer | 16,561 |
| General Funds Transferred to Victim Service Fund | - |
| Total Funds Allocated to Victim Service Fund plus Beginning Balance | 279,779 |
| | |
| <u>Expenditures for Victim Service Program:</u> | |
| Operating Expenditures | 278,438 |
| Total Expenditures from Victim Services Fund | 278,438 |
| | |
| Total Victim Service Funds Retained by Municipal County Treasurer | 1,341 |
| Less: Prior Year Fund Deficit Repayment | - |
| Carryforward Funds - End of Year | \$ 1,341 |

See accompanying independent auditor's report.

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 16)

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 17 through 19)

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 20 through 21)

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)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 ³ | 2019 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|----------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets ¹ | \$ 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 | \$ 164,314,702 |
| Restricted for: | | | | | | | | | | |
| Public safety | 5,575 | 701,466 | 386,158 | 2,294,259 | 4,233,960 | 231,622 | 353,801 | 617,492 | 707,867 | 669,477 |
| Community development | - | - | - | 209,030 | 107,259 | 1,051,042 | 628,926 | 1,069,540 | 1,326,957 | 1,312,617 |
| 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 | 5,715,193 |
| 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 | 3,491,801 |
| 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 | 14,649,565 |
| Unrestricted ^{2,4,5} | 44,723,202 | 20,963,118 | 18,967,653 | 25,840,430 | 26,906,641 | (109,340,207) | (81,441,812) | (192,244,224) | (154,202,089) | (149,355,025) |
| Total governmental activities net position | \$ 186,594,367 | \$ 191,812,698 | \$ 201,712,977 | \$ 207,388,220 | \$ 214,030,566 | \$ 106,415,505 | \$ 107,414,834 | \$ 4,412,072 | \$ 41,762,484 | \$ 40,798,330 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets ¹ | \$ 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 | \$ 430,555,601 |
| 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 | 1,302,306 |
| Unrestricted ² | 145,389,137 | 168,441,129 | 195,789,983 | 237,703,881 | 252,831,152 | 224,972,741 | 208,565,893 | 182,771,075 | 140,727,380 | 140,945,824 |
| Total business-type activities net position | \$ 592,754,529 | \$ 592,615,278 | \$ 594,506,388 | \$ 620,668,875 | \$ 637,925,568 | \$ 603,067,624 | \$ 619,439,244 | \$ 627,290,391 | \$ 576,300,576 | \$ 572,803,731 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets ¹ | \$ 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 | \$ 594,870,303 |
| Restricted for: | | | | | | | | | | |
| Public safety | 5,575 | 701,466 | 386,158 | 2,294,259 | 4,233,960 | 231,622 | 353,801 | 617,492 | 707,867 | 669,477 |
| Community development | - | - | - | 209,030 | 107,259 | 1,051,042 | 628,926 | 1,069,540 | 1,326,957 | 1,312,617 |
| 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 | 5,715,193 |
| 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 | 4,794,107 |
| 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 | 14,649,565 |
| Unrestricted ^{2,3,4,5} | 190,112,339 | 189,404,247 | 214,757,636 | 263,544,111 | 279,737,793 | 115,632,534 | 127,124,081 | (9,473,149) | (13,474,709) | (8,409,201) |
| Total primary government net position | \$ 779,348,896 | \$ 784,427,976 | \$ 796,219,365 | \$ 828,057,095 | \$ 851,956,134 | \$ 709,483,129 | \$ 726,854,078 | \$ 631,702,463 | \$ 618,063,060 | \$ 613,602,061 |

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.

⁵ Year 2018 has been restated to correctly allocate OPEB expense and to correct errors in federal revenue. See Note VII.D

See accompanying independent auditor's report.

Schedule 2
 CITY OF COLUMBIA, SOUTH CAROLINA
 Changes in Net Position (unaudited)
 Last Ten Fiscal Years
 (accrual basis of accounting)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 ** | 2018 ** | 2019 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities: * | | | | | | | | | | |
| General government | \$ 53,883,052 | \$ 35,131,885 | \$ 10,877,738 | \$ 17,577,215 | \$ 8,048,816 | \$ 8,050,355 | \$ 16,584,496 | \$ 21,967,466 | \$ 23,203,693 | \$ 24,646,183 |
| Judicial | 2,360,125 | 2,697,932 | 2,447,105 | 2,601,919 | 2,615,194 | 2,749,136 | 2,821,703 | 3,515,045 | 3,594,550 | 3,243,546 |
| Finance department | 1,986,467 | 2,235,981 | 2,348,922 | 2,051,555 | 1,726,481 | 1,866,778 | 1,872,071 | 1,857,440 | 1,906,543 | 1,873,596 |
| Community promotions | 8,990,842 | 7,843,093 | 11,899,487 | 11,915,733 | 12,872,657 | 10,660,364 | 14,374,726 | 8,847,034 | 347,449 | 259,673 |
| Planning and development | - | - | - | - | - | - | - | 4,267,580 | 4,314,300 | 4,495,177 |
| Public safety | 50,615,722 | 58,762,428 | 75,783,788 | 73,682,870 | 84,053,096 | 87,251,472 | 93,500,619 | 92,143,229 | 97,240,671 | 100,884,885 |
| Parks and recreation | 8,681,126 | 11,445,882 | 9,912,910 | 11,329,817 | 12,290,401 | 13,081,872 | 13,936,365 | 13,884,956 | 14,862,563 | 15,452,425 |
| Public services | 17,884,065 | 21,229,705 | 24,168,009 | 23,483,659 | 21,960,858 | 24,282,518 | 23,134,424 | 16,558,862 | 18,569,541 | 19,565,757 |
| General services | 3,598,839 | 3,924,144 | 4,193,394 | 4,540,814 | 4,933,285 | 5,269,511 | 5,423,712 | 2,539,388 | 2,585,254 | 2,680,538 |
| Tourism and community development | 4,017,482 | 4,365,542 | 4,760,642 | 5,855,023 | 5,787,850 | 5,791,062 | 5,523,831 | 14,411,919 | 22,250,372 | 21,965,449 |
| Interest and other charges | 3,413,317 | 3,763,963 | 2,366,916 | 3,027,411 | 2,955,994 | 4,491,254 | 4,269,910 | 3,732,649 | 3,814,060 | 2,719,188 |
| Non departmental | 1,936,148 | 2,644,113 | 2,401,408 | 2,455,280 | 2,515,184 | 2,141,310 | 3,656,099 | 4,984,358 | 3,365,104 | 1,529,083 |
| Total governmental activities expense | <u>157,367,185</u> | <u>154,044,668</u> | <u>151,160,319</u> | <u>158,521,276</u> | <u>169,760,816</u> | <u>165,655,632</u> | <u>185,117,956</u> | <u>188,709,926</u> | <u>196,054,100</u> | <u>199,295,500</u> |
| Business-type Activities: * | | | | | | | | | | |
| Water and sewer facilities | 103,530,941 | 107,934,251 | 106,594,059 | 107,410,948 | 100,389,819 | 113,273,814 | 133,177,028 | 138,965,008 | 148,618,415 | 163,192,833 |
| Hydro-electric plant | 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 | 1,308,062 |
| Stormwater | 4,117,396 | 5,169,916 | 4,595,847 | 4,892,223 | 5,668,819 | 6,814,419 | 6,371,047 | 6,755,544 | 6,211,028 | 9,029,891 |
| Parking facilities | 6,959,024 | 7,234,418 | 6,336,721 | 6,330,242 | 6,162,449 | 7,676,876 | 7,300,521 | 7,424,017 | 8,138,572 | 8,866,953 |
| Redevelopment programs | 4,704,419 | 606,285 | 1,966,452 | 734,283 | 848,141 | 835,812 | 811,683 | 1,092,578 | 1,043,347 | 1,206,148 |
| Parks and recreation camps | 248,705 | 268,639 | 305,939 | 271,271 | 324,209 | 306,219 | 325,053 | 362,485 | 406,390 | 476,156 |
| Total business-type expenses | <u>122,870,892</u> | <u>122,828,711</u> | <u>121,346,111</u> | <u>120,964,053</u> | <u>116,405,813</u> | <u>129,331,684</u> | <u>148,510,388</u> | <u>156,715,640</u> | <u>168,358,999</u> | <u>184,100,043</u> |
| Total primary government expenses | <u>\$ 280,238,077</u> | <u>\$ 276,873,379</u> | <u>\$ 272,506,430</u> | <u>\$ 279,505,329</u> | <u>\$ 276,166,629</u> | <u>\$ 294,987,316</u> | <u>\$ 333,628,344</u> | <u>\$ 345,425,566</u> | <u>\$ 364,413,099</u> | <u>\$ 383,395,543</u> |
| Program revenues | | | | | | | | | | |
| Governmental Activities: ** | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 6,461,975 | \$ 9,042,002 | \$ 771,459 | \$ 940,028 | \$ 758,177 | \$ 726,487 | \$ 810,592 | \$ 40,714,948 | \$ 41,914,647 | \$ 42,512,469 |
| Finance | 26,306,361 | 27,706,316 | 28,328,937 | 30,505,679 | 31,467,056 | 37,837,666 | 38,659,299 | - | - | - |
| Community promotions | - | - | - | - | - | - | - | - | 165,358 | - |
| Tourism and community development | 1,112,332 | 1,052,569 | 721,425 | 793,431 | 832,159 | 799,683 | 908,359 | 619,541 | 71,225 | 85,626 |
| Public safety | 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 | 47,734,678 |
| Parks and recreation | 629,982 | 844,895 | 583,471 | 728,247 | 818,304 | 822,319 | 779,008 | 835,501 | 876,137 | 880,984 |
| Public services | 860,914 | 762,632 | 350,100 | 247,570 | 344,718 | 258,211 | 169,512 | 615,441 | 596,340 | 728,323 |
| General services | - | - | - | - | - | - | - | 888,200 | 212,115 | 229,196 |
| Non departmental | 154,783 | 170,256 | - | - | - | - | - | - | - | - |
| Operating grants and contributions | 34,616,143 | 35,000,087 | 33,702,068 | 33,701,772 | 34,448,202 | 34,980,295 | 38,004,041 | 9,680,648 | 9,918,979 | 13,591,723 |
| Capital grants and contributions | 5,851,833 | 3,618,198 | 4,112,450 | 1,295,665 | 768,837 | 3,069,436 | 6,399,622 | 10,904,812 | 4,926,131 | 1,402,670 |
| Total Governmental Activities Program Revenue | <u>89,947,385</u> | <u>92,120,946</u> | <u>84,724,013</u> | <u>89,599,507</u> | <u>91,478,389</u> | <u>101,305,538</u> | <u>108,809,001</u> | <u>110,749,569</u> | <u>106,995,929</u> | <u>107,165,989</u> |
| Business-type Activities: * | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Water and sewer facilities | 109,044,457 | 107,976,683 | 112,750,717 | 121,723,711 | 116,644,423 | 119,716,789 | 133,482,271 | 137,198,161 | 133,114,566 | 147,913,149 |
| Hydro-electric plant | 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 | 4,800,452 | 4,778,442 | 4,861,153 | 6,685,838 | 6,958,281 | 7,521,149 | 7,316,201 | 7,432,103 | 12,708,897 | 14,260,785 |
| Parking facilities | 5,765,996 | 6,441,140 | 6,520,866 | 6,884,323 | 6,495,064 | 7,145,520 | 7,365,470 | 8,250,439 | 8,450,211 | 8,719,441 |
| Redevelopment programs | 881,876 | 846,954 | 599,950 | 921,759 | 564,456 | 880,111 | 543,628 | 574,908 | 561,668 | 620,775 |
| Parks and recreation camps | 207,707 | 226,238 | 262,582 | 253,150 | 275,182 | 300,931 | 320,265 | 335,055 | 319,316 | 353,166 |
| Operating grants and contributions | - | - | - | - | - | - | 6,248,115 | 6,029,439 | 127,343 | 1,289,286 |
| Capital grants and contributions | 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 | 5,894,028 |
| Total Business-type Activities Revenues | <u>127,201,059</u> | <u>124,959,473</u> | <u>131,683,562</u> | <u>145,011,496</u> | <u>141,213,238</u> | <u>142,275,135</u> | <u>171,559,900</u> | <u>170,131,650</u> | <u>162,365,450</u> | <u>179,050,630</u> |
| Total Primary Government Revenues | <u>\$ 217,148,444</u> | <u>\$ 217,080,421</u> | <u>\$ 216,407,575</u> | <u>\$ 234,611,003</u> | <u>\$ 232,689,627</u> | <u>\$ 243,580,673</u> | <u>\$ 280,368,901</u> | <u>\$ 280,881,419</u> | <u>\$ 269,361,379</u> | <u>\$ 286,216,619</u> |
| Net (expense) revenue | | | | | | | | | | |
| Governmental activities | \$ (67,419,800) | \$ (61,923,720) | \$ (66,436,306) | \$ (68,921,769) | \$ (68,284,427) | \$ (64,350,094) | \$ (76,308,955) | \$ (77,960,357) | \$ (89,058,171) | \$ (92,129,511) |
| Business-type activities | 4,330,167 | 2,130,762 | 10,337,451 | 24,027,443 | 24,807,425 | 12,943,451 | 23,049,512 | 13,416,210 | (5,993,549) | (5,049,413) |
| Total Primary Government Net Expense | <u>\$ (63,089,633)</u> | <u>\$ (59,792,958)</u> | <u>\$ (56,098,855)</u> | <u>\$ (44,894,326)</u> | <u>\$ (43,477,002)</u> | <u>\$ (51,406,643)</u> | <u>\$ (53,259,443)</u> | <u>\$ (64,544,147)</u> | <u>\$ (95,051,720)</u> | <u>\$ (97,178,924)</u> |

* Year 2018 has been restated to correctly allocate OPEB expense and to correct errors in federal revenue. See Note VII.D.
 ** 2017 and 2018 utility franchise revenue and business privilege license revenue have been reclassified to charges for services in order to conform to current year presentation.

(Continued)

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

Last Ten Fiscal Years
 (accrual basis of accounting)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 * | 2019 |
|---|----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| General property taxes | \$ 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 | \$ 37,225,108 |
| Local Option Sales Tax | 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 | 20,775,337 |
| Hospitality and admission taxes | - | - | - | - | - | - | - | 11,990,432 | 12,287,708 | 12,716,579 |
| Accommodations tax | - | - | - | - | - | - | - | 2,496,308 | 2,753,342 | 2,944,112 |
| Tourism development fee | - | - | - | - | - | - | - | 3,911,428 | 4,080,751 | 3,924,883 |
| Liquor permit fees | - | - | - | - | - | - | - | 478,973 | 350,825 | 451,750 |
| Sales tax | 7,941,705 | 8,359,028 | 14,216,318 | 11,498,370 | 12,072,024 | 12,626,419 | 13,398,593 | - | - | - |
| Alcoholic beverages | 261,200 | - | - | - | - | - | - | - | - | - |
| Motor fuel | 11,024 | 4,976 | 3,436 | 3,566 | 1,381 | 3,348 | 3,054 | - | - | - |
| State shared revenue | 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 | 2,955,787 |
| Investment income | 417,459 | 1,068,106 | 537,702 | 26,022 | 89,001 | 163,175 | 227,683 | (20,184) | 267,877 | 2,289,589 |
| Gain (loss) on sale of capital assets | - | - | - | - | - | - | - | - | - | 134,786 |
| Insurance recoveries | - | - | - | - | - | - | - | - | - | 129,260 |
| Other | - | - | 156,323 | 188,511 | 109,361 | 254,447 | 222,106 | - | - | 535,077 |
| Special Items | - | - | - | - | - | - | - | 2,592,856 | - | - |
| Transfers | 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 | 7,083,089 |
| Total Governmental Activities | <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>\$ 83,967,849</u> | <u>\$ 87,455,848</u> | <u>\$ 91,165,357</u> |
| Business-type Activities | | | | | | | | | | |
| Investment income | 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 | 8,496,571 |
| Gain (loss) on sale of capital assets | 17,476 | 143,088 | (2,609,759) | 10,922,099 | 322,133 | 103,766 | 377,079 | - | - | 139,086 |
| Transfers | (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) | (7,083,089) |
| Total Business-type Activities | <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> | <u>\$ 1,552,568</u> |
| Total Primary Government | <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>\$ 78,402,774</u> | <u>\$ 81,412,317</u> | <u>\$ 92,717,925</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ (1,093,333) | \$ 5,961,356 | \$ 9,373,055 | \$ 5,567,256 | \$ 6,642,346 | \$ 10,980,199 | \$ 986,523 | \$ 6,007,492 | \$ (1,602,323) | \$ (964,154) |
| Business-type activities | 4,655,649 | (462,530) | 2,800,691 | 25,441,180 | 17,256,693 | 5,383,918 | 16,371,620 | 7,851,135 | (12,037,080) | (3,496,845) |
| Total Primary Government | <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>\$ (13,639,403)</u> | <u>\$ (4,460,999)</u> |

* Year 2018 has been restated to correctly allocate OPEB expense and to correct errors in federal revenue. See Note VII.D.

See accompanying independent auditor's report.

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

Last Ten Fiscal Years
 (modified accrual basis of accounting)

| | 2010 ** | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017*** | 2018 **** | 2019 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Fund **** | | | | | | | | | | |
| Nonspendable | \$ 246,160 | \$ 493,807 | \$ 280,272 | \$ 298,252 | \$ 233,945 | \$ 696,389 | \$ 433,224 | \$ 445,780 | \$ 436,052 | \$ 884,418 |
| Restricted | - | - | - | - | - | 4,880,662 | 1,579,244 | 4,837,243 | 4,637,457 | 9,259,223 |
| Committed | - | 2,128,479 | - | - | 72,975 | 4,810,356 | 4,876,045 | 5,207,080 | 4,874,733 | 4,963,776 |
| Assigned | 1,538,430 | - | 190,599 | 2,159,860 | 3,627,442 | 3,654,109 | 3,603,701 | 4,054,048 | 2,205,351 | 9,160,058 |
| Unassigned | 13,868,228 | 11,424,065 | 14,972,196 | 22,380,727 | 25,059,965 | 22,352,224 | 19,412,644 | 15,076,661 | 20,947,083 | 17,428,534 |
| Total general fund | \$ 15,452,816 | \$ 14,044,351 | \$ 15,443,067 | \$ 24,838,839 | \$ 28,994,327 | \$ 36,393,740 | \$ 29,904,858 | \$ 29,820,792 | \$ 33,100,656 | \$ 41,496,009 |
| County Services Fund | | | | | | | | | | |
| Nonspendable | \$ 35,374 | \$ 4,378 | \$ 14,536 | \$ 71,775 | \$ 56,905 | \$ 64,376 | \$ 66,437 | \$ 74,580 | \$ 74,677 | \$ 89,329 |
| 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) | (3,514,271) |
| 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) | \$ (3,424,942) |
| Miscellaneous Projects *** | | | | | | | | | | |
| Restricted | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,407,629 | \$ - | \$ - | \$ - |
| All Other Governmental Funds **** | | | | | | | | | | |
| Nonspendable | \$ 6,943 | \$ 19,080 | \$ 16,433 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Restricted | 5,575 | 27,900,320 | 28,750,353 | 24,724,874 | 28,565,017 | 48,767,569 | 18,032,753 | 19,703,192 | 18,280,050 | 16,574,430 |
| 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 | 9,911,402 |
| Unassigned | (31,088) | (14,080) | (225,792) | (152,559) | - | - | - | - | - | - |
| Total all other governmental funds | \$ 39,180,111 | \$ 48,187,299 | \$ 44,285,830 | \$ 37,180,908 | \$ 41,238,499 | \$ 65,343,175 | \$ 31,236,313 | \$ 37,679,503 | \$ 31,373,976 | \$ 26,490,832 |

** 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.

**** The general fund and other governmental funds have been restated in 2018 to move the Capital City fund from the general fund to other governmental funds, and to correct an error in federal revenue. See Note VII.D.

See accompanying independent auditor's report.

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

Last Ten Fiscal Years
 (modified accrual basis of accounting)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 * | 2019 |
|---|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|---------------------|---------------------|--------------------|--------------------|
| Revenues: * | | | | | | | | | | |
| General property taxes | \$ 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 | \$ 36,648,599 |
| Local option sales tax | - | - | - | - | - | - | - | 20,946,748 | 20,811,587 | 20,775,337 |
| Hospitality and admission taxes | 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 | 12,716,579 |
| Accommodations tax | - | - | - | - | - | - | - | 2,496,308 | 2,753,342 | 2,944,112 |
| Tourism development fee | - | - | - | - | - | - | - | 3,911,428 | 4,080,751 | 3,924,883 |
| Liquor permit fee | - | - | - | - | - | - | - | 478,973 | 350,825 | 451,750 |
| License and permits | 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 | 28,404,852 |
| Franchise fees | - | - | - | - | - | - | - | 13,133,923 | 12,904,332 | 11,974,635 |
| Intergovernmental revenue | 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 | 16,823,178 |
| Charges for services | 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 | 13,379,462 |
| Fines and forfeitures | 864,112 | 889,048 | 1,139,209 | 1,230,219 | 1,334,420 | 1,237,153 | 941,713 | 1,262,355 | 1,477,142 | 1,045,043 |
| Federal revenues | 16,205,021 | 12,019,998 | 7,905,552 | 5,452,069 | 3,942,851 | 3,434,392 | 4,965,775 | 6,979,415 | 6,641,747 | 9,888,498 |
| State revenues | 1,634,625 | 1,971,391 | 417,851 | 380,553 | 1,010,674 | 3,381,880 | 1,074,349 | 35,593 | 291,930 | 1,360,090 |
| County revenues | 21,084,511 | 21,626,422 | 25,013,335 | 26,530,590 | 27,742,117 | 25,852,150 | 30,232,460 | 26,788,407 | 26,475,088 | 26,260,956 |
| Promotions | 144,639 | 220,148 | 392,947 | 89,314 | 78,047 | 121,928 | 109,255 | 733,355 | 35,000 | 33,000 |
| Private grants | - | - | - | - | - | - | - | 89,496 | 938,340 | 993,369 |
| Confiscated funds | 74,057 | 671,961 | 403,311 | 533,541 | 267,863 | 279,147 | 274,392 | - | - | - |
| Cost recovery fees | 2,270,000 | - | - | - | - | - | - | - | - | - |
| Interest | 417,458 | 1,068,106 | 539,145 | 26,386 | 89,104 | 163,266 | 227,762 | (20,184) | 267,877 | 790,822 |
| Rental income | - | - | - | - | - | - | - | 103,343 | 133,873 | 99,843 |
| Other revenues | 3,355,276 | 8,279,105 | 2,970,887 | 1,688,232 | 1,415,305 | 1,738,208 | 4,241,505 | 2,036,909 | 113,725 | 535,077 |
| Total revenues | 149,306,692 | 152,272,896 | 151,713,097 | 154,102,167 | 157,376,812 | 165,340,453 | 173,699,323 | 181,899,966 | 185,079,730 | 188,849,983 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 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 | 14,234,889 |
| Judicial | 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 | 3,025,420 |
| Finance department | 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 | 1,782,499 |
| Planning and development | 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 | 4,276,616 |
| Public safety | 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 | 92,621,598 |
| Parks and recreation | 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 | 12,751,899 |
| Public services | 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 | 18,305,617 |
| General services | 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 | 2,524,071 |
| Tourism and community development | - | - | - | - | - | - | - | 20,154,312 | 20,824,343 | 20,892,517 |
| Community promotion | 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 | 247,048 |
| Nondepartmental | 1,066,644 | 1,666,009 | 2,388,824 | 2,475,304 | 2,835,449 | 2,279,518 | 3,785,304 | - | - | - |
| Other charges | 729,482 | 825,212 | - | 11,079 | - | - | - | - | - | - |
| Debt service: | | | | | | | | | | |
| Principal payment on bonds | 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 | 11,146,888 |
| Interest payments on bonds | 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 | 2,914,946 |
| Fiscal agent charges | 8,040 | 9,040 | 8,913 | 4,975 | 4,587 | 5,461 | 5,732 | 15,499 | 15,032 | 14,297 |
| Debt issuance costs | - | 276,774 | 2,122,842 | 550,421 | 243,479 | 904,310 | 580,569 | 129,500 | - | - |
| Capital outlay: | | | | | | | | | | |
| Capital outlay: | 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 | 10,590,294 |
| Total expenditures | 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 | 195,328,599 |
| Excess of revenues over (under) expenditures | 692,194 | 903,995 | (12,655,277) | (8,480,767) | (4,884,149) | (9,503,803) | (45,567,002) | (20,020,491) | (9,303,203) | (6,478,616) |

* The general fund and other governmental funds have been restated in 2018 to move the Capital City fund from the general fund to other governmental funds, and to correct an error in federal revenue. See Note VII.D.

(Continued)

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

Last Ten Fiscal Years
 (modified accrual basis of accounting)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 ** | 2018 * | 2019 |
|---|---------------|---------------|----------------|---------------|---------------|---------------|-----------------|---------------|----------------|---------------|
| Other financing sources (uses): | | | | | | | | | | |
| Transfers in | \$ 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 | \$ 24,176,492 |
| Transfers out | (19,811,164) | (31,220,308) | (27,084,972) | (24,286,578) | (21,206,734) | (29,928,951) | (38,628,587) | (31,893,386) | (21,156,513) | (23,265,656) |
| Issuance of debt | - | 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 | 8,000,000 |
| Premium on debt issued | - | 662,383 | 343,785 | 401,659 | 816,175 | 3,747,839 | 1,707,916 | - | - | - |
| Refunding bonds issued | - | 9,945,000 | 14,825,000 | 24,280,000 | - | - | 6,260,000 | - | - | - |
| Payment to refunded bond escrow agent | - | (10,262,899) | (14,436,356) | (23,915,684) | - | - | (6,666,502) | - | - | - |
| Insurance recoveries | - | - | - | - | - | - | - | - | - | - |
| Sales of assets | 156,762 | 144,703 | 170,409 | 225,893 | 382,589 | 386,636 | 348,987 | 92,831 | 149,573 | 129,260 |
| Total other financing sources (uses) | 3,147,481 | 6,841,188 | 10,414,799 | 11,798,320 | 13,467,779 | 37,909,357 | 8,199,603 | 5,541,771 | 6,306,674 | 9,224,243 |
| Special items** | | | | | | | | | | |
| Collections on capital leases | - | - | - | - | - | - | - | 13,280,875 | - | - |
| Rental income | - | - | - | - | - | - | - | 2,592,856 | - | - |
| Total special items | - | - | - | - | - | - | - | 15,873,731 | - | - |
| Net change in fund balance | \$ 3,639,675 | \$ 7,745,183 | \$ (2,240,478) | \$ 3,317,553 | \$ 8,583,630 | \$ 28,405,554 | \$ (37,367,399) | \$ 1,395,011 | \$ (2,996,529) | \$ 2,745,627 |
| Debt service as a percentage of noncapital expenditures | 6% | 6% | 7% | 7% | 8% | 8% | 8% | 15% | 8% | 8% |

* The general fund and other governmental funds have been restated in 2018 to move the Capital City fund from the general fund to other governmental funds, and to correct an error in federal revenue. See Note VII.D.

** The special items in 2017 included collections on capital leases and rental income, resulting from the early payoff of a capital lease receivable held by the City. This also resulted in increased principal payments for debt, causing debt service as a percentage of noncapital expenditures to be higher than usual.

See accompanying independent auditor's report.

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 | | |
| 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 | 436,835,680 | 8,704,879,877 | 128,818,907 | 1,625,411,781 | 565,654,587 | 10,330,291,658 | 5.48% | 98.1 |
| 2019 | 2018 | 451,617,910 | 9,033,830,822 | 127,188,740 | 1,501,121,493 | 578,806,650 | 10,534,952,315 | 5.49% | 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.

See accompanying independent auditor's report.

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 |
| 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 |
| 2019 | 98.1 | 127.1 | 124.3 | 330.5 | 435.7 | 332.3 |

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.

See accompanying independent auditor's report.

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

Current Year and Nine Years Ago

| Taxpayer | 2019 ¹ | | | 2010 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 & Gas | \$ 19,116,950 | 1 | 3.56% | \$11,788,860 | 1 | 2.58% |
| Bellsouth Telecom Inc. | 3,530,330 | 2 | 0.66% | 10,906,520 | 2 | 1.89% |
| HPT Sunbelt Portfolio LLC | 3,272,110 | 3 | 0.61% | - | | |
| Providence Hospital LLC | 3,257,790 | 4 | 0.61% | - | | |
| EQSII At 1221 Main Street LLC | 2,925,000 | 5 | 0.55% | - | | |
| SC Telecomm Group Holdings LLC | 2,683,610 | 6 | 0.50% | - | | |
| CORE Campus Columbia LLC | 2,603,430 | 7 | 0.49% | - | | |
| 1000 Whaley Street LP | 2,557,550 | 8 | 0.48% | - | | |
| Sprintcom.Inc | 2,369,600 | 9 | 0.44% | - | | |
| Spirit SPE SCOA 2013-8 LLC | 2,310,000 | 10 | 0.43% | - | | |
| Unumprovident Corporation | - | | | 2,462,340 | 3 | 0.54% |
| US REIF/MJW Capital Center Fee | - | | | 2,287,170 | 4 | 0.50% |
| Time Warner | - | | | 2,066,170 | 5 | 0.45% |
| Bank of America Plaza LLC | - | | | 1,968,100 | 6 | 0.43% |
| Colonial Life & Accident | - | | | 1,923,598 | 7 | 0.42% |
| Parkway Properties LP | - | | | 1,588,470 | 8 | 0.35% |
| ADESSO/Columbia LLC | - | | | 1,433,830 | 9 | 0.31% |
| SC Heritage Assoc | - | | | 1,302,840 | 10 | 0.28% |
| | <u>\$ 44,626,370</u> | | <u>8.33%</u> | <u>\$ 37,727,898</u> | | <u>7.75%</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 \$578,806,650.

² Total assessed valuation was \$497,573,329

See accompanying independent auditor's report.

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 |
| 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% | 725,300 | 56,762,655 | 102.25% |
| 2019 | 56,807,204 | 57,811,187 | 101.77% | - | 57,811,187 | 101.77% |

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

See accompanying independent auditor's report.

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

Last Ten Fiscal Years

| Fiscal Year | General Obligation Bonds ^{1 2} | Notes Payable | Capital Lease | Revenue Bonds ^{1 2} | Total Governmental Activities Debt |
|-------------|---|------------------|------------------|---------------------------------|---|
| 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 |
| 2019 | 23,317,930 | 525,000 | 18,354,869 | 45,859,739 | 88,057,538 |

¹ 2010 through 2013 have been restated for the implementation of GASB 65

² Bond amounts include premiums

(Continued)

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

Last Ten Fiscal Years

| Fiscal Year | Other Business-Type Activities Debt | | Total Business-type Activities | Total Primary Government | Percentage of Personal Income ² | Debt Per Capita ³ |
|-------------|-------------------------------------|-------------|--------------------------------|--------------------------|--|------------------------------|
| | Revenue Bonds ^{1 4} | | | | | |
| 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 |
| 2019 | | 660,982,094 | 660,982,094 | 749,039,632 | 12.35% | 5,330 |

¹ 2010 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

See accompanying independent auditor's report.

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 | | |
| 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 |
| 2019 | 23,317,930 | 3,491,801 | 19,826,129 | 0.19% | 141.07 |

¹ 2010 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

See accompanying independent auditor's report.

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

June 30, 2019

| 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 | \$ 578,806,650 | \$ 578,806,650 | \$ 88,057,538 | 100.00% | \$ 88,057,538 |
| Overlapping | | | | | |
| Counties: | | | | | |
| Richland County | 1,647,496,230 | 554,552,650 | 87,160,000 | 33.66% | 29,338,343 |
| Lexington County | 1,234,619,010 | 24,254,000 | 30,793,373 | 1.96% | 604,934 |
| School Districts: | | | | | |
| Lexington Richland SD 5 | 314,623,790 | 24,254,000 | 192,456,000 | 7.71% | 14,836,220 |
| Richland School District One | 870,701,020 | 484,516,020 | 395,660,000 | 55.65% | 220,171,568 |
| Richland School District Two | 569,933,360 | 48,412,730 | 349,555,000 | 8.49% | 29,692,790 |
| Special Districts: | | | | | |
| Airport District | 1,647,496,230 | 554,552,650 | 6,525,000 | 33.66% | 2,196,336 |
| Riverbanks Park District | 2,882,115,240 | 578,806,650 | 30,475,000 | 20.08% | 6,120,204 |
| Total Overlapping Debt | | | | | 302,960,395 |
| Total Direct and Overlapping Debt | | | | | \$ 391,017,933 |

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.

See accompanying independent auditor's report.

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

Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Debt Limit</u> | <u>Net Debt Outstanding¹</u> | <u>Legal Debt Margin</u> | <u>Ratio of Net Debt Outstanding to the Debt Limit</u> |
|--------------------|-------------------|---|--------------------------|--|
| 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% |
| 2019 | 46,837,915 | 21,315,000 | 25,522,915 | 45.51% |

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, 2019:

| | |
|--|-----------------------------|
| Assessed value in Richland County | \$ 554,552,650 |
| Assessed value in Lexington County | 24,254,000 |
| Subtotal | <u>578,806,650</u> |
| Business inventory 1987 assessed value | 6,667,290 |
| Total assessed value | <u>585,473,940</u> |
| | 8.00% |
| Debt Limit | <u>46,837,915</u> |
| Net debt outstanding subject to the debt limit | <u>21,315,000</u> |
| Legal debt margin as of June 30, 2019 | <u><u>\$ 25,522,915</u></u> |

See accompanying independent auditor's report.

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 | |
| 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 |
| 2019 | 18,524,581 | 3,825,000 | 1,667,430 | 5,492,430 | 3.4 |

¹ Allowable revenues include hospitality fees and tourism development fees.

² Governmental revenue bonds include the Certificates of Participation Series 2012.

See accompanying independent auditor's report.

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 | | |
| 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 |
| 2019 | 155,445,030 | 93,846,955 | 61,598,075 | 11,915,000 | 23,485,913 | (20,017) | 35,380,896 | 1.7 |

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 and interest rate swap fees.

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

See accompanying independent auditor's report.

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 | |
| 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 |
| 2019 | 7,235,977 | 2,694,546 | 4,541,431 | 1,965,000 | 1,603,645 | 3,568,645 | 1.3 |

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 Definition of current operating expenses was revised during fiscal year 2013.

³ Includes capitalized interest.

See accompanying independent auditor's report.

Schedule 16
CITY OF COLUMBIA, SOUTH CAROLINA
Stormwater
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 | Total | |
| 2019 | \$ 16,445,612 | \$ 5,827,782 | \$ 10,617,830 | \$ - | \$ - | \$ - | N/A |

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

² Represents total operating expenses less depreciaton expense.

See accompanying independent auditor's report.

Schedule 17
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> |
|-------------|-------------------------------|--|---|---|--|
| 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% |
| 2019 | 133,451 | 6,066,873,888 | 45,461 | 23,782 | 3.70% |

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

See accompanying independent auditor's report.

Schedule 18
 CITY OF COLUMBIA, SOUTH CAROLINA
 Principal Employers

Current Year and Nine Years Ago

| Employer | 2019 ¹ | | | 2010 ² | | |
|----------------------------------|-------------------|------|--|-------------------|------|-------------------------------------|
| | Employees | Rank | Percentage to Total City Employment ³ | Employees | Rank | Percentage to Total City Employment |
| Prisma Health (Palmetto Health) | 15,000 | 1 | 12.24% | N/A | N/A | N/A |
| University of South Carolina | 6,395 | 2 | 5.22% | N/A | N/A | N/A |
| S.C. Department of Corrections | 4,764 | 3 | 3.89% | N/A | N/A | N/A |
| Richland One School District | 4,265 | 4 | 3.48% | N/A | N/A | N/A |
| SC Department of Transportation | 4,245 | 5 | 3.47% | N/A | N/A | N/A |
| S.C. Department of Mental Health | 4,143 | 6 | 3.38% | N/A | N/A | N/A |
| SC Department of Social Services | 4,069 | 7 | 3.32% | N/A | N/A | N/A |
| SC DHEC | 2,994 | 8 | 2.44% | N/A | N/A | N/A |
| City of Columbia | 2,523 | 9 | 2.06% | N/A | N/A | N/A |
| AT&T | 2,100 | 10 | 1.71% | N/A | N/A | N/A |

Source of data:

¹ Central South Carolina Alliance

² 2010 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

See accompanying independent auditor's report.

Schedule 19
 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, | | | | | | | | | |
|--|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| General government | 99.00 | 93.97 | 99.00 | 101.00 | 105.00 | 104.25 | 97.25 | 99.25 | 105.75 | 111.65 |
| Judicial | 35.00 | 36.00 | 37.00 | 36.00 | 37.00 | 37.00 | 41.00 | 41.00 | 40.00 | 37.00 |
| Finance | 56.00 | 51.50 | 53.50 | 51.50 | 71.50 | 79.50 | 82.50 | 45.50 | 45.50 | 50.50 |
| ¹ Procurement and Contracts | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 19.00 | 24.00 | 22.00 |
| ¹ Customer Care | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 31.00 | 64.00 | 65.00 |
| Development services and planning | 63.00 | 63.00 | 63.00 | 63.00 | 63.00 | 43.00 | 43.00 | 42.00 | 43.00 | 43.00 |
| Public safety | 757.50 | 747.50 | 757.50 | 770.00 | 770.50 | 792.50 | 797.50 | 807.00 | 810.00 | 812.00 |
| Parks and recreation | 149.00 | 149.00 | 149.00 | 149.00 | 149.00 | 149.00 | 149.00 | 152.00 | 164.00 | 167.00 |
| Public works | 275.00 | 269.00 | 270.00 | 269.00 | 268.00 | 269.00 | 269.00 | 275.00 | 272.00 | 275.00 |
| General services | 11.00 | 11.00 | 15.00 | 14.00 | 14.00 | 17.00 | 17.00 | 17.00 | 17.00 | 16.00 |
| Fleet services | 41.00 | 44.00 | 46.00 | 46.00 | 48.00 | 48.00 | 48.00 | 48.00 | 51.00 | 53.00 |
| Risk Management | 3.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 6.00 | 6.00 | 7.00 | 5.00 |
| County fire | 236.00 | 236.00 | 235.00 | 235.50 | 235.50 | 235.50 | 235.50 | 235.00 | 247.00 | 252.00 |
| County emergency communications | 38.50 | 38.50 | 38.50 | 45.50 | 45.00 | 45.00 | 45.00 | 48.00 | 48.00 | 48.00 |
| Economic & Community development | 43.50 | 44.63 | 39.60 | 36.50 | 41.50 | 44.50 | 44.50 | 44.50 | 48.00 | 47.50 |
| Parking | 42.00 | 41.00 | 41.00 | 42.00 | 43.00 | 44.25 | 41.25 | 45.25 | 50.68 | 40.25 |
| Utilities & Engineering | 482.50 | 501.90 | 498.90 | 519.00 | 504.00 | 504.50 | 504.50 | 543.50 | 543.50 | 573.00 |
| Summer Programs | 18.50 | 20.00 | 24.50 | 24.50 | 23.50 | 23.50 | 23.50 | 23.75 | 28.00 | 33.00 |
| Total | <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>2,608.43</u> | <u>2,650.90</u> |

Years 2010-2014 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.

See accompanying independent auditor's report.

Schedule 20
 CITY OF COLUMBIA, SOUTH CAROLINA
 Operating Indicators By Function/Program

Last Ten Fiscal Years

| Function/Program | Year Ended June 30, | | | | | | | | | |
|--|---------------------|-----------|-----------|---------------------|-----------|-----------|-----------|-----------|-----------|---------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Public Safety | | | | | | | | | | |
| Police physical arrests | 6,734 | 7,259 | 8,024 | 10,652 | 5,301 | 5,658 | 5,230 | 4,453 | 5,134 | 5,034 |
| Citations written | 29,522 | 25,985 | 30,996 | 33,111 | 37,307 | 32,497 | 24,288 | 23,436 | 25,655 | 22,952 |
| 911 call volume | 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 | 998,183 |
| Fire calls answered | 30,208 | 30,629 | 31,265 | 31,240 | 35,785 | 34,500 | 40,374 | 34,926 | 33,529 | 35,394 |
| Number of inspections | 6,943 | 7,911 | 7,726 | 6,261 | 5,292 | 6,482 | 4,618 | 6,825 | 5,494 | 6,552 |
| Sanitation | | | | | | | | | | |
| Refuse collected (in tons) | 63,507 | 57,903 | N/A | 43,157 | 51,106 | 43,924 | 47,370 | 45,344 | 33,837 | 42,869 |
| Recyclables collected (in tons) | 3,932 | 4,223 | N/A | 3,867 | 4,591 | 4,021 | 5,672 | 5,805 | 5,624 | 5,494 |
| Fleet Management | | | | | | | | | | |
| Fleet maintained | 3,668 | 3,925 | 4,055 | 2,802 | 2,893 | 3,005 | 3,165 | 3,298 | 3,075 | 3,561 |
| Fleet workdays | 13,336 | 13,309 | 12,901 | 12,608 | 12,052 | 12,048 | 12,587 | 12,466 | 11,037 | 12,160 |
| Streets and highways | | | | | | | | | | |
| Potholes repaired | 1,524 | 1,416 | 920 | 1,231 | 1,453 | 1,598 | 1,381 | 805 | 843 | 835 |
| Water | | | | | | | | | | |
| Number of service connections | 134,910 | 140,721 | 136,220 | 137,701 | 140,009 | 139,990 | 140,908 | 143,472 | 145,304 | 145,466 |
| Average daily consumption (in millions of gallons) | 0.352 | 0.315 | 0.320 | 0.440 | 0.458 | 0.449 | 0.452 | 0.451 | 0.444 | 0.455 |
| Sewer | | | | | | | | | | |
| Number of service connections | 74,865 | 69,199 | 69,508 | 67,698 ¹ | 60,239 | 59,677 | 60,777 | 61,352 | 62,117 | 62,280 |
| Average daily treatment (in millions of gallons) | 0.139 | 0.134 | 0.152 | 0.169 | 0.189 | 0.182 | 0.327 | 0.202 | 0.192 | 0.201 |
| Economic development | | | | | | | | | | |
| Permits issued | 4,204 | 4,129 | 4,181 | 4,950 | 4,262 | 5,438 | 7,675 | 5,892 | 6,990 | 5,836 |
| Building inspections | 10,544 | 40,018 | 10,277 | 15,735 | 14,514 | 10,025 | 11,355 | 10,231 | 11,265 | 11,986 |

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

See accompanying independent auditor's report.

Schedule Z1
 CITY OF COLUMBIA, SOUTH CAROLINA
 Capital Asset Statistics By Function

Last Ten Fiscal Years

| Function/Program | Year Ended June 30, | | | | | | | | | |
|-----------------------------|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Police | | | | | | | | | | |
| Police stations | 14 | 14 | 16 | 10 | 12 | 13 | 13 | 13 | 13 | 19 |
| Patrol units | N/A | N/A | N/A | 205 | 238 | 296 | 264 | 323 | 311 | 328 |
| Vehicles | 244 | 305 | 371 | 358 | 395 | 483 | 449 | 523 | 522 | 554 |
| Fire | | | | | | | | | | |
| Fire stations | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Vehicles | 215 | 219 | 236 | 251 | 270 | 270 | 283 | 315 | 299 | 314 |
| Public works | | | | | | | | | | |
| Vehicles | 518 | 553 | 603 | 600 | 600 | 626 | 640 | 684 | 673 | 672 |
| Streets (miles) | 219.00 | 220.00 | 220.00 | 275.00 | 275.00 | 275.00 | 195.00 | 194.20 | 198.00 | 201.00 |
| Sidewalks (miles) | 120.45 | 120.45 | 139.56 | 139.46 | 139.46 | 139.50 | 145.00 | 145.50 | 147.00 | 152.00 |
| Traffic signals | 262 | 262 | 265 | 364 | 364 | 331 | 356 | 356 | 356 | 414 |
| Street lights | 9,859 | 10,190 | 10,325 | 11,724 | 11,363 | 11,483 | 11,669 | 11,805 | 11,833 | 12,065 |
| Parks and recreation | | | | | | | | | | |
| Parks - acreage | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 625 |
| Park facilities | 59 | 59 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 |
| Tennis courts | 54 | 54 | 54 | 57 | 55 | 55 | 55 | 55 | 55 | 57 |
| Swimming pools/splash pads | 4 | 4 | 4 | 15 | 16 | 16 | 17 | 17 | 17 | 16 |
| Playground | 30 | 30 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 85 |
| Parking | | | | | | | | | | |
| Garages | 8 | 8 | 9 | 9 | 8 | 8 | 8 | 8 | 8 | 8 |
| Lots | 5 | 5 | 5 | 5 | 4 | 5 | 5 | 5 | 5 | 5 |
| Metered spaces | 4,736 | 4,728 | 4,704 | 4,502 | 4,467 | 4,198 | 4,690 | 4,940 | 4,940 | 4,987 |
| Stormwater | | | | | | | | | | |
| Storm drains (miles) | 137.00 | 137.00 | 137.00 | 254.00 | 254.00 | 366.00 | 356.32 | 356.35 | 360.79 | 362.48 |
| Vehicles | 70 | 67 | 69 | 63 | 64 | 68 | 66 | 68 | 67 | 72 |
| Wastewater | | | | | | | | | | |
| Sanitary sewer (miles) | 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 | 1,160.62 |
| Vehicles | 212 | 278 | 331 | 300 | 277 | 278 | 287 | 282 | 273 | 300 |
| Treatment plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Solid Waste | | | | | | | | | | |
| Vehicles | 95 | 117 | 128 | 130 | 125 | 127 | 124 | 137 | 126 | 130 |
| Water | | | | | | | | | | |
| Water lines (miles) | 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 | 2,459.84 |
| Vehicles | 237 | 256 | 281 | 291 | 285 | 298 | 318 | 334 | 338 | 362 |
| Fire hydrants | 5,300 | 5,300 | 5,350 | 5,450 | 4,300 | 4,390 | 4,494 | 4,546 | 4,593 | 4,602 |
| Treatment plants | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |

Source: Various City departments

Vehicle data includes both licensed and unlicensed vehicles

See accompanying independent auditor's report.