

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**CITY OF COLUMBIA, SOUTH CAROLINA**

**FISCAL YEAR ENDED JUNE 30, 2016**

**City Manager  
Teresa B. Wilson**

**Chief Financial Officer  
Jeffery M. Palen**

**Finance Director  
Jan Alonso CGFO**

**Prepared by the  
Finance Department**

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 YEAR ENDED JUNE 30, 2016**

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## **INTRODUCTORY SECTION**



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We Are Columbia

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December 30, 2016

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, 2016. South Carolina law requires that all local governments publish a complete set of audited financial statements, presented in conformity with generally accepted accounting principles in the United States of America (“GAAP”). The law further requires that these financial statements be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR has been prepared by the City in accordance with these principles and standards. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management Discussion & Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

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

The City’s financial statements have been audited by WebsterRogers LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2016, 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, 2016, 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

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

This report, other historical audited financial statements, other historical unaudited financial information, and operating budgets may also be accessed via the internet at [www.columbiasc.net](http://www.columbiasc.net).

### City of Columbia Overview

The City, incorporated in 1786, is located 13 miles northwest of South Carolina's geographic center. The City currently occupies a land area of 134.94 square miles with a population estimated at approximately 133,800 in the City and approximately 810,100 within the metropolitan statistical area according to the 2015 United States Census estimates. Columbia is also combined with the Newberry and Orangeburg micropolitan area to form the Columbia-Orangeburg-Newberry Combined Statistical area which has approximately 937,300 people according to the 2015 Census estimates and is the second-largest combined statistical area in South Carolina. Columbia is considered the primary city of the Midlands region of South Carolina. The vision of the City is to build a world-class city. The mission of the City is to provide bold leadership and exemplary services to advance the quality of life for everyone.

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

### Primary City Functions

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

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### **Budget Process**

South Carolina law requires that the City adopt, by ordinance, a balanced budget. The preparation of the budget is the responsibility of the City Manager who has a duty to present a budget that reflects the priorities set by City Council. The City's budget process begins in November for the forthcoming year which runs from July 1<sup>st</sup> to June 30<sup>th</sup>. 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 is home to state government, six major universities including the University of South Carolina (with over 30,000 students in its city center campus), and the nation's largest Army training facility.

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

Business in Motion is the City's business retention and expansion program. This program is conducted in conjunction with the Greater Columbia Chamber of Commerce. The goal of the program is to conduct proactive outreach visits to local businesses to ensure they have the services and resources they need to continue to grow.

The Business Spotlight Program was created to recognize and showcase local area businesses that are vital to the City's growth and prosperity. Through this program, members of the community are exposed to a variety of businesses that have displayed their growth in both sales and workforce capacity, have demonstrated diversity in their workplace, have a good reputation within the community and have displayed their generosity by giving back to the community and local charitable organizations.

Human capital and an educated workforce are readily available in the Midlands, with nearly forty percent of the population twenty-five years of age or older having a bachelor's degree or higher. The City ranks 23<sup>rd</sup> in the nation for doctoral degrees and 32<sup>nd</sup> for college degrees.

The City is home to business support services that new or growing businesses find attractive. Some of these support services include:

- USC/Columbia Technology Incubator - helps to recruit, develop, and launch local technology driven companies.

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- Innovista - is a USC lead economic development effort that connects university-spawned innovations with entrepreneurs, businesses, and stakeholders.
- Center for Entrepreneurial and Technological Innovation - is a partnership between the USC/Columbia Technology Incubator and Innovista to support entrepreneurial business development.
- SCLaunch - facilitates applied research, product development, and commercialization programs.
- IT-oLogy - a non-profit collaboration between businesses, academic institutions, and organizations to grow the IT talent pipeline and advance the IT profession.
- USC Darla Moore School of Business - is ranked number two in the nation for both its international MBA program and undergraduate studies.
- USC Honors College - was ranked number one in the nation in 2012 in a review of public honors colleges.

Columbia is nationally ranked among the top five cities for highway connectivity and is the only Southeastern city that has direct access by three interstates and indirect access by two additional interstates within one hundred miles. The City's highway network includes I-20, I-26, and I-77.

To promote economic development in underdeveloped areas and to aid its lower income citizens in obtaining safe and affordable housing, the City uses its Redevelopment Program fund. These funds provide financing for various home rehabilitations and mortgage lending programs from various sources. These programs play a vital role in ensuring continued building and investing in the City. Public transportation initiatives will also play a vital role in ensuring continued building and investing in the City.

The Columbia Empowerment Zone, Inc., a component unit of the City of Columbia received a Bronze Excellence in Economic Development Award for its 2016 project in the category of Economic Development Week from the International Economic Development Council. The award was based on Columbia Empowerment Zone's Vacant/Abandoned Building Incentive Program. This program encourages building reuse and promotes revitalization and economic development.

On September 24, 2015, the City of Columbia, along with the South Carolina Department of Commerce and the U.S. Small Business Administration, hosted a lender-led panel discussion, a matchmaking session, and exhibitor displays to provide small business owners with the opportunity to connect with potential lenders.

### Local Economy

The Columbia economy is the 69<sup>th</sup> largest metropolitan economy in the United States. Substantial concentrations of employers in government, manufacturing, education, finance, and health care provide high paying jobs and a relatively reliable tax revenue base. The vitality of these industries, combined with the increased interest in living in urban centers, will continue to support the City's revenue base. The future job growth over the next ten years is predicted to be 37.74%.

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The City is home to two airports. Columbia Metropolitan Airport enplaned approximately 516,100 passengers during fiscal year 2016. This was an increase of approximately 16,000 passengers from fiscal year 2015. Columbia Owens Downtown Airport primarily serves private, business, and military flights. Columbia is also home to the main campus of the University of South Carolina as well as other colleges and universities.

### Historic Flood of 2015

During the first week of October 2015, Columbia experienced historic levels of rainfall. Widespread areas of Columbia received 15 to 20 inches of rain and localized amounts over 25 inches in less than 48 hours. This amount of rainfall caused historic flooding and caused unprecedented damages to the City. These damages included:

- Multiple dam failures
- Over 100 streets within the city were either closed, blocked, or impassable
- Multiple sewer and water line ruptures or breaks
- Loss of one fire station and training facility
- A 60-foot section of the Columbia Canal completely breached

The canal breach caused water levels in the canal to drop below the City's ability to sustain water pressure in its potable water distribution system. Emergency action was taken to maintain canal water levels sufficient to allow adequate water intake at the water treatment plant. On one day during the rainfall, the City's wastewater treatment plant had a peak inflow of 156 million gallons of water surging through a plant designed to process 60 million gallons a day.

### Quality of Life

In April 2016, Spirit Communications Park opened. The Park is a year round multi-use sports and entertainment venue located in the heart of downtown Columbia. The Park is home to the Columbia Fireflies, a class-A affiliate of the New York Mets. The Park is designed not only for baseball, but concerts, soccer, football, and a host of other activities as well. The venue will seat as many as 10,000 for sporting events and up to 15,000 for major outdoor concerts. The Park has 16 luxury suites and a 7,000 square-foot Club Lounge. The Park is able to be used for business meetings, wedding receptions, and a multitude of other functions.

The City has access to three major rivers and two large lakes. Riverbanks Zoo is home to more than 2,000 fascinating and exotic animals, as well as 70 acres of scenic river views, valley overlooks, and spectacular landscapes.

The City's Parks and Recreation department maintains 60 outdoor parks and green spaces within the city limits alone, including Riverfront Park, a popular destination for walkers, runners and cyclists. Sesquicentennial State Park and Congaree National Park are both reachable in fewer than 30 minutes from

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## We Are Columbia

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downtown and offer hiking and canoeing activities. Congaree National Park also offers bird watching and nature study. Rangers and volunteers conduct interpretive walks and talks throughout the year. The 26,000 acre National Park protects the largest tract of old-growth bottomland hardwood forest remaining in the United States. The park contains some of the tallest trees in Eastern North America with one of the highest canopies in the world, broad bio-diversity, and old growth forest.

The Parks and Recreation department also offers weekly after school and summer day camps with supervised recreation for children ages six to twelve. The programs are designed to help children develop their fullest potential by focusing on education through recreation, team building and leadership, creativity and self-expression, physical fitness, independence and decision making.

The City of Columbia's Community Development Department offers housing credit counseling to help increase the number of individuals able to become homeowners. The Housing Loan department offers several financial management workshops and credit counseling informational sessions throughout the year to educate the residents of Columbia on the City's loan programs. In addition, the department assists in helping arrange affordable home loans for Columbia families and individuals earning up to 150% of the area median income by working with partner banks to secure low interest rates and favorable terms and conditions with no mortgage insurance required.

Live music, entertainment, and the arts are also readily available with USC, the Koger Center for the Arts, and the Township Auditorium providing public entertainment. The Nickelodeon Theater offers a wide variety of alternative films and sponsors media art events and educational programs to promote and enhance the appreciation of media arts. The Columbia Museum of Art is the largest art museum in South Carolina. It offers a world-class collection of American and European art that spans seven centuries and unique exhibits each year. The Columbia City Ballet is the second largest performing arts organization in South Carolina with 26 professional dancers.

Four members of the City's Metro Wastewater Treatment Plant were selected by the Water Environment Federation for its national 2016 Water Heroes Award for their work during the historic October 2015 flood. This award recognizes an individual or group who goes beyond the call of duty during an emergency situation to continue protecting the public and the environment. During the flood, concerns about the reliability of a nearby dike prompted the South Carolina Department of Health and Environmental Control to recommend the wastewater treatment plant staff to evacuate and shut down the plant. Four members of the staff, Brandon Wilcox, Adrian Martin, Ashley Dove, and James Foust agreed to stay at the plant to maintain the system. Had the plant been evacuated and shut off, raw sewage would have poured in the Congaree River, surrounding neighborhoods and city streets, and drastically impacting the citizens of Columbia.

The City was again recognized in 2016 as a Playful City USA community. The City was one of 241 communities receiving the award for making their communities more playful. The City also received the award in 2015.

The City was designated as a Walk Friendly Community by the Pedestrian and Bicycle Information Center. Walk Friendly Communities encourage residents to establish or recommit to higher levels of walking.

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In partnership with the FDIC, BB&T, South State Bank, and TD Bank, the City initiated the “Bank On” Columbia program in January 2016. This program will help promote financial stability by going out to communities and neighborhoods to inform citizens about the products that partnering financial institutions are offering in addition to financial education workshops.

The Columbia Fire Department in August 2016 earned an ISO (Insurance Services Office) class rating of 1, denoting superior fire protection. This rating establishes the department with an elite group of less than 1% nationally achieving this rating.

The Columbia Police Department received the 2016 SC Law Enforcement Association’s Santee Cooper Excellence in Law Enforcement award that recognizes the entire department for its effort, innovative service to the community, efficiency and results. In addition, CPD was one of just 15 agencies nationwide selected to participate in the Advancing 21<sup>st</sup> Century Policing Initiative launched by the US Department of Justice and the Office of Community Oriented Policing Services (COPS).

### **Major Initiatives and Financial Planning**

The total 2016-2017 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 2016-2017 fiscal year.

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

The priorities listed above will be accomplished by focusing the 2016-2017 budget in three areas.

1. Public safety and neighborhood improvements
2. Infrastructure
3. Employee compensation

The City’s fiscal year 2017 general fund budget is approximately \$138,800,400, which is an increase of approximately \$8,072, 400 (5.8%) from the fiscal year 2016 budget. The 2017 general fund budget contains no property tax millage increase and eliminates the \$2,675,605 public safety transfer from the water and sewer department.

Property tax revenue is budgeted to increase approximately \$1,415,000 (2.7%) without a tax increase. Historically, the City has seen about a 1% annual increase in property tax revenue; however, in fiscal year

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2017, the City budgeted an increase of 3% as new developments are expected to come on line. Revenue from business licenses and franchise fees are budgeted to increase approximately \$3.4 million (8.7%) as the City's economy continues to grow. Intergovernmental revenues from Other Agencies are budgeted to increase approximately \$1,951,400 (13%). The primary source of this increase is expected to be the fire rebate fees from Richland County which have been consistently increasing annually as the County continues to grow.

The City anticipates issuing an \$8,000,000 capital lease in fiscal year 2017. The proceeds from this lease are expected to fund the General Fund's annual replacement program for vehicles, heavy equipment, and technology. Planned purchases include fire trucks and pumpers, police cars, solid waste and recycling trucks, parks and recreation equipment, and major computer system upgrades. Transfers-In are budgeted at \$3,525,000 for fiscal year 2017. This amount represents a 50% decrease from the prior year as City Council seeks to reduce the use of transfers as a funding source for the General Fund. The fiscal year 2017 budget also includes \$3,000,000 amount of Un-Appropriated Surplus, an increase of \$560,000 (23%) over the prior year budgeted amount.

The majority of the increase in the budgeted expenditures relates to the second year of the compensation and classification study phased in implementation and the expected significant increase in health care costs. Another budgeted area of increase is the Police Department Code Enforcement Division budget. The department is expected to add a customer service representative, two commercial code inspectors, and one housing inspector. It is felt that these positions are needed to allow the department to be proactive as over 500 commercial code enforcement cases were opened in the prior year. These four additional positions are budgeted to cost \$350,000. The City has also budgeted, at a cost of \$150,000, five new positions at the Animal Shelter. These positions will be phased in over the year and will enable the shelter to increase its operating hours. This increase in operating hours is expected to make the Adoption and Foster Programs more accessible to the public. In May of 2016, the Greenview Family Aquatic Center was re-opened after extensive renovations. The fiscal year 2017 budget includes an additional \$200,000 for 21 part-time life guards and additional operating costs. Capital items expected to be funded from the General Fund in fiscal year 2017 include a new building at Hampton Park, new bathrooms at Southeast Park, new playground equipment at Finlay Park, and self-contained breathing apparatus replacements for the fire department.

The Water and Sewer Fund is expected to increase approximately \$9,434,900 (7%) from the prior year. Even though there is no rate increase for fiscal year 2017, revenue from water and sewer sales are budgeted to increase approximately \$3,918,600 (4.7%) from the prior year primarily due to customer growth and contracted rates. Over \$10,000,000 has been budgeted for required maintenance of the water and sewer system. A significant portion of this required maintenance is the result of either the October 2015 flood or the City's Clean Water 2020 program. As a result of the Clean Water 2020 Program, the City will add two GIS mapping technicians, nine new positions to assist with utility cut repairs, one assistant contracts administrator, one assistant bid coordinator, one assistant wastewater engineer, one Fats, Oils and Grease (FOG) inspector, and one wastewater scheduler.

The Water and Sewer fiscal year 2017 capital budget totals \$120,000,000 of which \$40,000,000 is for water projects and \$80,000,000 is for sewer projects. The primary new project for fiscal year 2017 will be the



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We Are Columbia

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conversion to an automated meter reading system. The conversion is schedule to begin in fiscal year 2017, take approximately five years to implement and is expected to cost \$60,000,000. The bulk of the funding for these capital projects is expected to come from 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, 2015. 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, 2015**

Executive Director/CEO

**CITY OF COLUMBIA, SOUTH CAROLINA  
CITY LEADERS**

**As of June 30, 2016**

**Mayor**

Stephen K. Benjamin

**Council Members**

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

**City Manager**

Teresa Wilson

**Assistant City Managers**

Senior Assistant City Manager for Public Safety	S. Allison Baker
Assistant City Manager for Operations	Melissa Gentry-Smith, P.E
Assistant City Manager Finance & Economic Svc/CFO	Jeff Palen

**Department Directors**

Budget and Program Management Office	Melissa Caughman
City Attorney	Teresa Knox
Community Development	Vacant
Municipal Court	Judge Dana Turner
Planning and Development Services	Krista Hampton
Economic Development	Ryan Coleman, CEcD
Emergency Communications	Kimberly Gathers
Finance	Jan Alonso, CGFO
Fire	Aubrey Jenkins
General Services	David Knoche
Human Resources	Pamela Benjamin, CPM
Information Technology	Terence Murchison, PMP
Office of Business Opportunities	Tina Herbert
Parks and Recreation	Randy Davis (Interim)
Parking	John David Spade
Police	William "Skip" Holbrook
Public Relations	Leshia Utsey
Public Works	Robert Anderson
Utilities & Engineering	Joseph Jaco, P.E.

**Development Corporation Directors**

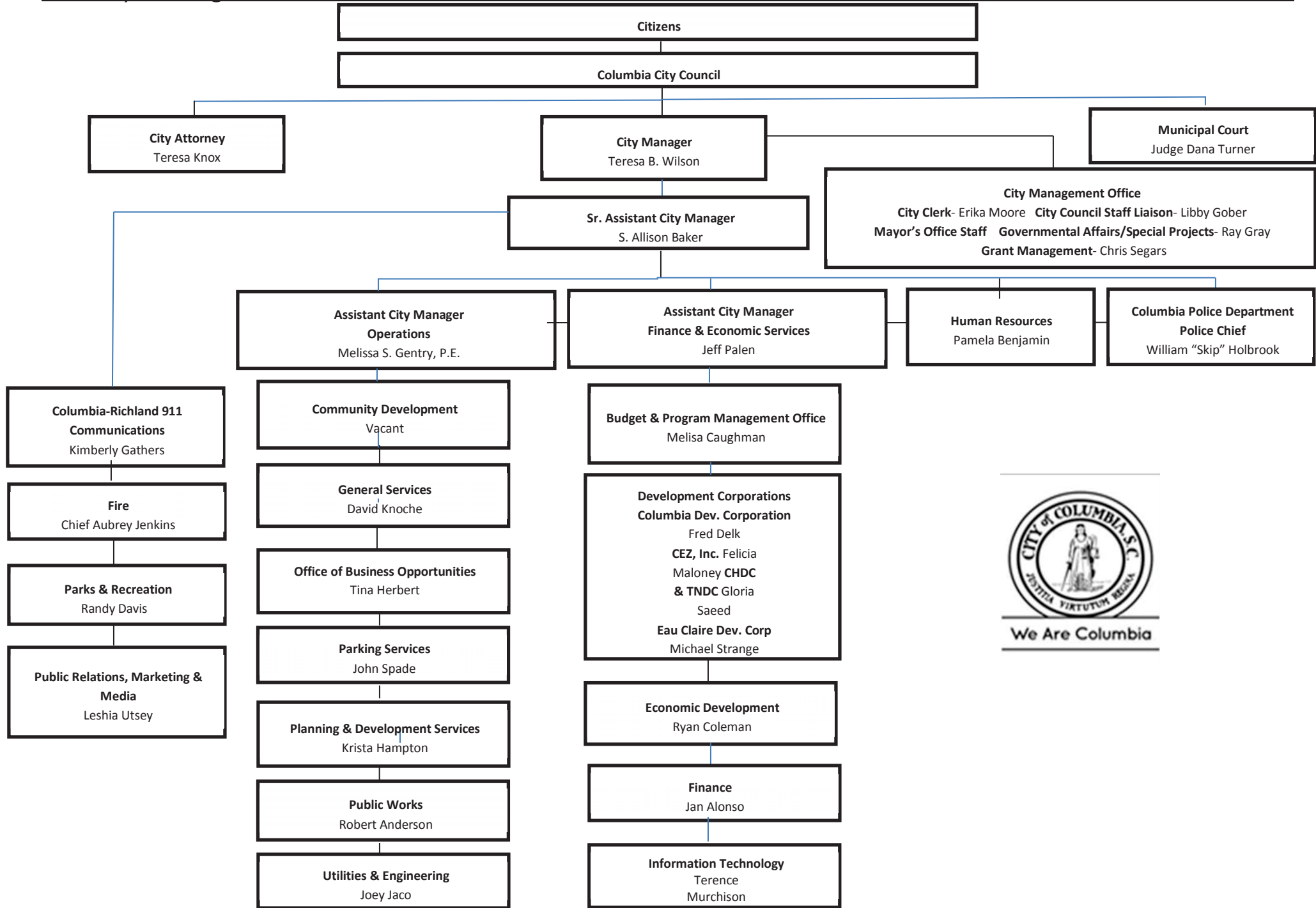
Columbia Development Corp.	Fred Delk
Columbia Housing/TN Development Corp.	Gloria Saeed
Eau Claire Development Corp.	Michael Strange

**Other Directors**

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

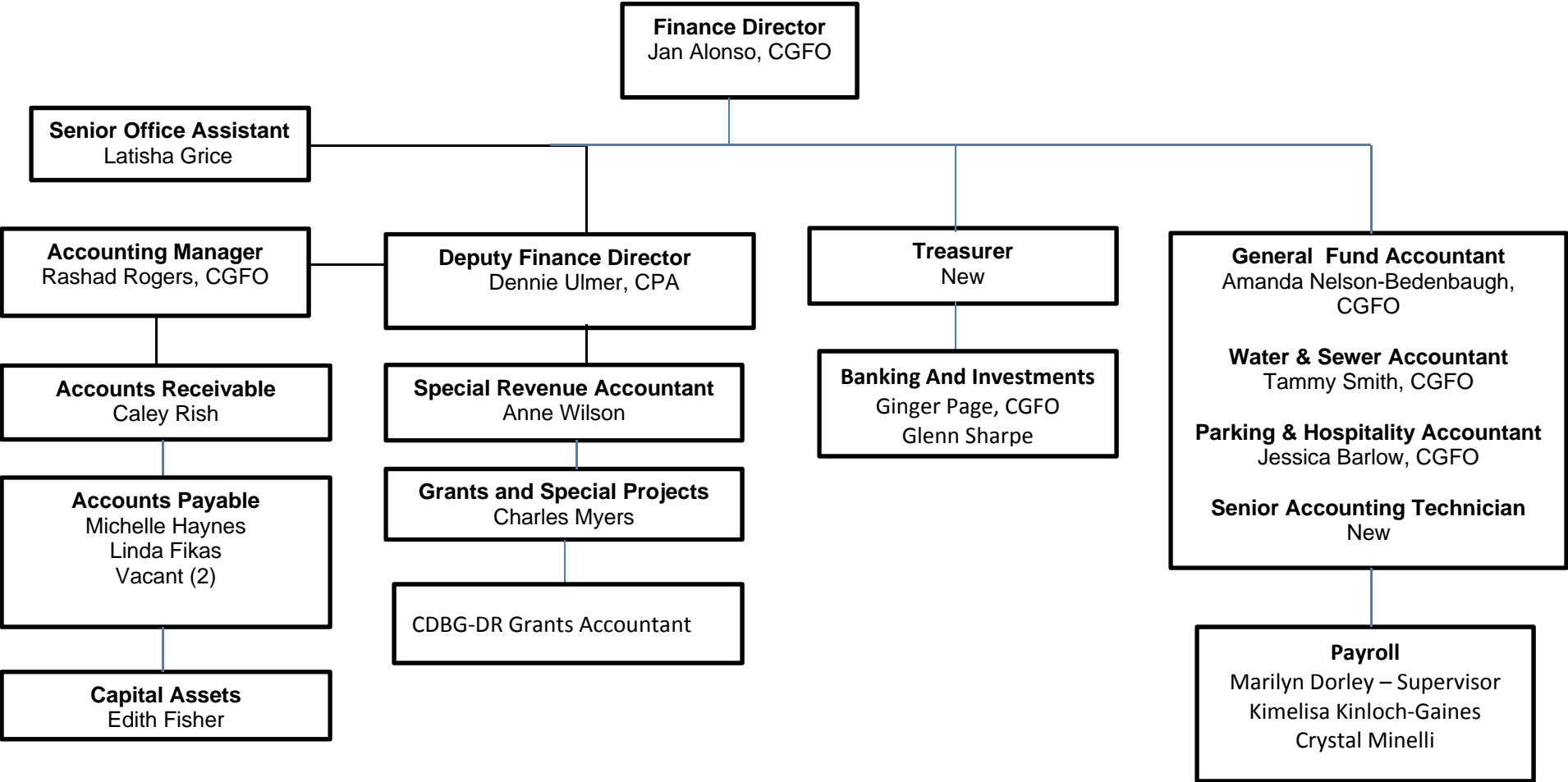


**City of Columbia**  
**FY 2015/2016 Organizational Chart**



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

As of June 30, 2016



## **FINANCIAL SECTION**

## Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the City of Columbia (the City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Midlands Authority for Conventions, Sports, and Tourism, a discretely presented component unit of the City, which represent 47.70%, 55.61%, and 76.63%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Midlands Authority for Convention, Sports and Tourism is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2016, 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.

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## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis; Budgetary Comparison Schedule – General Fund; Schedules of Funding Progress and Employer Contributions – Other Postemployment Benefits; Schedule of the City's Contributions; and Schedule of the City's Proportionate Share of the Net Pension Liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

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

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Columbia, South Carolina  
December 22, 2016

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2016**

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, 2016, as part of the overall Comprehensive Annual Financial Report (CAFR). This overview compares the year ended June 30, 2016, with the year ended June 30, 2015. 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 2016 by \$726,841,272. This amount represents the City's net position. Of this amount, \$127,111,275 in unrestricted net position may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$17,358,143 (\$986,523 from governmental activities and \$16,371,620 from business-type activities) as total revenues of \$350,986,487 exceeded total expenses of \$333,628,344. This increase in net position for the current year is approximately \$994,000 more than the prior year and is due primarily to increased water, sewer and stormwater fees due to increased rates, the collection of increased capital expansion fees from West Columbia, increased collection in sales tax revenues, and local option sales tax revenues due to the improving economy. This increase in revenues is offset by the increased costs incurred by the City related to increased wage expense, health care costs, retirement costs, other personnel costs, public safety costs, flood related clean-up costs, and depreciation expense on completed construction projects.
- As of June 30, 2016, the City's governmental funds reported combined ending fund balances of \$63,417,787. The unrestricted General Fund balance (i.e., committed, assigned, and unassigned) of \$27,892,390 is available for spending at the City's discretion and represents approximately 20.25% of the General Fund's actual expenditures and transfers out for the year ended June 30, 2016.
- The City's total capital assets were \$1,132,800,859 as of June 30, 2016, increasing \$94,620,085 (9.11%). This increase was the result of additions of \$48,310,735 in governmental activities and \$99,852,590 in business-type activities offset by depreciation expense and net disposals of \$14,101,098 in governmental activities and \$39,442,142 in business-type activities.
- The City's long-term debt at June 30, 2016, totaled \$597,689,968, a net decrease of \$9,622,260 or 1.58% from the balance at June 30, 2015, of \$607,312,228. This net decrease was the result of \$26,052,567 in principal payments, \$2,182,609 in premium amortization, and the issuance of \$18,612,916 in general obligation bonds (including premiums), \$11,690,028 in the miscellaneous projects capital fund, and \$6,922,888 in the debt service fund.
- As of June 30, 2016, the City's General Obligation bonds were rated AA+ by Standard and Poor's and AA1 by Moody's. The City's Water and Sewer Facilities revenue bonds were rated AA by Standard and Poor's and AA1 by Moody's. The City's Parking Facilities revenue bonds were rated BBB+ by Standard and Poor's and A2 by Moody's.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2016**

**Using This Annual Report**

This discussion and analysis is intended to serve as an introduction to the City of Columbia's financial statements. This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on the pages identified in the table of contents) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 36. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government. In addition to the financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the City of Columbia.

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

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

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

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

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

The government-wide financial statements can be found following this section of the report.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
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**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 28. The fund financial statements beginning on page 36 provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council established many other funds to help it control and manage for particular purposes or to show it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's three kinds of funds – governmental, proprietary, and fiduciary – use different accounting approaches.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on 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, the county services fund, and the miscellaneous projects fund which are considered to be major funds. Data from the 14 other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these 14 nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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



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

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

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

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the basic financial statements.

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

**Financial Analysis – Government-wide Statements**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceed liabilities and deferred inflows by \$726,841,272 as of June 30, 2016. The City's overall financial position improved, and net position increased by \$17,358,143 during the year ended June 30, 2016. This overall increase of \$17,358,143 is an increase from the prior year. This overall increase is the net result of a \$9,993,676 decrease in governmental activities and a \$10,987,702 increase in the business activities. The decrease in the governmental activities is primarily a result of a decrease in property tax revenues, along with increases in salaries, health care, and retirement costs. The City's continued commitment to public safety, as well as expenses related to the October 2015 flood, also contributed to the decreased change in net position for governmental activities.

The increase in overall business activities change in net position is due primarily to the Water and Sewer Facilities fund. The change in net position for the Water and Sewer Facilities Fund increased approximately \$13.5 million dollars during the current fiscal year when compared to the prior year. This year to year increase was the result of approximately \$11.4 million in increased water and sewer fees due to a rate increase that went into effect during the current fiscal year, approximately \$1.2 million in sewer plant expansion fees due to increased development, and approximately \$8.6 million in capital contributions due to negotiating a settlement with West Columbia. This increase in revenues was offset by approximately \$2.4 million in increased personnel costs,

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2016**

approximately \$10,000,000 in flood related repair costs, and approximately \$4.5 million in increased depreciation expense on completed water and sewer projects related to the consent decree. The consent decree requires the City to make significant repairs and upgrades to the sewer system to prevent sanitary sewer overflows. The decrease in hydro-electric plant fees resulted from less electricity being generated due to the plant being closed for most of the fiscal year due to the flooding during October 2015. The results of the Parking Facilities Fund were similar to the prior year as there was no significant change in operations. The Stormwater Facilities fund reported a decrease in the change in net position from the prior year mainly due to the disruption of normal operations due to the October 2015 flood.

In the governmental activities, the decrease in collections from property taxes resulted primarily from a two mill decrease in property tax rates. Economic conditions continued to improve which resulted in an increase in the collection of sales taxes and hospitality taxes. More revenue was reported in the County Services Fund due to the City not having to refund approximately \$2,146,800 in fees back to Richland County during the current year. However, this increase in revenue was offset by increased repair costs due to the October 2015 flood as well as increased compensation, retirement, and health care costs. Table 1 summarizes the major categories of assets, deferred outflows, liabilities, deferred inflows, and net position for governmental activities, business type activities, and the City as a whole.

**Table 1**  
**City of Columbia**  
**Statement of Net Position**  
**As of June 30, 2016 and June 30, 2015**

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2016	As of June 30, 2015	As of June 30, 2016	As of June 30, 2015	As of June 30, 2016	As of June 30, 2015
Current and other assets	\$ 179,641,940	\$ 211,241,380	\$ 302,926,961	\$ 345,605,104	\$ 482,568,901	\$ 556,846,484
Capital assets, net of depreciation	255,865,137	221,655,500	876,935,722	816,525,274	1,132,800,859	1,038,180,774
Total assets	435,507,077	432,896,880	1,179,862,683	1,162,130,378	1,615,369,760	1,595,027,258
Deferred outflows of resources	14,647,638	14,470,968	49,736,752	37,866,038	64,384,390	52,337,006
Total assets and deferred outflows of resources	450,154,715	447,367,848	1,229,599,435	1,199,996,416	1,679,754,150	1,647,364,264
Long-term liabilities outstanding	305,168,329	293,065,198	568,628,250	564,275,506	873,796,579	857,340,704
Other liabilities	30,785,030	33,078,115	40,687,029	28,765,714	71,472,059	61,843,829
Total liabilities	335,953,359	326,143,313	609,315,279	593,041,220	945,268,638	919,184,533
Deferred inflow of resources	6,799,328	14,809,030	844,912	3,887,572	7,644,240	18,696,602
Net position						
Net investment in capital assets	163,832,021	162,102,481	401,468,909	368,742,602	565,300,930	530,845,083
Restricted	25,024,625	53,653,231	9,404,442	9,352,281	34,429,067	63,005,512
Unrestricted	(81,454,618)	(109,340,207)	208,565,893	224,972,741	127,111,275	115,632,534
Total net position	\$ 107,402,028	\$ 106,415,505	\$ 619,439,244	\$ 603,067,624	\$ 726,841,272	\$ 709,483,129

As of June 30, 2016, 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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
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The largest portion of the City's net position, \$565,300,930 (77.77%), reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$34,429,067 (4.74%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$127,111,275 (17.49%) in unrestricted net position may be used to meet the ongoing obligations of the City.

For governmental activities, the City reported a deficit balance in unrestricted net position of \$(81,454,618). This deficit resulted from the adoption of GASBS 68 during the prior year. GASBS 68 required the City to record its proportionate share of the net pension liability of the cost-sharing retirement plans it participates in. For business-type activities, the City reported a positive balance in unrestricted net position of \$208,565,893. The adoption of GASBS 68 also had a negative impact on this balance.

The City reported a positive balance of \$27,892,390 in unrestricted fund balance (committed plus assigned plus unassigned fund balance) for the general fund as of June 30, 2016. 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, 2016, which totaled approximately \$350,986,500, increased from the year ended June 30, 2015. The increase for the City as a whole was approximately \$39,635,100 which was an increase of 12.73%. Revenues for the business-type activities increased approximately \$30,842,900 (17.68%). Water and sewer operating revenues increased approximately \$13,553,700 (11.47%). This was primarily due to an increase in water and sewer rates during the year. The Hydro Electric Facilities Fund showed a decrease of approximately \$2,983,500 (98.21%). The hydroelectric plant is a "run of the river" hydro plant. As such, the amount of flow in the canal has a significant impact on the plant's ability to generate electricity. During most of fiscal year 2016, the plant was closed due to a low flow in the canal resulting from the breach in the canal wall from the October 2015 flood. This closure limited the ability to generate electricity which resulted in a decrease in revenue. Stormwater revenues decreased during the fiscal year of approximately \$204,900 (2.72%) due to the impact from the flooding in October 2015. Parking revenues increased approximately \$219,900 (3.08%) during the fiscal year primarily due to activity in the downtown area continuing to increase due to continued interest in downtown living. Revenue from governmental activities for the year ended June 30, 2016, which totaled approximately \$176,538,200, represented an increase from the year ended June 30, 2015, of approximately \$8,792,200 (5.24%). The majority of the increase resulted from increased collection of local option sales tax revenue and sales tax revenue as the Columbia economy continued to improve. Business license revenue increased as the downtown revitalization continued to attract additional business and the overall general economy continued to show improvement. The City received additional revenue from fire rebates due to a rate increase. These increases were offset by decreases in property tax revenue due to a millage decrease and traffic court fines due to less personnel assigned to traffic enforcement during the year.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2016**

**Table 2**  
**City of Columbia's**  
**Changes in Net Position**  
**Years Ended June 30, 2016 and June 30, 2015**

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2016	Year Ended June 30, 2015
Revenues:						
Program revenues						
Charges for services						
General government	\$ 810,592	\$ 726,487	\$ -	\$ -	\$ 810,592	\$ 726,487
Finance	38,659,299	37,837,666	-	-	38,659,299	37,837,666
Community development	908,359	799,663	-	-	908,359	799,663
Public safety	23,078,568	22,811,461	-	-	23,078,568	22,811,461
Parks and recreation	779,008	822,319	-	-	779,008	822,319
Public services	169,512	258,211	-	-	169,512	258,211
Water/sewer facilities	-	-	133,482,271	119,716,789	133,482,271	119,716,789
Hydro-electric plant	-	-	54,435	3,037,971	54,435	3,037,971
Stormwater facilities	-	-	7,316,201	7,521,149	7,316,201	7,521,149
Parking facilities	-	-	7,365,470	7,145,520	7,365,470	7,145,520
Redevelopment programs	-	-	543,626	680,111	543,626	680,111
Parks and recreation camps	-	-	320,265	300,931	320,265	300,931
Operating grants and contributions						
General government	2,398,640	5,440,411	-	-	2,398,640	5,440,411
Community development	4,411,689	3,363,032	-	-	4,411,689	3,363,032
Public safety	24,277,614	20,029,516	-	-	24,277,614	20,029,516
Public services	220,262	294,858	-	-	220,262	294,858
Community promotion	6,695,836	5,852,478	-	-	6,695,836	5,852,478
Water/sewer facilities	-	-	6,227,736	-	6,227,736	-
Redevelopment programs	-	-	20,379	-	20,379	-
Capital grants and contributions						
General government	4,504,284	2,134,035	-	-	4,504,284	2,134,035
Public services	1,895,338	935,401	-	-	1,895,338	935,401
Water/sewer facilities	-	-	16,054,517	3,872,664	16,054,517	3,872,664
Stormwater facilities	-	-	175,000	-	175,000	-
General revenues						
General property taxes	32,871,757	34,178,067	-	-	32,871,757	34,178,067
Local Option Sales Tax	18,152,618	16,385,254	-	-	18,152,618	16,385,254
Sales taxes	13,398,593	12,626,419	-	-	13,398,593	12,626,419
Motor fuel taxes	3,054	3,348	-	-	3,054	3,348
State shared revenue	2,853,350	2,829,726	-	-	2,853,350	2,829,726
Unrestricted investment earnings	227,683	163,175	2,511,346	1,226,558	2,739,029	1,389,733
Gain on disposal of capital assets	222,106	254,447	377,079	103,766	599,185	358,213
<b>Total revenues</b>	<b>176,538,162</b>	<b>167,745,974</b>	<b>174,448,325</b>	<b>143,605,459</b>	<b>350,986,487</b>	<b>311,351,433</b>

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**Table 2**  
**City of Columbia's**  
**Changes in Net Position (Continued)**  
**Years Ended June 30, 2016 and June 30, 2015**

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2016	Year Ended June 30, 2015
Expenses:						
General government	\$ 16,584,496	\$ 8,050,355	\$ -	\$ -	\$ 16,584,496	\$ 8,050,355
Judicial	2,821,703	2,749,136	-	-	2,821,703	2,749,136
Finance	1,872,071	1,886,778	-	-	1,872,071	1,886,778
Community development	5,523,831	5,791,062	-	-	5,523,831	5,791,062
Public safety	93,500,619	87,251,472	-	-	93,500,619	87,251,472
Parks and recreation	13,936,365	13,081,872	-	-	13,936,365	13,081,872
Public services	23,134,424	24,282,518	-	-	23,134,424	24,282,518
General services	5,423,712	5,269,511	-	-	5,423,712	5,269,511
Community promotion	14,374,726	10,660,364	-	-	14,374,726	10,660,364
Interest on long-term debt	4,289,910	4,491,254	-	-	4,289,910	4,491,254
Non-departmental	3,656,099	2,141,310	-	-	3,656,099	2,141,310
Water/sewer facilities	-	-	133,761,655	113,273,814	133,761,655	113,273,814
Hydro electric plant	-	-	525,056	2,422,544	525,056	2,422,544
Stormwater facilities	-	-	5,786,420	4,814,419	5,786,420	4,814,419
Parking facilities	-	-	7,300,521	7,678,876	7,300,521	7,678,876
Redevelopment programs	-	-	811,683	835,812	811,683	835,812
Parks and recreation camps	-	-	325,053	306,219	325,053	306,219
<b>Total expenses</b>	<b>185,117,956</b>	<b>165,655,632</b>	<b>148,510,388</b>	<b>129,331,684</b>	<b>333,628,344</b>	<b>294,987,316</b>
Increase (decrease) in net position before transfers	(8,579,794)	2,090,342	25,937,937	14,273,775	17,358,143	16,364,117
Transfers	9,566,317	8,889,857	(9,566,317)	(8,889,857)	-	-
<b>Increase in net position</b>	<b>986,523</b>	<b>10,980,199</b>	<b>16,371,620</b>	<b>5,383,918</b>	<b>17,358,143</b>	<b>16,364,117</b>
Net position, beginning of period	106,415,505	95,435,306	603,067,624	597,683,706	709,483,129	693,119,012
<b>Net position, end of period</b>	<b>\$ 107,402,028</b>	<b>\$ 106,415,505</b>	<b>\$ 619,439,244</b>	<b>\$ 603,067,624</b>	<b>\$ 726,841,272</b>	<b>\$ 709,483,129</b>

Total expenses for the City were approximately \$333,628,300 for the year ended June 30, 2016. This represents an increase of approximately \$38,641,000 (13.10%) when compared to the year ended June 30, 2015. This overall increase resulted from an increase of approximately \$19,462,300 in governmental activities and an increase of approximately \$19,178,700 in business-type activities. Most of the increase in governmental activities is related to the City's investment in its personnel. The City added personnel during the current year, and salaries were increased based on the results of the compensation and classification study completed. There were significant increases in health care and retirement costs. Additional costs were incurred with the City's revitalization of the Bull Street Commons area. As a result of the increase in the amount of hospitality taxes collected, the City was able to increase its support of community organizations during the current fiscal year by approximately \$3,714,000. The City also incurred approximately one million dollars in expenses related to the October 2015 flood. Expenses for business-type activities increased by approximately \$19,178,700, or 12.91%, compared to the year ended June 30, 2015. The overall increase in expenses was primarily in the Water and Sewer Facilities Fund and the Stormwater Facilities Fund. The two funds experienced increases in personnel and benefit costs similar to the increases in the governmental activities. In addition, these two funds experienced a significant increase in maintenance costs due to the damage to each fund's infrastructure related to the October 2015 flooding. The remaining increase is primarily due to additional depreciation expense on completed water and sewer projects related to the consent decree. This resulted in an increase of approximately \$20,487,800 in expenses in the Water and Sewer Facilities Fund and approximately \$972,000 in the Stormwater Facilities Fund. The Hydro Electric Facilities fund expenses decreased by approximately \$1,897,500. This decrease is primarily

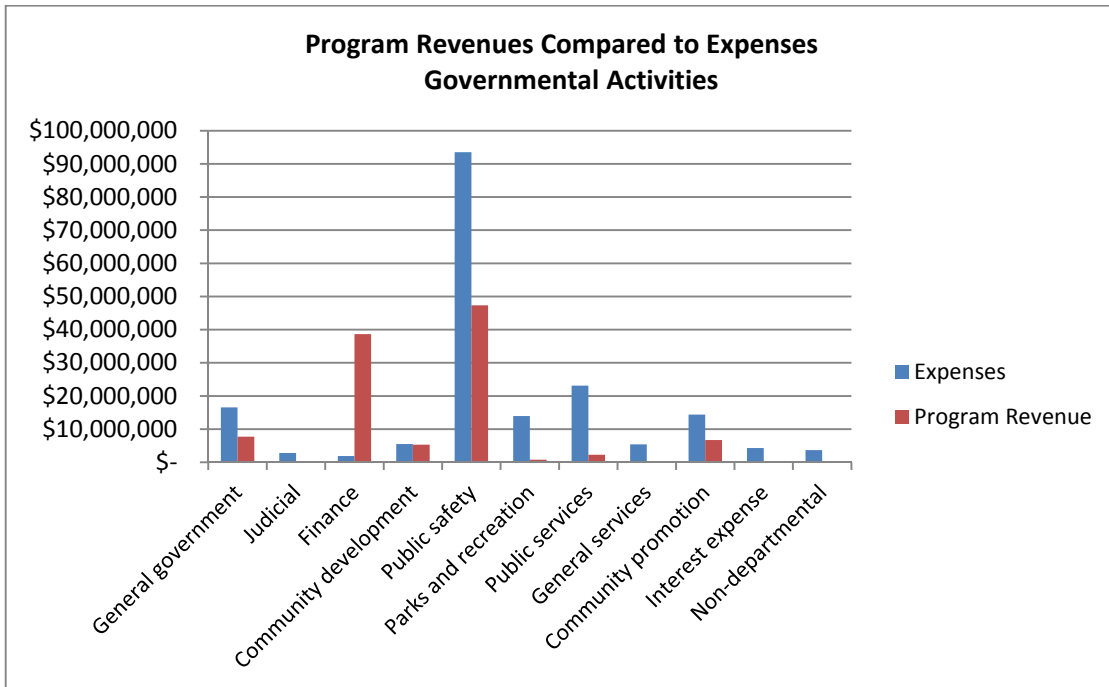
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due to the facility being closed for most of the year due to damages sustained during the October 2015 flood. The expenses for the remaining programs remained virtually unchanged compared to the year ended June 30, 2015.

The City's net position increased by \$17,358,143 during the year ended June 30, 2016. The net position for governmental activities increased by \$986,523, while the change in net position of business-type activities increased by \$16,371,620. The overall net position increase of the City was approximately \$994,000 more when compared to the prior fiscal year. This overall increase was the combination of an approximate \$9,993,790 decrease in the governmental activities and an approximate \$10,987,700 increase in business-type activities. The main factor in the overall increase was the increase in water and sewer rates and a significant capital contribution to increase the capacity of the sewer plant from West Columbia. These increases were offset by increased depreciation expense and flood related costs in the water and sewer department and the increased personnel and related benefit costs in all activities during the current fiscal year.

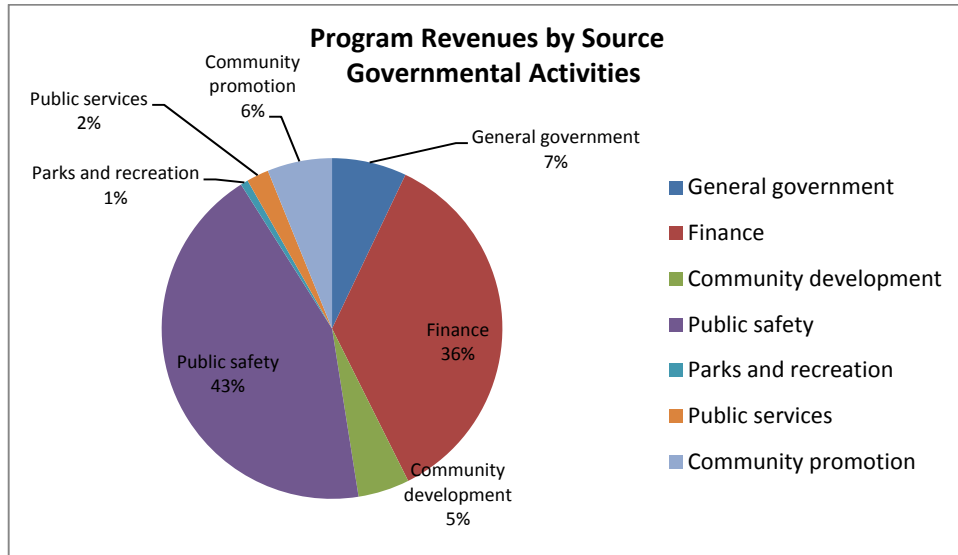
**Governmental Activities** – A comparative analysis of the governmental activities expenses and program revenues is presented below.

**Figure 1**  
**Program Revenues Compared to Expenses**  
**Governmental Activities**  
**Year Ended June 30, 2016**



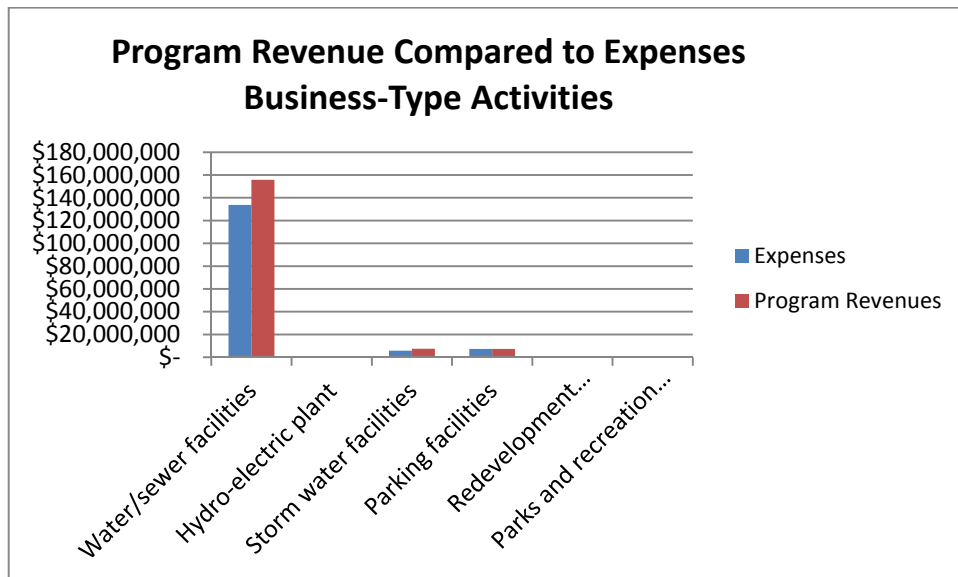
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**Figure 2**  
**Program Revenues by Source**  
**Governmental Activities**  
**Year Ended June 30, 2016**



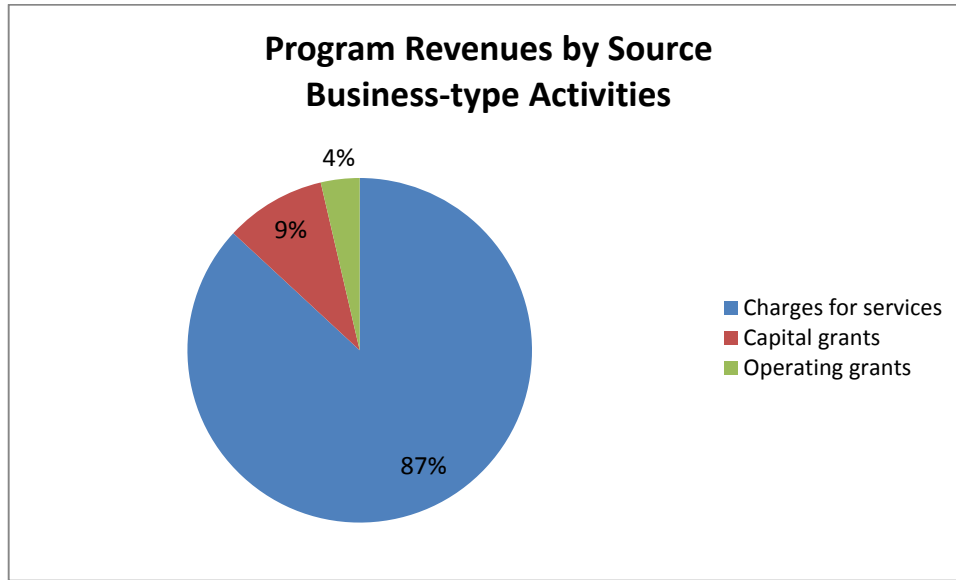
**Business-type Activities** – The net position of the City's business-type activities increased by approximately \$16,371,600 for the year ended June 30, 2016. This growth is primarily attributable to the operations of the water and sewer and stormwater departments. A comparative analysis and discussion of expenses and program revenues for these enterprise operations is presented below.

**Figure 3**  
**Program Revenue Compared to**  
**Expenses for Business-type Activities**  
**Year Ended June 30, 2016**



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**Figure 4**  
**Program Revenues by Source**  
**for Business-type Activities**  
**Year Ended June 30, 2016**



**Water and Sewer Facilities Fund** – The net position for the water and sewer facilities fund for the year ended June 30, 2016, increased by approximately \$18,022,300.

**Table 3**  
**Water and Sewer Facilities Fund Revenues and Expenses**  
**Years Ended June 30, 2016 and June 30, 2015**

	Year Ended June 30,	
	2016	2015
<b>Revenues</b>		
Total operating revenues	\$ 131,732,240	\$ 118,178,523
Non-operating revenues	8,995,388	(281,047)
Development contributions	16,054,517	3,872,664
Total revenues	<u>156,782,145</u>	<u>121,770,140</u>
<b>Expenses</b>		
Total operating expenses	115,904,049	98,033,982
Interest and amortization expense	14,189,123	10,414,620
Transfers, net	8,666,713	8,830,077
Total expenses	<u>138,759,885</u>	<u>117,278,679</u>
Change in net position	<u>\$ 18,022,260</u>	<u>\$ 4,491,461</u>

Total operating revenues, which primarily consist of water and sewer fees, increased by approximately \$13,553,700, or 11.47%, to \$131,732,240. The increase in operating revenues was due primarily to an increase in water and sewer rates as well as an increase in sewer plant expansion fees due to increased demand. The increase in non-operating revenues was due primarily to reimbursements from FEMA for certain expenses incurred due to the flooding in October 2015. Contributed infrastructure revenue increased approximately \$12,181,900 from the year ended June 30, 2015, due to increased real estate development activity during the



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year and an \$8.6 million capital contribution from West Columbia. Total revenues for the year ended June 30, 2016, increased approximately \$35,012,000, or 28.75%, to \$156,782,145.

Total operating expenses increased by approximately \$17,870,100, or 18.23%, to \$115,904,049 when compared to the year ended June 30, 2015. This increase was primarily the result of increase in maintenance and repair projects to the system in fiscal 2016 as part of the City's compliance with the consent decree and additional depreciation expense. There was also an increase in operating costs due to the October 2015 flood as well as increased personnel costs due to increases in compensation, health care costs, and retirement costs. The increase in operating expenses exceeded the increase in operating revenue resulting in an operating margin decrease of approximately \$4,316,400 compared to the year ended June 30, 2015.

Interest expense increased by approximately \$3,774,500 as less interest was capitalized in fiscal year 2016 due to completion of construction projects financed by bond proceeds. Net transfers in fiscal year 2016 decreased by approximately \$163,400 from fiscal year 2015 due to the elimination of a portion of the transfer to the general fund which was offset partially by the increased transfer to the internal service fund to cover the increased health care costs. Total expenses increased by approximately \$21,481,200, or 18.32%, to approximately \$138,759,900. The increase in water and sewer rates, sewer plant expansion fees and capital contribution, offset by the increase in compensation costs, employee benefit costs, maintenance costs, interest expense, and increased depreciation expense were the primary reasons change in net position increased by \$13,530,799 for the year ended June 30, 2016.

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, 2016, decreased by approximately \$548,300.

**Table 4**  
**Parking Facilities Fund Revenue and Expenses**  
**Years Ended June 30, 2016 and June 30, 2015**

	Year Ended June 30,	
	2016	2015
<b>Revenues</b>		
Total operating revenues	\$ 7,058,454	\$ 7,040,165
Non-operating revenues	411,468	183,805
Gain (loss) on sale of assets	-	3,690
Total revenues	<u>7,469,922</u>	<u>7,227,660</u>
<b>Expenses</b>		
Total operating expenses	5,344,623	5,082,334
Interest and amortization expense	1,743,167	2,416,329
Transfers, net	930,469	322,586
Total expenses	<u>8,018,259</u>	<u>7,821,249</u>
Change in net position	<u>\$ (548,337)</u>	<u>\$ (593,589)</u>

Total operating revenues, which primarily consist of parking fees and fines, increased by approximately \$18,300, or 0.26%, to \$7,058,454. The increase in operating revenues was due primarily to the continued interest and development in the downtown area. Non-operating revenue increased by approximately \$227,700 due primarily to funds received from a local developer to make improvements to one of the City's downtown garages. Total revenues for the year ended June 30, 2016, increased approximately \$242,300, or 3.35%, to \$7,469,922 primarily as a result of the reimbursement from the developer and continued interest by the general public in downtown Columbia.

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Total operating expenses increased by approximately \$262,300, or 5.16%, to \$5,344,623 when compared to the year ended June 30, 2015. This was primarily the result of increased compensation costs and related employee benefit costs. The increase in operating expenses offset the increase in operating revenues resulting in an operating margin decrease of approximately \$244,000 compared to the year ended June 30, 2015.

Interest and amortization expense decreased in fiscal year 2016 by approximately \$673,200, or 27.86%, when compared to fiscal year 2015 due to a reduction in the debt outstanding. Net transfers increased in fiscal year 2016 by approximately \$607,900 when compared to fiscal year 2015. The increase was due to increased transfers to the internal service funds to cover increased health care costs. Total expenses increased by approximately \$197,000, or 2.52%, to \$8,018,259. Increased compensation costs, increased health care costs, and retirement related costs offset by the decrease in interest expense were the main reasons for the increase in total expenses.

**Financial Analysis of the City's Funds**

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

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

As of June 30, 2016, the City's governmental funds reported combined ending fund balances of approximately \$63,417,800, a decrease of approximately \$37,367,400. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2016, the City had an unassigned fund balance of approximately \$16,215,200, a decrease of approximately \$5,120,900 compared to the year ended June 30, 2015.

The general fund is the chief operating fund of the City. During the year ended June 30, 2016, the fund balance of the general fund decreased by approximately \$6,488,900 to approximately \$29,904,900. The decrease in fund balance was due primarily to a less than two percent increase in revenues offset by increased compensation costs (approximately \$2,975,800 or 5.59%), health care costs (\$4,964,456 or 42.91%), retirement expense (\$548,870 or 8.65%), and expenses related to the October 2015 flood (approximately \$990,700). The unassigned fund balance, which is available for use without restriction, decreased by approximately \$2,939,600 to approximately \$19,412,600. Unrestricted fund balance is the combination of unassigned fund balance (\$19,412,600), assigned fund balance (\$3,603,700), and committed fund balance (\$4,876,000), and totals approximately \$27,892,300. The remainder of the fund balance in the general fund is comprised of approximately \$1,579,200 in restricted fund balance and \$433,200 in nonspendable fund balance. As a measure of liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The County Services fund is used to report funds received from Richland County, South Carolina to offset costs incurred by the City of Columbia in providing fire services and 911 emergency communications services to Richland County citizens living outside the incorporated area of the City of Columbia. Collections for the year ended June 30, 2016, increased by approximately \$2,710,100, or 19.48%, due to the City refunding a portion of the fees received during the prior year, back to Richland County and a budget increase of approximately \$1,710,100). Expenditures for the year ended June 30, 2016, increased by approximately \$2,582,000 primarily due to increased personnel costs (\$2,553,795) and normal price increases of goods and services. Transfers to the risk management fund for health care costs increased by approximately \$762,600.

The Miscellaneous Projects fund is used to report various capital projects funded by the General Fund. Expenditures in the fund for the year ended June 30, 2016, increased by approximately \$22,110,300 due to the construction and completion of the multipurpose entertainment venue. The venue, and the activity and interest it creates, is expected to be the centerpiece and catalyst for Bull Street Commons, a mixed use development that is expected to transform the former State Mental Health Hospital campus that has been out of use for over a decade.

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**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 for the year ended June 30, 2016, were approximately \$120,078,300, approximately \$2,991,400, or 2.55%, more than the final budget of approximately \$117,087,000. This overall revenue increase was the result of an increase in license and permit fees due to the economy continuing to improve and increased development downtown. These increases were offset by a decrease in general property taxes.

Total general fund expenditures were approximately \$121,545,100 for the year ended June 30, 2016, approximately \$638,000, or 0.57%, more than the final budgeted expenditures of approximately \$120,859,100. Closely monitoring of expenditures resulted in most city departments being under budget. The primary exception was expenses related to the October 2015 flood which totaled approximately \$990,700.

**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, 2016, totaled \$1,132,800,860 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, 2016, was approximately \$94,620,100, or 9.11%.

Major capital asset events during the year ended June 30, 2016, included the following:

- Construction in progress (CIP) increased by a net \$34,931,768. This increase was the result of several significant uncompleted projects as of June 30, 2016. The most significant of which included the Lake Murray Water Treatment Plant pump improvement project budgeted at approximately \$23,977,500, the Canal Water Treatment Plant sedimentation basin improvement project budgeted at approximately \$6,250,000, the Metro Waste Water Treatment Plant digester improvement project budgeted at approximately \$22,195,600 and the sanitary sewer replacement project along the Broad River and Crane Creek project budgeted at approximately \$15,400,400. Major completed projects included a \$8,626,280 upgrade to the Chapin water line, a \$4,193,052 water main upgrade at Broad River and Chapin Roads, \$4,908,136 in improvements to the Winterwood Pump Station, a \$10,504,105 upgrade to the West Columbia Pump Station, \$2,580,068 in improvements to the Saluda River Basins, as well as \$2,860,077 in sewer system upgrades at Blossom and Huger Streets. Major completed projects in the governmental projects included the completion of a \$3,452,672 renovation project at the Greenview Aquatic Center and the completion of the \$29,739,493 multi-purpose entertainment venue. There was an approximate decrease of \$1,656,700 governmental CIP balance due to the two projects listed previously being started and completed almost entirely within the current fiscal year. There was an increase of approximately \$36,588,400 in the business-type activities CIP balance as the City embarked on several significant projects under the Clean Water 2020 Program.
- Buildings and improvements additions totaled approximately \$93,441,000 during the year ended June 30, 2016. Most of these were the result of completed construction projects started in prior years. Significant additions included renovation of the Greenview Aquatic Center, the multipurpose entertainment venue, improvements to the Winterwood Pump Station, improvements to the West Columbia Pump Station, as well as various improvements in the Chapin area. There were no significant disposals of buildings during the current fiscal year.

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- Machinery and equipment additions totaled approximately \$10,362,800 during the year ended June 30, 2016. These additions consisted mainly of police vehicles, side loaders, rear loading garbage trucks, other items of rolling stock, video display system, pumps, actuators, and other water treatment equipment. Disposals consisted mainly of fully depreciated items, a recycling truck, and a KME fire pumper truck.
- Depreciation expense totaled approximately \$52,319,200 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, 2016 and June 30, 2015**

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2016	As of June 30, 2015	As of June 30, 2016	As of June 30, 2015	As of June 30, 2016	As of June 30, 2015
Land	\$ 36,845,828	\$ 33,257,979	\$ 30,833,759	\$ 30,164,566	\$ 67,679,587	\$ 63,422,545
Construction in progress	9,395,744	11,052,394	124,889,500	88,301,082	134,285,244	99,353,476
Buildings and improvements	169,135,232	138,368,256	684,615,188	657,967,963	853,750,420	796,336,219
Infrastructure	22,360,765	19,721,673	-	-	22,360,765	19,721,673
Machinery and equipment	18,127,568	19,255,198	36,597,275	40,091,663	54,724,843	59,346,861
<b>Total</b>	<b>\$ 255,865,137</b>	<b>\$ 221,655,500</b>	<b>\$ 876,935,722</b>	<b>\$ 816,525,274</b>	<b>\$ 1,132,800,859</b>	<b>\$ 1,038,180,774</b>

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

**Long-term debt** – The City's long-term debt, including capital leases payable, reflected a net decrease of approximately \$9,622,300, or 1.58%, as shown in Table 6. This net decrease was the result of \$26,052,567 in principal payments and \$2,182,609 in amortization of bond premiums. The City also received proceeds of \$18,612,916 (including premiums of \$1,707,916) from the issuance of two general obligation bonds. These bonds are backed by the full faith, credit, taxing power and resources of the City. Principal payments of \$9,450,000 were made on business-type activity revenue bonds. Principal payments of \$972,567 were made on governmental activities capital lease obligations. Principal payments of \$15,630,000 were made on governmental activities bonds and notes payable. Total governmental activities debt had a net increase of approximately \$1,592,500, while business-type activities debt had a net decrease of approximately \$11,214,800. The General Obligation Refunding Bonds, Series 2015 were issued to effect an advance refunding of all outstanding and callable maturities of the General Obligation Bonds, Series 2007A as well as pay the legal fees and cost of issuance of the Series 2015 bonds. The General Obligation Bonds, Series 2016 were issued to fund acquisition of equipment, improvements, and certain other expenditures related to the Bull Street Projects and to fund the demolition, site clearing, and related costs associated with the public housing complex known as "Gonzales Gardens".

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**Table 6**  
**Outstanding Indebtedness**  
**As of June 30, 2016 and June 30, 2015**

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2016	As of June 30, 2015	As of June 30, 2016	As of June 30, 2015	As of June 30, 2016	As of June 30, 2015
Notes payable	\$ 4,804,142	\$ 5,034,142	\$ -	\$ -	\$ 4,804,142	\$ 5,034,142
General obligation bonds	36,025,000	30,665,000	-	-	36,025,000	30,665,000
Bond premiums	2,996,630	1,577,297	-	-	2,996,630	1,577,297
Revenue bonds	62,180,000	66,035,000	-	-	62,180,000	66,035,000
Bond premiums	3,532,446	3,661,682	-	-	3,532,446	3,661,682
Parking Facilities revenue bonds	-	-	40,625,000	41,680,000	40,625,000	41,680,000
Bond premiums	-	-	40,158	42,101	40,158	42,101
Waterworks and Sewer System revenue bonds	-	-	415,720,000	424,115,000	415,720,000	424,115,000
Bond premiums	-	-	26,135,950	27,898,797	26,135,950	27,898,797
Capital leases payable	5,630,642	6,603,209	-	-	5,630,642	6,603,209
<b>Total</b>	<b>\$ 115,168,860</b>	<b>\$ 113,576,330</b>	<b>\$ 482,521,108</b>	<b>\$ 493,735,898</b>	<b>\$ 597,689,968</b>	<b>\$ 607,312,228</b>

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

Article X, Section 14 of the State Constitution limits the amount of general obligation debt a governmental entity may issue to 8% of its assessed property value. The City as of June 30, 2016, had \$36,025,000 in debt subject to this limitation which is less than the \$42,893,503 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, 2016. The South Carolina and the Midlands economy continues to experience recovery. The most recent data from the Bureau of Labor Statistics indicates that South Carolina's employment growth has returned to pre-recession levels and is expected to continue to improve. The Bureau of Economic Analysis data reflects an increase of 5.1% in personal income growth in South Carolina. This growth ranks South Carolina third in its twelve state region and eighth nationally.

In developing the fiscal year 2017 budget the City focused on three areas:

1. Public safety and neighborhood improvement – The fiscal year 2017 budget includes funding for expanding code enforcement operations. This increased funding will allow staff to focus on being proactive instead of being reactive to code enforcement issues. By being proactive, the City staff will be able to address code violations before they become public safety problems. The City will hire additional staff to help with enforcement of the recently adopted Rental Property ordinance and to help the City's Animal Shelter strive to become a No Kill Shelter over the next three years.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2016**

2. Infrastructure – The fiscal year 2017 budget includes increased investment in the water and sewer system, storm drains, and park facilities. City Council realizes capital improvements are a key factor in the economic and social well-being of the City and its citizens. The October 2015 floods had considerable impact on many of the City's capital assets. While prior investments in the capital improvement program helped to lessen the impact of the floods, City Council feels continued investment in the capital program is critical to the future development of the City.
3. Employee compensation – Council realizes competent and capable employees are a critical part of providing quality city services. As a result of this, the fiscal year 2017 budget includes the second year of the phased-in implementation of the 2015 Compensation and Classification study. City Council is committed to attracting and retaining competent and capable employees, and the fiscal year 2017 budget demonstrates that commitment.

In October 2016, Hurricane Matthew struck South Carolina causing significant damage to certain areas of the State of South Carolina. While there was damage to certain areas of the Midlands region of South Carolina, the City of Columbia suffered no significant damage to its infrastructure system or disruptions in its normal daily operations.

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

**Requests for Information**

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

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

## **BASIC FINANCIAL STATEMENTS**

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**June 30, 2016**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
<b>ASSETS</b>				
Current Assets				
Cash and equivalents	\$ 124,336,883	\$ 187,384,543	\$ 311,721,426	\$ 10,294,716
Certificates of deposit	-	-	-	500,000
Investments	10,951,648	88,930,856	99,882,504	-
Receivables				
Property taxes, net of allowance	1,676,866	-	1,676,866	-
Federal government	1,304,887	2,131,297	3,436,184	-
State government	7,278,085	-	7,278,085	-
County government	617,524	-	617,524	-
Accounts, net of allowance	705,620	7,750,080	8,455,700	877,180
Accrued interest	23,801	197,227	221,028	-
Mortgage notes, net of allowance	-	555,899	555,899	343,785
Due from component units	8,294	670,071	678,365	-
Internal balances	11,356,127	(11,356,127)	-	-
Prepaid expenses	581,303	146,975	728,278	760,698
Inventory	662,645	2,500,398	3,163,043	-
Capital lease receivable	4,549,142	-	4,549,142	-
Real estate held for sale and development	-	84,810	84,810	-
Restricted assets				
Real estate held for sale and development	-	-	-	67,045
<b>Total current assets</b>	<b>164,052,825</b>	<b>278,996,029</b>	<b>443,048,854</b>	<b>12,843,424</b>
Noncurrent Assets				
Cash on deposit with escrow agent	279,000	1,300,638	1,579,638	10,092,025
Investments	5,531,370	509,938	6,041,308	-
Mortgage notes receivable, net of current portion	-	21,749,711	21,749,711	2,261,410
Deposits	78,745	-	78,745	-
Other assets				
Prepaid bond insurance costs	-	370,645	370,645	-
Organizational costs	-	-	-	4,480
Real estate held for sale or development	-	-	-	2,972,465
Security deposits	-	-	-	2,500
Capital lease receivable, net of current portion	9,700,000	-	9,700,000	-
Capital assets not being depreciated				
Land	36,845,828	30,833,759	67,679,587	2,773,385
Construction in progress	9,395,744	124,889,500	134,285,244	-
Capital assets net of accumulated depreciation				
Buildings, improvements and utility plant	169,135,232	684,615,188	853,750,420	7,588,006
Infrastructure	22,360,765	-	22,360,765	-
Machinery and equipment	18,127,568	36,597,275	54,724,843	-
<b>Total noncurrent assets</b>	<b>271,454,252</b>	<b>900,866,654</b>	<b>1,172,320,906</b>	<b>25,694,271</b>
<b>TOTAL ASSETS</b>	<b>435,507,077</b>	<b>1,179,862,683</b>	<b>1,615,369,760</b>	<b>38,537,695</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	1,909,953	6,544,356	8,454,309	-
Deferred outflows related to net pension liability	12,232,725	4,150,821	16,383,546	-
Accumulated decrease in fair value of hedging derivatives	504,960	39,041,575	39,546,535	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>14,647,638</b>	<b>49,736,752</b>	<b>64,384,390</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 450,154,715</b>	<b>\$ 1,229,599,435</b>	<b>\$ 1,679,754,150</b>	<b>\$ 38,537,695</b>

(Continued)



**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**June 30, 2016**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>				
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable and accrued expenses	\$ 10,347,859	\$ 23,849,683	\$ 34,197,542	\$ 990,786
Accrued salaries and benefits	3,572,149	1,684,209	5,256,358	-
Accrued liability for claims	15,664,715	23,600	15,688,315	-
Accrued interest	762,249	8,909,701	9,671,950	-
Retainage payable	343,236	6,156,108	6,499,344	-
Unearned revenue	-	1,003,038	1,003,038	932,773
Due to primary government	-	-	-	514,289
Refundable advances	55,517	-	55,517	-
Due to related party	-	-	-	968
Compensated absences	1,450,710	379,903	1,830,613	20,429
Deposits payable	39,305	63,728	103,033	64,472
Current notes and mortgages payable	4,129,142	-	4,129,142	731,076
General obligation bonds, current portion	5,315,000	-	5,315,000	-
Revenue bonds, current portion	3,905,000	9,865,000	13,770,000	-
Obligation under capital lease - current portion	987,947	-	987,947	-
Liabilities payable from restricted assets	-	-	-	164,076
Due to primary government	-	-	-	-
<b>Total current liabilities</b>	<b>46,572,829</b>	<b>51,934,970</b>	<b>98,507,799</b>	<b>3,418,869</b>
Noncurrent liabilities				
Compensated absences	5,572,350	1,519,609	7,091,959	301,482
Net pension liability	130,136,687	44,163,019	174,299,706	-
OPEB liability	52,334,762	-	52,334,762	-
Mortgages payable, net of current portion	675,000	-	675,000	4,905,459
General obligation bonds, net of current portion	33,706,630	-	33,706,630	-
Revenue bonds, net of current portion	61,807,446	472,656,106	534,463,552	-
Obligation under capital lease - net of current portion	4,642,695	-	4,642,695	-
Derivative instrument liability, interest rate swap	504,960	39,041,575	39,546,535	-
<b>Total noncurrent liabilities</b>	<b>289,380,530</b>	<b>557,380,309</b>	<b>846,760,839</b>	<b>5,206,941</b>
<b>TOTAL LIABILITIES</b>	<b>335,953,359</b>	<b>609,315,279</b>	<b>945,268,638</b>	<b>8,625,810</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to net pension liability	2,490,005	844,912	3,334,917	-
Deferred inflow - property sale	279,000	-	279,000	-
Deferred inflow - property tax credit	4,030,323	-	4,030,323	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>6,799,328</b>	<b>844,912</b>	<b>7,644,240</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	163,832,021	401,468,909	565,300,930	5,659,071
Restricted for				
Capital projects	13,276,860	-	13,276,860	-
Debt service	4,213,150	9,404,442	13,617,592	-
Tourism	6,551,888	-	6,551,888	10,139,840
Public safety	353,801	-	353,801	-
Community development				
Expendable	623,926	-	623,926	663,700
Nonexpendable	5,000	-	5,000	-
Unrestricted	(81,454,618)	208,565,893	127,111,275	13,449,274
<b>TOTAL NET POSITION</b>	<b>107,402,028</b>	<b>619,439,244</b>	<b>726,841,272</b>	<b>29,911,885</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 450,154,715</b>	<b>\$ 1,229,599,435</b>	<b>\$ 1,679,754,150</b>	<b>\$ 38,537,695</b>

See accompanying Notes to Financial Statements

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	Component Units
Primary Government								
Governmental activities								
General government	\$ 16,584,496	\$ 810,592	\$ 2,398,640	4,504,284	\$ (8,870,980)	\$ -	\$ (8,870,980)	\$ -
Judicial	2,821,703	-	-	-	(2,821,703)	-	(2,821,703)	-
Finance department	1,872,071	38,659,299	-	-	36,787,228	-	36,787,228	-
Community development	5,523,831	908,359	4,411,689	-	(203,783)	-	(203,783)	-
Public safety	93,500,619	23,078,568	24,277,614	-	(46,144,437)	-	(46,144,437)	-
Parks and recreation	13,936,365	779,008	-	-	(13,157,357)	-	(13,157,357)	-
Public services	23,134,424	169,512	220,262	1,895,338	(20,849,312)	-	(20,849,312)	-
General services	5,423,712	-	-	-	(5,423,712)	-	(5,423,712)	-
Tourism and community development	14,374,726	-	6,695,836	-	(7,678,890)	-	(7,678,890)	-
Interest and other charges	4,289,910	-	-	-	(4,289,910)	-	(4,289,910)	-
Nondepartmental	3,656,099	-	-	-	(3,656,099)	-	(3,656,099)	-
Total governmental activities	185,117,956	64,405,338	38,004,041	6,399,622	(76,308,955)	-	(76,308,955)	-
Business-type activities								
Water/sewer facilities	133,761,655	133,482,271	6,227,736	16,054,517	-	22,002,869	22,002,869	-
Hydro-electric plant	525,056	54,435	-	-	-	(470,621)	(470,621)	-
Stormwater facilities	5,786,420	7,316,201	-	175,000	-	1,704,781	1,704,781	-
Parking facilities	7,300,521	7,365,470	-	-	-	64,949	64,949	-
Redevelopment programs	811,683	543,626	20,379	-	-	(247,678)	(247,678)	-
Parks and recreation camps	325,053	320,265	-	-	-	(4,788)	(4,788)	-
Total business-type activities	148,510,388	149,082,268	6,248,115	16,229,517	-	23,049,512	23,049,512	-
Total Primary Government	\$ 333,628,344	\$ 213,487,606	\$ 44,252,156	\$ 22,629,139	(76,308,955)	23,049,512	(53,259,443)	-
<b>COMPONENT UNITS</b>	\$ 12,627,593	\$ 12,210,097	\$ 534,666	\$ 10,000	-	-	-	127,170
General revenues:								
General property taxes					32,871,757	-	32,871,757	-
Local Option Sales Tax					18,152,618	-	18,152,618	-
Sales taxes					13,398,593	-	13,398,593	-
Motor fuel taxes					3,054	-	3,054	-
State shared revenue					2,853,350	-	2,853,350	-
Appropriations - City of Columbia					-	-	-	1,390,025
Unrestricted investment earnings					227,683	2,511,346	2,739,029	49,749
Gain on disposal of capital assets					222,106	377,079	599,185	16,973
Transfers					9,566,317	(9,566,317)	-	-
Total general revenues and transfers					77,295,478	(6,677,892)	70,617,586	1,456,747
Change in net position					986,523	16,371,620	17,358,143	1,583,917
Net position - beginning of period					106,415,505	603,067,624	709,483,129	28,327,968
<b>Net position - end of period</b>					<u>\$ 107,402,028</u>	<u>\$ 619,439,244</u>	<u>\$ 726,841,272</u>	<u>\$ 29,911,885</u>

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS**

June 30, 2016

	General Fund	County Services	Miscellaneous Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 23,806,174	\$ -	\$ 2,619,155	\$ 29,380,225	\$ 55,805,554
Investments	11,306,650	-	3,952,126	1,224,242	16,483,018
Receivables					
Property taxes, net	1,676,866	-	-	-	1,676,866
Federal government	69,492	26,505	-	1,208,890	1,304,887
State government	6,421,975	-	-	856,111	7,278,086
County	-	-	-	617,524	617,524
Accounts, net	292,617	-	-	-	292,617
Accrued interest receivable	23,784	-	6	9	23,799
Capital lease receivable	14,249,142	-	-	-	14,249,142
Due from other funds	-	-	-	902,000	902,000
Due from component units	5,469	-	-	2,825	8,294
Cash on deposit with escrow agent	279,000	-	-	-	279,000
Prepaid charges	433,224	66,437	-	-	499,661
<b>TOTAL ASSETS</b>	<b>\$ 58,564,393</b>	<b>\$ 92,942</b>	<b>\$ 6,571,287</b>	<b>\$ 34,191,826</b>	<b>\$ 99,420,448</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 5,347,588	\$ 417,046	\$ -	\$ 2,015,131	\$ 7,779,765
Accrued salaries and benefits	2,767,908	578,851	-	42,804	3,389,563
Retainage payable	-	-	261,633	81,603	343,236
Refundable advances	-	-	25	55,493	55,518
Due to other funds	-	2,228,058	902,000	760,482	3,890,540
Customer deposits	39,305	-	-	-	39,305
Advances from other funds	1,150,042	-	-	-	1,150,042
Total liabilities	9,304,843	3,223,955	1,163,658	2,955,513	16,647,969
Deferred inflows of resources					
Unearned revenue - deferred property tax credit	4,030,323	-	-	-	4,030,323
Unearned revenue - property sale	279,000	-	-	-	279,000
Unavailable revenue - property taxes	796,227	-	-	-	796,227
Unavailable revenue - capital lease receivable	14,249,142	-	-	-	14,249,142
Total deferred inflows of resources	19,354,692	-	-	-	19,354,692
Fund balances					
Nonspendable	433,224	66,437	-	5,000	504,661
Restricted	1,579,244	-	5,407,629	18,032,753	25,019,626
Committed	4,876,045	-	-	-	4,876,045
Assigned	3,603,701	-	-	13,198,560	16,802,261
Unassigned	19,412,644	(3,197,450)	-	-	16,215,194
Total fund balances (deficits)	29,904,858	(3,131,013)	5,407,629	31,236,313	63,417,787
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 58,564,393</b>	<b>\$ 92,942</b>	<b>\$ 6,571,287</b>	<b>\$ 34,191,826</b>	<b>\$ 99,420,448</b>

See accompanying Notes to Financial Statements.

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

**June 30, 2016**

Total fund balance, governmental funds \$ 63,417,787

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	\$	36,845,828	
Construction in progress		9,395,744	
Buildings and improvements, net		168,231,646	
Infrastructure, net		22,360,765	
Machinery and equipment, net		<u>18,146,368</u>	254,980,351

Certain other long-term deferred outflows are not available to pay current period expenditures and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net position.

Unamortized deferred loss on refunding	\$	1,909,953	
Pension contributions made subsequent to the measurement date		8,325,308	
Differences between expected and actual experience		<u>3,500,335</u>	13,735,596

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.

775,701

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.

(4,537,156)

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.

15,494,710

Some liabilities (such as notes payable, capital leases, contracts payable, compensated absences, and bonds payable) are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the statement of net position.

Accrued compensated absences	\$	(6,792,566)	
Accrued interest payable		(762,249)	
Net pension liability		(125,587,464)	
Bonds and notes payable		(103,009,142)	
Capital lease payable		(5,630,642)	
Unamortized premium		<u>(6,529,076)</u>	(248,311,139)

Other long term deferred inflows related to pension expense do not consume current financial resources and are, therefore, not reported in the fund financial statements:

Investment earnings on retirement plan fiduciary held assets			(2,402,964)
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Capital leases receivable does not provide current financial resources and, therefore, is deferred in the fund financial statements.

14,249,142

**Net position of governmental activities in the statement of net position \$ 107,402,028**

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

Year Ended June 30, 2016

	General Fund	County Services	Miscellaneous Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
General property taxes	\$ 51,024,375	\$ -	\$ -	\$ -	\$ 51,024,375
Sales, hospitality and admission taxes	225,932	-	-	13,172,661	13,398,593
Licenses and permits	38,659,049	-	-	-	38,659,049
Intergovernmental revenue	15,970,472	-	-	-	15,970,472
Charges for services	12,492,939	-	-	86,684	12,579,623
Fines and forfeitures	822,196	-	-	119,517	941,713
Federal government	200,846	78,046	-	4,686,883	4,965,775
State government	-	-	715,682	358,667	1,074,349
County government	-	22,755,848	-	7,476,612	30,232,460
Promotions	96,677	-	-	12,578	109,255
Confiscated funds	-	-	-	274,392	274,392
Interest	205,922	-	6,404	15,436	227,762
Other revenues	379,902	-	447,861	3,413,742	4,241,505
Total revenues	<u>120,078,310</u>	<u>22,833,894</u>	<u>1,169,947</u>	<u>29,617,172</u>	<u>173,699,323</u>
<b>EXPENDITURES</b>					
Current					
General government	7,825,943	-	3,943	450,418	8,280,304
Judicial	2,601,829	-	-	-	2,601,829
Finance department	1,756,891	-	-	-	1,756,891
Planning and development	3,071,520	-	-	-	3,071,520
Public safety	61,023,705	23,498,720	-	1,315,448	85,837,873
Parks and recreation	11,367,618	-	-	-	11,367,618
Public services	19,370,368	-	561,001	48,279	19,979,648
General services	5,189,301	-	-	-	5,189,301
Tourism and community development	821,561	-	-	16,353,468	17,175,029
Non departmental	3,785,304	-	-	-	3,785,304
Debt service					
Principal payment on bonds	1,704,259	-	-	8,630,000	10,334,259
Interest on bonds	902,795	-	-	2,929,949	3,832,744
Fiscal agent charges	-	-	-	5,732	5,732
Debt issuance costs	-	-	350,414	230,155	580,569
Capital outlay					
Capital outlay	2,124,047	61,996	26,066,777	17,214,884	45,467,704
Total expenditures	<u>121,545,141</u>	<u>23,560,716</u>	<u>26,982,135</u>	<u>47,178,333</u>	<u>219,266,325</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,466,831)</u>	<u>(726,822)</u>	<u>(25,812,188)</u>	<u>(17,561,161)</u>	<u>(45,567,002)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	10,971,664	-	871,291	22,689,834	34,532,789
Transfers (out)	(16,342,702)	(1,452,462)	(13,076,233)	(7,757,190)	(38,628,587)
Sale of general capital assets	348,987	-	-	-	348,987
Issuance of debt	-	-	10,645,000	-	10,645,000
Refunding bonds issued	-	-	-	6,260,000	6,260,000
Premium on debt issuance	-	-	1,045,028	662,888	1,707,916
Payments to refunded bonds escrow agent	-	-	-	(6,666,502)	(6,666,502)
Total other financing sources (uses)	<u>(5,022,051)</u>	<u>(1,452,462)</u>	<u>(514,914)</u>	<u>15,189,030</u>	<u>8,199,603</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(6,488,882)</u>	<u>(2,179,284)</u>	<u>(26,327,102)</u>	<u>(2,372,131)</u>	<u>(37,367,399)</u>
Beginning fund balances (deficits)	<u>36,393,740</u>	<u>(951,729)</u>	<u>31,734,731</u>	<u>33,608,444</u>	<u>100,785,186</u>
Ending fund balances (deficits)	<u>\$ 29,904,858</u>	<u>\$ (3,131,013)</u>	<u>\$ 5,407,629</u>	<u>\$ 31,236,313</u>	<u>\$ 63,417,787</u>

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2016**

Net change in fund balances - total governmental funds \$ (37,367,399)

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	\$ 45,467,704	
Depreciation expense	<u>(13,659,974)</u>	31,807,730

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and disposals) is to decrease net position.

Proceeds from the sale of capital assets		(348,987)
--	--	-----------

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.

4,748,544

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.

2,773,814

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.

Property taxes		24,944
----------------	--	--------

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 bonds payable issued	\$ (16,905,000)	
Proceeds from bond premium	(1,707,916)	
Principal retirement of long-term debt	16,602,576	
Amortization of premium	(417,819)	
Amortization of bond refunding deferred charge	<u>(239,342)</u>	(2,667,501)

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	\$ 385,395	
Pension expense	(774,467)	
Accrued interest payable	<u>(74,141)</u>	(463,213)

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.

2,478,591

**Change in net position of governmental activities**

\$ 986,523

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2016**

	<b>Business-type Activities</b>			<b>Total</b>	<b>Governmental</b>
	<b>Water/Sewer Facilities Fund</b>	<b>Parking Facilities Fund</b>	<b>Nonmajor Proprietary Funds</b>		<b>Internal Service Funds</b>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 160,097,584	\$ 7,980,334	\$ 19,306,625	\$ 187,384,543	\$ 68,531,329
Investments	79,694,823	3,923,323	5,312,710	88,930,856	-
Accounts receivable, net	7,606,120	134,433	9,527	7,750,080	413,003
Mortgage notes receivable, net	116,088	-	439,811	555,899	-
Accrued interest receivable	166,412	17,824	12,991	197,227	-
Due from federal government	2,131,297	-	-	2,131,297	-
Due from other funds	3,170,266	-	-	3,170,266	-
Due from component units	500,000	-	170,071	670,071	-
Inventory	2,396,535	103,863	-	2,500,398	662,645
Prepaid expenses	120,888	18,044	8,040	146,972	81,642
Real estate held for resale	-	-	84,810	84,810	-
<b>Total current assets</b>	<b>256,000,013</b>	<b>12,177,821</b>	<b>25,344,585</b>	<b>293,522,419</b>	<b>69,688,619</b>
<b>Noncurrent Assets</b>					
Mortgage notes receivable, net	198,974	-	21,550,737	21,749,711	-
Investments	-	509,938	-	509,938	-
Cash on deposit with escrow agent	1,300,638	-	-	1,300,638	-
Deposits	-	-	-	-	78,745
Prepaid bond insurance costs	-	370,645	-	370,645	-
Advances to other funds	1,150,042	-	-	1,150,042	-
<b>Capital assets</b>					
Land	14,254,503	16,032,002	547,254	30,833,759	-
Buildings, improvements and utility plant	993,633,026	57,850,251	33,967,677	1,085,450,954	903,586
Machinery and equipment	72,743,167	1,705,969	3,718,869	78,168,005	1,736,939
Less accumulated depreciation	(414,499,121)	(18,112,592)	(9,794,783)	(442,406,496)	(1,755,739)
Construction in progress	121,937,864	-	2,951,636	124,889,500	-
<b>Net capital assets</b>	<b>788,069,439</b>	<b>57,475,630</b>	<b>31,390,653</b>	<b>876,935,722</b>	<b>884,786</b>
<b>Total noncurrent assets</b>	<b>790,719,093</b>	<b>58,356,213</b>	<b>52,941,390</b>	<b>902,016,696</b>	<b>963,531</b>
<b>TOTAL ASSETS</b>	<b>1,046,719,106</b>	<b>70,534,034</b>	<b>78,285,975</b>	<b>1,195,539,115</b>	<b>70,652,150</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	6,544,356	-	-	6,544,356	-
Deferred outflows related to net pension liability	3,571,613	268,690	310,518	4,150,821	427,610
Accumulated decrease in fair value of hedging derivatives	39,041,575	-	-	39,041,575	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>49,157,544</b>	<b>268,690</b>	<b>310,518</b>	<b>49,736,752</b>	<b>427,610</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,095,876,650</b>	<b>\$ 70,802,724</b>	<b>\$ 78,596,493</b>	<b>\$ 1,245,275,867</b>	<b>\$ 71,079,760</b>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS (CONTINUED)**  
**June 30, 2016**

	<b>Business-type Activities</b>			<b>Total</b>	<b>Governmental</b>
	<b>Water/Sewer Facilities Fund</b>	<b>Parking Facilities Fund</b>	<b>Nonmajor Proprietary Funds</b>		<b>Internal Service Funds</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION</b>					
Current Liabilities					
Accounts payable	\$ 22,599,245	\$ 119,898	\$ 1,130,536	\$ 23,849,679	\$ 2,568,095
Accrued salaries and benefits	1,418,354	104,604	161,251	1,684,209	182,586
Compensated absences	335,994	23,066	20,843	379,903	46,098
Retainage payable	6,156,108	-	-	6,156,108	-
Accrued interest payable	8,201,973	707,728	-	8,909,701	-
Revenue bonds payable	8,750,000	1,115,000	-	9,865,000	-
Due to other funds	-	-	181,726	181,726	-
Deposits payable	63,728	-	-	63,728	-
Unearned revenue	1,003,038	-	-	1,003,038	-
Accrued liability for claims	23,600	-	-	23,600	15,664,715
<b>Total current liabilities</b>	<b>48,552,040</b>	<b>2,070,296</b>	<b>1,494,356</b>	<b>52,116,692</b>	<b>18,461,494</b>
Noncurrent Liabilities					
Compensated absences	1,343,974	92,265	83,370	1,519,609	184,396
Net pension liability	37,997,336	2,858,515	3,307,168	44,163,019	4,549,223
OPEB liability	-	-	-	-	52,334,762
Revenue bonds payable - net	433,115,947	39,540,159	-	472,656,106	-
Derivative instrument liability - interest rate swap	39,041,575	-	-	39,041,575	-
<b>Total noncurrent liabilities</b>	<b>511,498,832</b>	<b>42,490,939</b>	<b>3,390,538</b>	<b>557,380,309</b>	<b>57,068,381</b>
<b>Total liabilities</b>	<b>560,050,872</b>	<b>44,561,235</b>	<b>4,884,894</b>	<b>609,497,001</b>	<b>75,529,875</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to net pension liability	727,012	54,693	63,207	844,912	87,041
<b>FUND NET POSITION</b>					
Net investment in capital assets	352,747,848	17,330,408	31,390,653	401,468,909	884,786
Restricted for debt service	9,404,442	-	-	9,404,442	-
Unrestricted	172,946,476	8,856,388	42,257,739	224,060,603	(5,421,942)
<b>Total fund net position</b>	<b>535,098,766</b>	<b>26,186,796</b>	<b>73,648,392</b>	<b>634,933,954</b>	<b>(4,537,156)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION</b>	<b>\$ 1,095,876,650</b>	<b>\$ 70,802,724</b>	<b>\$ 78,596,493</b>		<b>\$ 71,079,760</b>
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				(15,494,710)	
Net position of business-type activities				<b>\$ 619,439,244</b>	

See accompanying Notes to Financial Statements.



**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**

Year Ended June 30, 2016

	Business-type Activities			Total	Governmental
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
Operating revenues					
Charges for service	\$ 130,888,121	\$ 5,295,080	\$ 8,183,795	\$ 144,366,996	\$ 50,232,126
Other operating revenue	844,119	1,763,374	53,432	2,660,925	-
<b>Total operating revenues</b>	<b>131,732,240</b>	<b>7,058,454</b>	<b>8,237,227</b>	<b>147,027,921</b>	<b>50,232,126</b>
Operating expenses					
Personnel services	33,933,804	2,536,422	3,129,623	39,599,849	3,877,648
Materials and supplies	10,001,315	271,640	247,150	10,520,105	7,582,324
Other services and charges	29,411,132	658,665	2,437,674	32,507,471	6,742,152
Heat, light and power	7,096,222	310,176	-	7,406,398	47,328
Depreciation	35,411,576	1,567,720	1,355,068	38,334,364	324,908
Claims and premiums	50,000	-	-	50,000	40,586,416
Bad debt expense	-	-	83,181	83,181	-
<b>Total operating expenses</b>	<b>115,904,049</b>	<b>5,344,623</b>	<b>7,252,696</b>	<b>128,501,368</b>	<b>59,160,776</b>
<b>Operating income (loss)</b>	<b>15,828,191</b>	<b>1,713,831</b>	<b>984,531</b>	<b>18,526,553</b>	<b>(8,928,650)</b>
Nonoperating revenues (expenses)					
Investment income (loss)	2,223,742	122,541	165,066	2,511,349	-
Other nonoperating revenue	167,281	288,927	175,000	631,208	-
Federal grant revenue	6,227,736	-	20,379	6,248,115	-
Gain (loss) from sale of assets	376,629	-	450	377,079	15,078
Interest expense	(13,374,365)	(1,710,943)	-	(15,085,308)	-
Bond related costs	(251,224)	(6,292)	-	(257,516)	-
Amortization of deferred charges	(563,534)	(25,932)	-	(589,466)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(5,193,735)</b>	<b>(1,331,699)</b>	<b>360,895</b>	<b>(6,164,539)</b>	<b>15,078</b>
<b>Income (loss) before contributions and transfers</b>	<b>10,634,456</b>	<b>382,132</b>	<b>1,345,426</b>	<b>12,362,014</b>	<b>(8,913,572)</b>
Capital contributions and transfers					
Transfers in	1,450	-	884,641	886,091	14,949,276
Transfers out	(8,668,163)	(930,469)	(853,777)	(10,452,409)	(1,287,160)
Development contributions	16,054,517	-	-	16,054,517	-
<b>Total capital contributions and transfers</b>	<b>7,387,804</b>	<b>(930,469)</b>	<b>30,864</b>	<b>6,488,199</b>	<b>13,662,116</b>
<b>Change in net position</b>	<b>18,022,260</b>	<b>(548,337)</b>	<b>1,376,290</b>	<b>18,850,213</b>	<b>4,748,544</b>
Net position - beginning	517,076,506	26,735,133	72,272,102		(9,285,700)
<b>Net position - ending</b>	<b>\$ 535,098,766</b>	<b>\$ 26,186,796</b>	<b>\$ 73,648,392</b>		<b>\$ (4,537,156)</b>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				(2,478,593)	
<b>Change in net position of business-type activities</b>				<b>\$ 16,371,620</b>	

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

Year Ended June 30, 2016

	<b>Business-type Activities</b>				<b>Governmental Activities</b>
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds	Total	Internal Service Funds
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and users	\$ 132,247,282	\$ 7,068,800	\$ 8,351,443	\$ 147,667,525	\$ 250,555
Internal activity - receipts from other funds	-	-	-	-	49,908,870
Internal activity - payments to other funds	(10,439,726)	(721,420)	(1,034,805)	(12,195,951)	(773,677)
Payments to suppliers	(33,260,648)	(1,133,641)	(1,686,273)	(36,080,562)	(14,322,163)
Claims paid	-	-	-	-	(41,147,090)
Payments to employees	(24,869,682)	(1,858,349)	(2,407,152)	(29,135,183)	(3,035,508)
<b>Net cash provided by (used in) operating activities</b>	<u>63,677,226</u>	<u>3,355,390</u>	<u>3,223,213</u>	<u>70,255,829</u>	<u>(9,119,013)</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Advances to other funds	(1,258,220)	-	-	(1,258,220)	(1,202,351)
Transfers in	1,450	-	884,641	886,091	14,949,276
Transfers out	(8,668,163)	(930,469)	(853,777)	(10,452,409)	(1,287,160)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(9,924,933)</u>	<u>(930,469)</u>	<u>30,864</u>	<u>(10,824,538)</u>	<u>12,459,765</u>
<b>Cash Flows From Capital And Related Financing Activities</b>					
Principal paid on bonds and notes	(8,385,000)	(1,065,000)	-	(9,450,000)	-
Interest paid on debt	(20,049,434)	(1,726,470)	-	(21,775,904)	-
Proceeds from capital contributions	8,606,581	-	-	8,606,581	-
Purchase of capital assets	(76,703,015)	(1,251,176)	(4,274,911)	(82,229,102)	-
Bond related costs	(251,224)	(6,292)	-	(257,516)	-
Proceeds from sale of capital assets	206,853	-	450	207,303	17,889
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(96,575,239)</u>	<u>(4,048,938)</u>	<u>(4,274,461)</u>	<u>(104,898,638)</u>	<u>17,889</u>
<b>Cash Flows From Investing Activities</b>					
Sale of investments	35,426,145	438,839	-	35,864,984	-
Receipts from property rentals	167,281	288,927	-	456,208	-
Advances of mortgage notes receivable	(149,800)	-	(3,062,938)	(3,212,738)	-
Collections of mortgage notes receivable	265,888	-	2,259,107	2,524,995	-
Interest received	2,256,252	122,541	89,883	2,468,676	-
Sale of real estate held for resale	-	-	156,624	156,624	-
<b>Net cash provided by (used in) investing activities</b>	<u>37,965,766</u>	<u>850,307</u>	<u>(557,324)</u>	<u>38,258,749</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(4,857,180)	(773,710)	(1,577,708)	(7,208,598)	3,358,641
Cash and cash equivalents, July 1, 2015	166,255,402	8,754,044	20,884,333	195,893,779	65,172,688
<b>Cash and cash equivalents, June 30, 2016</b>	<u>\$ 161,398,222</u>	<u>\$ 7,980,334</u>	<u>\$ 19,306,625</u>	<u>\$ 188,685,181</u>	<u>\$ 68,531,329</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)**

Year Ended June 30, 2016

	<b>Business-type Activities</b>			<b>Total</b>	<b>Governmental Activities</b>
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
<b>Operating income (loss)</b>	<u>\$ 15,828,191</u>	<u>\$ 1,713,831</u>	<u>\$ 984,531</u>	<u>\$ 18,526,553</u>	<u>\$ (8,928,650)</u>
Adjustments to reconcile operating income to net cash (loss) provided by (used in) operating activities:					
Depreciation	35,411,576	1,567,720	1,355,068	38,334,364	324,907
Accrued benefits related to net pension liability	421,149	21,592	13,930	456,671	27,530
Bad debt expense	-	-	83,181	83,181	-
Change in operating assets and liabilities					
Accounts receivable	515,042	10,346	114,216	639,604	(72,701)
Inventory	19,636	21,848	-	41,484	24,118
Prepaid expenses	(37,383)	(16,365)	1,243	(52,505)	104,789
Accounts payable	8,959,165	8,667	609,514	9,577,346	(315,922)
Accrued salaries	298,121	25,202	48,961	372,284	52,898
Accrued compensated absences	106,004	2,549	12,569	121,122	(11,965)
OPEB liability	-	-	-	-	236,657
Accrued expenses	2,155,725	-	-	2,155,725	-
Accrued liability for claims	-	-	-	-	(560,674)
Total adjustments	<u>47,849,035</u>	<u>1,641,559</u>	<u>2,238,682</u>	<u>51,729,276</u>	<u>(190,363)</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>\$ 63,677,226</u></u>	<u><u>\$ 3,355,390</u></u>	<u><u>\$ 3,223,213</u></u>	<u><u>\$ 70,255,829</u></u>	<u><u>\$ (9,119,013)</u></u>
<b>Noncash Investing, Capital and Financing Activities</b>					
Water and sewer contributed assets	<u><u>\$ 7,447,936</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,447,936</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

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

**June 30, 2016**

	<b>Private- Purpose Trust Funds</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 17,716	\$ 36,933
<b>Total assets</b>	<u>17,716</u>	<u><u>36,933</u></u>
<b>LIABILITIES</b>		
Accounts payable	<u>-</u>	<u>\$ 36,933</u>
<b>Total liabilities</b>	<u>-</u>	<u><u>\$ 36,933</u></u>
<b>NET POSITION</b>		
Held in trust - other purposes	<u><u>\$ 17,716</u></u>	

See accompanying Notes to Financial Statements.

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

**Year Ended June 30, 2016**

	<b><u>Private- Purpose Trust Funds</u></b>
<b>ADDITIONS</b>	
Contributions:	
Private donations	\$ 16,185
<b>Total contributions</b>	<u>16,185</u>
<b>DEDUCTIONS</b>	
Administrative expenses	<u>14,567</u>
<b>Total deductions</b>	<u>14,567</u>
<b>Change in net position</b>	1,618
Net position - beginning	<u>16,098</u>
<b>Net position - ending</b>	<u><u>\$ 17,716</u></u>

See accompanying Notes to Financial Statements.

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

June 30, 2016

	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
<b>ASSETS</b>							
Current Assets							
Cash and cash equivalents	\$ 1,433,254	\$ 275,763	\$ 374,266	\$ 5,475,489	\$ 1,104,951	\$ 1,630,993	\$ 10,294,716
Certificates of deposit	200,000	100,000	100,000	-	100,000	-	500,000
Accounts receivable, net	300	80,430	-	706,870	38,414	51,166	877,180
Mortgage notes receivable, current portion	203,450	45,751	-	-	-	94,584	343,785
Prepaid expenses	5,699	4,227	4,988	713,418	21,524	10,842	760,698
Restricted Assets							
Real estate held for sale and development	-	28,800	38,245	-	-	-	67,045
<b>Total current assets</b>	<b>1,842,703</b>	<b>534,971</b>	<b>517,499</b>	<b>6,895,777</b>	<b>1,264,889</b>	<b>1,787,585</b>	<b>12,843,424</b>
Capital Assets							
Capital assets, not being depreciated	-	103,293	58,000	-	710,731	1,901,361	2,773,385
Capital assets, net of accumulated depreciation	5,594	844,017	270,561	1,391,951	3,044,279	2,031,604	7,588,006
<b>Net capital assets</b>	<b>5,594</b>	<b>947,310</b>	<b>328,561</b>	<b>1,391,951</b>	<b>3,755,010</b>	<b>3,932,965</b>	<b>10,361,391</b>
Other Assets							
Mortgage note receivable, net of allowance	3,280	565,433	-	-	-	1,692,697	2,261,410
Real estate held for sale and development	975,991	777,234	475,963	-	743,277	-	2,972,465
Organizational costs	-	-	-	-	-	4,480	4,480
Security deposits	-	-	-	2,500	-	-	2,500
Cash on deposit with escrow agent	-	-	-	10,092,025	-	-	10,092,025
<b>Total other assets</b>	<b>979,271</b>	<b>1,342,667</b>	<b>475,963</b>	<b>10,094,525</b>	<b>743,277</b>	<b>1,697,177</b>	<b>15,332,880</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,827,568</b>	<b>\$ 2,824,948</b>	<b>\$ 1,322,023</b>	<b>\$ 18,382,253</b>	<b>\$ 5,763,176</b>	<b>\$ 7,417,727</b>	<b>\$ 38,537,695</b>

(Continued)

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

June 30, 2016

	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
<b>LIABILITIES</b>							
Current Liabilities							
Accounts payable	\$ 11,000	\$ 8,472	\$ 8,360	\$ 599,225	\$ 40,863	\$ 10,814	\$ 678,734
Accrued expenses	24,157	34,410	10,382	185,612	49,836	7,655	312,052
Customer deposits	-	5,250	1,900	-	42,525	14,797	64,472
Due to primary government	200,000	108,294	105,995	-	100,000	-	514,289
Due to related party	-	968	-	-	-	-	968
Compensated absences	7,405	4,464	2,196	-	3,248	3,116	20,429
Mortgage/bonds/notes payable/ lines of credit - current portion	1,389	-	595,760	-	133,927	-	731,076
Unearned revenue	-	153,735	250	742,164	35,526	1,098	932,773
Liabilities payable from restricted assets							
Due to primary government	-	164,076	-	-	-	-	164,076
<b>Total current liabilities</b>	<b>243,951</b>	<b>479,669</b>	<b>724,843</b>	<b>1,527,001</b>	<b>405,925</b>	<b>37,480</b>	<b>3,418,869</b>
Noncurrent Liabilities							
Compensated absences	29,622	17,857	8,785	219,760	12,994	12,464	301,482
Mortgage/bonds/lines of credit payable	123,611	900,149	-	-	3,881,699	-	4,905,459
<b>Total noncurrent liabilities</b>	<b>153,233</b>	<b>918,006</b>	<b>8,785</b>	<b>219,760</b>	<b>3,894,693</b>	<b>12,464</b>	<b>5,206,941</b>
<b>TOTAL LIABILITIES</b>	<b>397,184</b>	<b>1,397,675</b>	<b>733,628</b>	<b>1,746,761</b>	<b>4,300,618</b>	<b>49,944</b>	<b>8,625,810</b>
Net Position							
Net investment in capital assets	5,594	-	328,561	1,391,951	-	3,932,965	5,659,071
Restricted							
Community development	-	663,700	-	-	-	-	663,700
Tourism	-	-	-	10,139,840	-	-	10,139,840
Unrestricted	2,424,790	763,573	259,834	5,103,701	1,462,558	3,434,818	13,449,274
<b>Total net position</b>	<b>2,430,384</b>	<b>1,427,273</b>	<b>588,395</b>	<b>16,635,492</b>	<b>1,462,558</b>	<b>7,367,783</b>	<b>29,911,885</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 2,827,568</b>	<b>\$ 2,824,948</b>	<b>\$ 1,322,023</b>	<b>\$ 18,382,253</b>	<b>\$ 5,763,176</b>	<b>\$ 7,417,727</b>	<b>\$ 38,537,695</b>

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA  
COMBINING STATEMENT OF ACTIVITIES -  
BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS  
Year Ended June 30, 2016**

	Program Revenue				Net (Expense) Revenues and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	TN Development Corporation	Columbia Empowerment Zone, Inc.	Totals
Columbia Development Corporation Community Development	\$ 357,578	\$ 5,384	\$ -	\$ -	\$ (352,194)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (352,194)
Columbia Housing Development Corporation Community Development	433,906	56,821	107,944	-	-	(269,141)	-	-	-	-	(269,141)
Eau Claire Development Corporation Community Development	310,435	32,865	313,472	10,000	-	-	45,902	-	-	-	45,902
Midlands Authority for Convention, Sports, and Tourism Community Promotions	9,623,054	10,847,547	-	-	-	-	-	1,224,493	-	-	1,224,493
TN Development Corporation Community Development	1,409,224	967,027	113,250	-	-	-	-	-	(328,947)	-	(328,947)
Columbia Empowerment Zone, Inc. Community Development	493,396	300,453	-	-	-	-	-	-	-	(192,943)	(192,943)
<b>Total component units</b>	<b>\$ 12,627,593</b>	<b>\$ 12,210,097</b>	<b>\$ 534,666</b>	<b>\$ 10,000</b>	<b>(352,194)</b>	<b>(269,141)</b>	<b>45,902</b>	<b>1,224,493</b>	<b>(328,947)</b>	<b>(192,943)</b>	<b>127,170</b>
General revenues:											
Appropriations - City of Columbia					326,680	222,953	276,394	-	410,640	153,358	1,390,025
Investment earnings					3,143	4,209	160	42,237	-	-	49,749
Gain (loss) from disposal of capital assets					-	18,065	(1,092)	-	-	-	16,973
<b>Total general revenues</b>					<b>329,823</b>	<b>245,227</b>	<b>275,462</b>	<b>42,237</b>	<b>410,640</b>	<b>153,358</b>	<b>1,456,747</b>
Change in net position					(22,371)	(23,914)	321,364	1,266,730	81,693	(39,585)	1,583,917
Net position - beginning					2,452,755	1,451,187	267,031	15,368,762	1,380,865	7,407,368	28,327,968
<b>Net position - ending</b>					<b>\$ 2,430,384</b>	<b>\$ 1,427,273</b>	<b>\$ 588,395</b>	<b>\$ 16,635,492</b>	<b>\$ 1,462,558</b>	<b>\$ 7,367,783</b>	<b>\$ 29,911,885</b>

See accompanying Notes to Financial Statements.



## **INDEX TO NOTES TO FINANCIAL STATEMENTS**

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Index to Notes to Financial Statements**  
**Year Ended June 30, 2016**

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**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Index to Notes to Financial Statements**  
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**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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**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 133,800 living within an area of 134.94 square miles. The Greater Columbia Metropolitan Area consists of Lexington and Richland Counties and has an estimated population of 810,100. The City's economy is driven by education, government, military, finance, and industry. In 1950, the City approved a charter adopting a Council-Manager form of government and is governed by a six member council and Mayor.

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

**A. REPORTING ENTITY**

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

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

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

**Blended Component Units**

***Public Facilities Corporation***

This is a single-purpose corporate entity that was formed in 2002 as a non-profit corporation to undertake certain obligations with respect to the acquisition of real and personal property and the design, construction, operation, and financing of a multipurpose conference/convention center and other improvements. Its board is comprised of the City Manager of Columbia, the Assistant City Manager for Development, and the Assistance 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, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. REPORTING ENTITY (Continued)**

**Blended Component Units (Continued)**

***Columbia Parking Facilities Corporation***

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

**Discretely Presented Component Units**

***Columbia Development Corporation (CDC)***

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

***Columbia Housing Development Corporation (CHDC)***

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

***Eau Claire Development Corporation (ECDC)***

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

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. REPORTING ENTITY (Continued)**

**Discretely Presented Component Units (Continued)**

***TN Development Corporation (TNDC)***

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

***Columbia Empowerment Zone, Inc. (CEZ)***

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

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

**B. BASIS OF PRESENTATION**

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

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

**FUND FINANCIAL STATEMENTS**

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

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

**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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. BASIS OF PRESENTATION (Continued)**

**FUND FINANCIAL STATEMENTS (Continued)**

*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.

*Debt Service Fund*

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. BASIS OF PRESENTATION (Continued)**

**FUND FINANCIAL STATEMENTS (Continued)**

*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 (a major fund) – 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, 2016**

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. BASIS OF PRESENTATION (Continued)**

**FUND FINANCIAL STATEMENTS (Continued)**

*Internal Service Funds*

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

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

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

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

*Agency Fund*

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

*Private-Purpose Trust Funds*

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

**Major Funds**

The City reports the following major governmental funds:

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

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, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)**

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.

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

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

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

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

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

***Deposits***

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***Investments***

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

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

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

***Inventory and Prepaid Assets***

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

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

***Real Estate***

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

***Mortgage Notes and Notes Receivable and Allowance for Loan Losses***

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***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 are recorded at estimated fair market value at the date of donation. Interest incurred during the construction phase of capital assets of enterprise funds is reflected in the capitalized value of the asset constructed net of interest earned on the invested proceeds during the same period.

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

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

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

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***Capital Lease Receivable***

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

***Restricted Assets***

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

***Compensated Absences***

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

The liability for compensated absences in the government-wide, proprietary, and fiduciary fund financial statements is calculated based upon recorded balances of unused leave for which the City would compensate employees if employment ended June 30, 2016. The change in this calculated amount from the previous year is expensed in current operations. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

***Long-Term Obligations***

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***Deferred Outflows of Resources***

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

***Deferred Inflows of Resources***

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. One type, unavailable revenue, arises only under a modified accrual basis of accounting. Accordingly, this type is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenue from two sources - property taxes and capital leases. These amounts are 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 time requirements being met, but after all other eligibility requirements are met. During the current year the City also received funds relating to a property sale prior to all time requirements being met. The third type is deferred inflows relating to pension obligations and is the net difference between the projected and actual earnings on pension plan investments and is amortized over a closed five-year period, and differences between expected and actual experience, which will be amortized into pension expense over a closed period equal to the average remaining service lines of all participants.

**E. REVENUES, EXPENDITURES AND EXPENSES**

***Property Tax Revenues***

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. REVENUES, EXPENDITURES AND EXPENSES (Continued)**

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

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

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

***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. In the governmental fund financial statements, this revenue is included in the general fund property tax revenue. On the government wide financial statements, this revenue is reported as general revenue separate from general property taxes. The tax generated approximately \$18.2 million during the year ended June 30, 2016. There was a cap placed on the tax in order to prevent a windfall effect of taxes collected. This "cap" created deferred inflows of resources of approximately \$4 million in the General Fund and Statement of Net Position as of June 30, 2016.

***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 and the parking facilities fund 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. 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.





**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. FUND BALANCE (Continued)**

***Nonspendable fund balance***

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable as well as property acquired for resale.

***Restricted fund balance***

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

***Committed fund balance***

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

***Assigned fund balance***

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

***Unassigned fund balance***

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. FUND BALANCE (Continued)**

<u>Classification / Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable		
General Fund	Prepaid charges	\$ 433,224
County Services	Prepaid charges	66,437
Dickson Trust	Nonspendable principal	5,000
Total nonspendable		<u>504,661</u>
Restricted		
General Fund	Capital projects	1,579,244
Liquor Permit Fee	Tourism	909,173
Accommodations Tax	City promotions	299,079
Tourism Development Convention Center	Tourism	5,343,636
Hospitality Tax	Community development	407,954
Confiscated Drug Program	Law enforcement	353,801
Other Programs	Community development	215,380
Debt Service Fund	Debt Service	4,213,150
Congaree Vista District	Construction of parks in Congaree Vista District	5,560,450
General Capital Projects	General capital projects	729,538
Miscellaneous Projects	General capital projects	5,407,629
Dickson Trust	Community development	592
Total restricted		<u>25,019,626</u>
Committed		
General Fund	Community development	136,491
General Fund	Public safety	4,739,554
Total committed		<u>4,876,045</u>
Assigned		
General Fund	Subsequent year expenditures	3,603,701
Streetscaping	Streetscaping capital projects	8,819,399
General Capital Projects	General capital improvements	4,379,161
Total assigned		<u>16,802,261</u>
Unassigned		
General Fund		19,412,644
County Services		(3,197,450)
Total unassigned		<u>16,215,194</u>
Total fund balances		<u><u>\$ 63,417,787</u></u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. NET POSITION**

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

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

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

Budgets are 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 1<sup>st</sup>. 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 and funds as necessary to achieve the goals of the budget. Such transfers are recorded on the City's records. All unused appropriations lapse at year end. Encumbrances are re-appropriated on a yearly basis and are reflected as an increase in budgeted expenditures in the next year.

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

**B. DEFICIT FUND EQUITY**

The County Services Fund had a deficit fund balance of \$3,131,013 at June 30, 2016. The Parks and Recreation Camp Fund had a deficit net position of \$64,220 at June 30, 2016. The Risk Management Internal Service Fund had a deficit net position of \$5,074,136 at June 30, 2016. Revenues and transfers from other funds in subsequent years are expected to fund these deficits.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. RISK MANAGEMENT**

The City is self-insured for medical and dental coverage. Health claims for individuals have a stop-loss provision of \$450,000 per year. The accrued liability for prior year claims represents estimates for medical and dental claims incurred as of June 30, 2016. Some of these claims were reported at June 30, 2016, while others may not be reported until a later date. The incurred but not reported (IBNR) is estimated by the City's independent insurance administrator based on historical results.

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

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

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

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

Fiscal Year	Beginning Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending Liability
2015	\$15,430,665	\$35,855,659	(\$35,037,335)	\$16,248,989
2016	\$16,248,989	\$42,334,148	(\$42,894,822)	\$15,688,315

This liability is reported in both the Risk Management Fund of the internal services funds (\$15,664,715) and the Water and Sewer Facilities Fund (\$23,600).

Fiscal year 2016 aggregate liability above includes the following amounts for legal claims: \$6,430,322 beginning liability, \$1,415,441 current year claims and changes in estimates, and \$4,664,894 claims payments. The ending liability for legal claims is \$3,180,869. See also Note VI. C.

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS**

**A. DEPOSITS AND INVESTMENTS**

As of June 30, 2016, the City, excluding component units, had the following investments:

Investment Type	Investment Maturities (in Years)		
	Fair Value	Less Than 1	Greater Than 1
Certificates of Deposit /			
Money Market	\$ 27,949,194	\$ 27,949,194	\$ -
Treasuries	55,265,013	4,592,801	50,672,212
Agencies	22,651,594	9,219,370	13,432,224
Municipals	58,011	58,011	-
Total	<u>\$105,923,812</u>	<u>\$ 41,819,376</u>	<u>\$ 64,104,436</u>

***Investment Classification***

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

***Interest Rate Risk***

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

***Credit Risk for Investments***

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

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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**III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS**

**A. DEPOSITS AND INVESTMENTS (Continued)**

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

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and as amended by GASB Statement No. 72, *Fair Value Measurement and Application*, investments in the SCLGIP are carried at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair value for all investments of the SCLGIP 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, 2016, 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, 2016, none of the City's security investments were exposed to custodial credit risk.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**A. DEPOSITS AND INVESTMENTS (Continued)**

***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	\$313,355,713
Fair Value of Investments	105,923,812
Total Deposits and Investments	\$419,279,525
Statement of Net Position	
Cash and Equivalents	\$311,721,426
Investments - Current	99,882,504
Cash on Deposit with Escrow Agent	1,579,638
Investments - Noncurrent	6,041,308
Statement of Net Position - Fiduciary Funds	
Cash and Equivalents - Trust Funds	17,716
Cash and Equivalents - Agency Funds	36,933
Total Cash and Investments	\$419,279,525

**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, 2016, are as follows:

General Fund	\$ 64,352
Water/Sewer Facilities	\$ 3,969,979
Parking Facilities	\$ 1,987,519
Nonmajor Business-type activities	\$ 2,623

Receivables for the component units consist of items totaling approximately \$877,200 at June 30, 2016, which are net of allowances for doubtful accounts. As of June 30, 2016, the allowance for doubtful accounts was approximately \$25,600 for the component units.

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



**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**C. MORTGAGE NOTES RECEIVABLE AND REVOLVING LOAN POOLS**

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

***Primary government***

Mortgage notes receivable in the various Community Development revolving loan programs are evaluated annually, and loan loss allowances are applied where appropriate. All mortgages are secured by the property. Delinquent mortgages receivable are estimated to be approximately \$1,312,200 of the total net mortgage notes receivable of approximately \$21,990,500 as of June 30, 2016.

***Component units***

The Columbia Development Corporation (CDC) has mortgage notes receivable consisting of \$206,730. No allowance for uncollectible loans is deemed necessary by management. Mortgage notes receivable consist of three loans to corporations for the purpose of community development and have various interest rates and maturity dates. The CDC is considered a community development corporation, and revenue recognition is applied under the cost recovery method.

The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of \$611,184, which is net of an allowance for uncollectible loans of \$68,717. 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 \$1,787,281, which is the net of allowance for uncollectible loans of \$413,480. 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.

**D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The interfund receivables and payables (including advances) at June 30, 2016, are as follows:

	Interfund Receivables	Interfund Payables
Funds:		
Water/Sewer Facilities Fund	\$ 4,320,308	\$ -
County Services Fund	-	2,228,058
General Fund	-	1,150,042
Other Governmental	902,000	760,482
Miscellaneous Projects	-	902,000
Nonmajor proprietary funds	-	181,726
Total	\$ 5,222,308	\$ 5,222,308

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

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

The outstanding balance between funds results primarily from one of the following time lags: (1) the dates that interfund goods and services are provided or reimbursable expenditures or repayments occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made.

The interfund transfers for the year ended June 30, 2016, are as follows:

	Transfers In	Transfers Out
General	\$ 10,971,664	\$ 16,342,702
County Services	-	1,452,462
Miscellaneous Projects	871,291	13,076,233
Nonmajor governmental funds	22,689,834	7,757,190
Water/Sewer	1,450	8,668,163
Parking	-	930,469
Nonmajor proprietary funds	884,641	853,777
Internal service funds	14,949,276	1,287,160
	\$ 50,368,156	\$ 50,368,156

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

**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, 2016, were approximately \$1,110,900. Future minimum lease payments for these leases are as follows:

Year Ending June 30,	Amount
2017	\$ 1,171,526
2018	761,841
2019	660,644
2020	660,644
2021	157,900
2022 - 2026	797,562
2027 - 2031	838,477
2032 - 2036	748,916
2037 - 2039	151,200
Total	\$ 5,948,710

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**F. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016, is as follows:

	Balance June 30, 2015	Increases	Transfers	Decreases	Balance June 30, 2016
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 33,257,979	\$ -	\$ 3,587,854	\$ (5)	\$ 36,845,828
Construction in progress	11,052,394	43,308,129	(44,964,779)	-	9,395,744
Total capital assets not being depreciated	44,310,373	43,308,129	(41,376,925)	(5)	46,241,572
Capital assets, being depreciated:					
Buildings and improvements	203,799,456	672,403	36,936,441	-	241,408,300
Machinery and equipment	57,587,537	4,307,703	386,408	(2,844,760)	59,436,888
Infrastructure	32,333,408	22,500	4,054,076	-	36,409,984
Total capital assets, being depreciated	293,720,401	5,002,606	41,376,925	(2,844,760)	337,255,172
Less accumulated depreciation:					
Buildings and improvements	(65,431,200)	(6,841,868)	-	-	(72,273,068)
Machinery and equipment	(38,332,339)	(5,705,530)	-	2,728,549	(41,309,320)
Infrastructure	(12,611,735)	(1,437,484)	-	-	(14,049,219)
Total accumulated depreciation	(116,375,274)	(13,984,882)	-	2,728,549	(127,631,607)
Total capital assets, being depreciated, net	177,345,127	(8,982,276)	41,376,925	(116,211)	209,623,565
Governmental activities capital assets, net	\$ 221,655,500	\$ 34,325,853	\$ -	\$ (116,216)	\$ 255,865,137

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**F. CAPITAL ASSETS (Continued)**

	Balance June 30, 2015	Increases	Transfers	Decreases	Balance June 30, 2016
<b>Business-Type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 30,164,566	\$ 669,193	\$ -	\$ -	\$ 30,833,759
Construction in progress	88,301,082	89,405,816	(51,723,345)	(1,094,053)	124,889,500
Total capital assets not being depreciated	<u>118,465,648</u>	<u>90,075,009</u>	<u>(51,723,345)</u>	<u>(1,094,053)</u>	<u>155,723,259</u>
Capital assets, being depreciated:					
Buildings and improvements	1,029,624,896	7,606,606	48,225,605	(6,153)	1,085,450,954
Machinery and equipment	73,538,033	2,170,975	3,497,740	(1,038,743)	78,168,005
Total capital assets, being depreciated	<u>1,103,162,929</u>	<u>9,777,581</u>	<u>51,723,345</u>	<u>(1,044,896)</u>	<u>1,163,618,959</u>
Less accumulated depreciation:					
Buildings and improvements	(371,656,933)	(29,184,804)	-	5,971	(400,835,766)
Machinery and equipment	(33,446,370)	(9,149,560)	-	1,025,200	(41,570,730)
Total accumulated depreciation	<u>(405,103,303)</u>	<u>(38,334,364)</u>	<u>-</u>	<u>1,031,171</u>	<u>(442,406,496)</u>
Total capital assets, being depreciated, net	<u>698,059,626</u>	<u>(28,556,783)</u>	<u>51,723,345</u>	<u>(13,725)</u>	<u>721,212,463</u>
Business-type activities capital assets, net	<u>\$ 816,525,274</u>	<u>\$ 61,518,226</u>	<u>\$ -</u>	<u>\$ (1,107,778)</u>	<u>\$ 876,935,722</u>

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

<b>Governmental Activities:</b>	
General government	\$ 8,061,595
Public safety	3,247,537
Parks and recreation	1,667,272
Public services	598,357
Judicial	48,572
Community development	9,200
General services	27,441
Internal service funds	324,908
Total depreciation expense - governmental activities	<u>\$ 13,984,882</u>
<b>Business-type Activities:</b>	
Water/Sewer facilities	\$ 35,411,576
Stormwater facilities	1,031,602
Parking facilities	1,567,720
Hydro electric plant	323,466
Total depreciation expense - business-type activities	<u>\$ 38,334,364</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**F. CAPITAL ASSETS (Continued)**

During the year ended June 30, 2016, \$4,794,076 of interest expense in the Business-type activities was capitalized. The City has several ongoing construction projects as of June 30, 2016, for renovations and other construction projects. Total remaining commitments on these construction contracts as of June 30, 2016, totaled approximately \$172,457,400.

During the year ended June 30, 2016, the City recorded in the governmental activities \$2,773,814 in infrastructure contributed by private parties and in the business-type activities \$7,447,936 in infrastructure contributions by developers.

***Columbia Parking Facilities Corporation – Capital Lease Receivable***

In 2008, construction was completed on the Innovista parking garages. The parking garages and corresponding long-term debt were recorded by the Columbia Parking Facilities Corporation (the Corporation), a blended component unit as noted in Note I. A. The Corporation entered into an agreement with the University of South Carolina (the University) that provided the University use of the garages and, in return, the University would pay the debt service on the associated long term debt. A review of the terms of the agreement during 2010 determined that the agreement represented a capital lease with the University, and therefore, the parking garages were removed from the Corporation and recorded by the University. Additionally, a lease receivable from the University was also recorded in the amount of the outstanding associated debt. See Note III. H. for details of the related debt (Note payable \$4,054,142 and revenue bond payable of \$10,140,000). Total future minimum rentals to be received from the University under the capital lease agreement will be \$14,249,142.

Future capital lease payments to be received from the University are as follows:

Year Ending June 30,	Amount
2017	\$ 4,664,631
2018	603,170
2019	638,040
2020	632,910
2021	647,590
2022-2026	3,765,040
2027-2031	4,286,840
Total	15,238,221
Less amount representing interest	989,079
Total minimum future rentals	14,249,142
Less amount due within one year	4,549,142
Noncurrent capital lease receivable	\$ 9,700,000

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**G. OTHER POSTEMPLOYMENT BENEFITS**

***Plan Description and Funding Policy***

The City provides postemployment health care benefits, in accordance with City policy, to all employees who retire from the City under early or regular retirement and have been employed by the City for 20 years or more. Currently, 822 retirees meet those requirements. The City pays all Medicare supplemental insurance premiums for all qualifying retirees. For the year ended June 30, 2016, premiums totaled approximately \$1,257,800. Retirees paid dependent coverage of approximately \$810,200. Currently, the City is financing the postemployment retirement benefits on a pay-as-you-go basis, and expenditures for these insurance premiums are recorded in all of the City's funds.

Prior to January 1, 2016, retirees under the age of 65 paid between \$37 and \$383 a month depending on the various coverage elections. The City's contributions during the same time period were \$800 a month for the retiree and \$600 per month for the retiree's spouse/domestic partner. After January 1, 2016, the retiree paid between \$18 and \$383 a month depending on the various coverage elections, and the City paid \$1,130 a month for the retiree and \$840 a month for the retiree's spouse/domestic partner. Prior to January 1, 2016, for retirees over the age of 65, the retiree paid \$143 per month for health care benefits. The City paid \$300 a month for retirees over 65. If the retiree elected to cover their spouse/domestic partner, the cost to the retiree was \$218 a month, and the cost to the City was \$225 a month. After January 1, 2016, the retiree paid \$143 a month for single coverage, and the cost to the City was \$300 a month. If the retiree elected to cover their spouse/domestic partner, the retiree paid an additional \$218 a month, and the City paid an additional \$225 a month. Surviving spouses of retirees may elect to continue health care benefits.

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

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

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

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**G. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

***Annual OPEB cost and Net OPEB Obligation***

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

Employer Normal Cost	\$ 3,731,666
Amortization of UAAL*	<u>6,059,665</u>
Annual Required Contribution (ARC)	9,791,331
Interest on Net Obligation	2,344,415
Adjustment to the ARC	<u>(2,124,965)</u>
Annual OPEB Cost	10,010,781
Contributions made	<u>(9,774,124)</u>
Increase in Net OPEB Obligation	236,657
Net OPEB Obligation, July 1, 2015	<u>52,098,105</u>
Net OPEB Obligation June 30, 2016	<u><u>\$ 52,334,762</u></u>

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

A summary of the annual OPEB cost, percentage of the annual OPEB cost contributed, and the year-end net OPEB obligation for the year ended June 30, 2016, and the two preceding years is as follows:

Trend Information			
Year ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 9,546,348	70.58%	\$ 48,612,704
2015	10,734,306	67.53%	52,098,105
2016	10,010,781	97.64%	52,334,762

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2016

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

**G. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

***Funded Status and Funding Progress***

Funded status and funding progress of the plan as of July 1, 2015, was as follows:

Present Value of Future Benefits:	
Retirees & Beneficiaries	\$ 74,562,403
Participants Fully Eligible for Benefits	18,123,713
Participants Not Fully Eligible for Benefits	55,879,628
Total Present Value of Future Benefits	\$148,565,744
Present Value of Future Normal Costs	\$ 10,010,781
Actuarial Accrued Liabilities (AAL)	\$148,565,744
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$148,565,744
Funded Ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of employees covered by the plan)	\$ 98,424,816
UAAL as a percentage of covered payroll	150.94%

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

***Actuarial Methods and Assumptions***

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

In the July 1, 2015, actuarial valuation, the projected unit credit cost method was used. The UAAL amortization payment is the level percent of payroll (assumed to increase 3%) required to fully amortize the UAAL over a 30-year period. As of June 30, 2016, 22 years of amortization remain on the UAAL. The actuarial assumptions included 4.50% rate of investment return. The valuation assumes a 7.5% health care trend inflation rate for 2016 and decreases 0.5% each year until 2017. General inflation is assumed to be 3% per year.



**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**H. LONG-TERM OBLIGATIONS**

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Amount Due in 2017
<b>Governmental Activities</b>					
Notes payable	\$ 5,034,142	\$ -	\$ (230,000)	\$ 4,804,142	\$ 4,129,142
GO bonds	30,665,000	16,905,000	(11,545,000)	36,025,000	5,315,000
Revenue bonds	66,035,000	-	(3,855,000)	62,180,000	3,905,000
Unamortized bond premiums	5,238,979	1,707,916	(417,819)	6,529,076	-
Capital lease payable	6,603,209	-	(972,567)	5,630,642	987,947
Compensated absences	6,649,630	7,075,168	(6,701,738)	7,023,060	1,450,710
OPEB costs	52,098,105	10,734,306	(10,497,649)	52,334,762	-
Derivative instrument liability	1,174,619	-	(669,659)	504,960	-
<b>Total governmental activities</b>	<b>173,498,684</b>	<b>36,422,390</b>	<b>(34,889,432)</b>	<b>175,031,642</b>	<b>15,787,799</b>
<b>Business-Type Activities</b>					
Revenue bonds	465,795,000	-	(9,450,000)	456,345,000	9,865,000
Unamortized bond premiums	27,940,898	-	(1,764,790)	26,176,108	-
Compensated absences	1,778,390	2,246,183	(2,125,061)	1,899,512	379,903
Derivative instrument liability	26,884,816	12,156,759	-	39,041,575	-
<b>Total business-type activities</b>	<b>522,399,104</b>	<b>14,402,942</b>	<b>(13,339,851)</b>	<b>523,462,195</b>	<b>10,244,903</b>
<b>Total all long-term obligations</b>	<b>\$ 695,897,788</b>	<b>\$ 50,825,332</b>	<b>\$ (48,229,283)</b>	<b>\$ 698,493,837</b>	<b>\$ 26,032,702</b>

Internal Service Funds predominantly serve the Governmental Funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$230,494 of Internal Service Funds compensated absences is included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund. The Series 2012 Certificates of Participation are liquidated by the Tourism Development Convention Center Fund. The notes payable and capital lease obligations are liquidated by the General Fund. The remaining governmental debt is liquidated by the Debt Service Fund. The entire other post-employment benefit liability is reported in the Risk Management Internal Service Fund and will be liquidated by that fund.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**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, 2016, including interest payments, but excluding accrued vacation payable and amortization of bond premiums are as follows:

**Governmental Activities:**

Year Ending June 30,	General Obligation Bonds	Interest	Revenue Bonds	Interest	Note Payable	Interest	Capital Lease Payable	Interest	Total Principal	Total Interest
2017	\$ 5,315,000	\$ 1,434,258	\$ 3,905,000	\$ 1,969,812	\$ 4,129,142	\$ 7,569	\$ 987,947	\$ 81,314	\$ 14,337,089	\$ 3,492,953
2018	5,365,000	1,039,725	4,040,000	1,883,422	75,000	-	1,003,570	65,690	10,483,570	2,988,837
2019	4,030,000	850,600	4,165,000	1,794,894	75,000	-	1,019,440	49,820	9,289,440	2,695,314
2020	2,870,000	723,212	4,255,000	1,704,355	75,000	-	1,035,561	33,699	8,235,561	2,461,266
2021	2,685,000	635,288	4,355,000	1,611,503	75,000	-	1,051,935	17,325	8,166,935	2,264,116
2022-2026	6,375,000	2,187,000	12,045,000	6,961,094	375,000	-	532,189	2,440	19,327,189	9,150,534
2027-2031	2,365,000	1,361,250	9,250,000	5,772,840	-	-	-	-	11,615,000	7,134,090
2032-2036	1,965,000	1,000,250	6,295,000	4,442,500	-	-	-	-	8,260,000	5,442,750
2037-2041	2,340,000	621,900	8,025,000	2,703,750	-	-	-	-	10,365,000	3,325,650
2042-2046	2,715,000	249,300	5,845,000	594,000	-	-	-	-	8,560,000	843,300
	<u>\$ 36,025,000</u>	<u>\$ 10,102,783</u>	<u>\$ 62,180,000</u>	<u>\$ 29,438,170</u>	<u>\$ 4,804,142</u>	<u>\$ 7,569</u>	<u>\$ 5,630,642</u>	<u>\$ 250,288</u>	<u>\$ 108,639,784</u>	<u>\$ 39,798,810</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**H. LONG-TERM OBLIGATIONS (Continued)**

**Business-Type Activities:**

Year Ending June 30,	Revenue Bonds	Interest
2017	\$ 9,865,000	\$ 21,383,283
2018	10,305,000	20,940,643
2019	10,730,000	20,512,989
2020	11,180,000	20,066,553
2021	11,620,000	19,632,010
2022-2026	67,730,000	90,129,890
2027-2031	85,930,000	72,661,603
2032-2036	111,180,000	49,990,874
2037-2041	128,825,000	21,678,643
2042-2043	8,980,000	679,000
	<u>\$456,345,000</u>	<u>\$337,675,488</u>

***General Obligation Bonds***

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**H. LONG-TERM OBLIGATIONS (Continued)**

General Obligation Bonds outstanding as of June 30, 2016, are as follows:

Governmental Activities:

<p>\$9,085,000 City of Columbia General Obligation Bonds, Series 2007A            Proceeds for: Defeasance of the 2006 Bond Anticipation Notes,            construction and infrastructure improvements            Annual principal installments of \$410,000 to \$770,000 through June 1, 2017            Interest rate: 3.75 to 4.05%</p>	<p>\$ 500,000</p>
<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>2,070,000</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>6,365,000</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>1,180,000</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>3,475,000</p>
<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>5,555,000</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>6,235,000</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>10,645,000</u></p>
<p><i>Total Governmental Activities General Obligation Bonds</i></p>	<p><u>\$ 36,025,000</u></p>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**H. LONG-TERM OBLIGATIONS (Continued)**

***Revenue Bonds, Notes and Certificates of Participation***

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

The construction of the second of two Innovista garages was funded by the issuance of a \$13,070,000 tax-exempt South Carolina Jobs-Economic Development Authority Revenue Bonds, Series 2007. The Columbia Parking Facilities Parking Corporation, a component unit of the City, is responsible for the payment of the bonds. BB&T, the bond holder, also holds a first mortgage on both garages. Richland County was responsible for 50% of the construction costs. The garages are operated by the University, and the revenues from them are remitted by USC to the Corporation to retire this debt. This arrangement constitutes a capital lease agreement with the University, and as such, a receivable has been recorded for the amount of future debt service. The garages have been recorded by the University (see Note III. F. for more details). Interest payments began on April 1, 2007. The principal balance is payable in monthly installments beginning September 1, 2008, together with interest on the unpaid balance, with a final payment of all principal and interest, due and payable in full on March 1, 2031. Interest is at a rate per annum equal to 95% of the LIBOR Rate, which was 0.4695% at June 30, 2016. The Corporation entered into an interest rate swap agreement in relation to the bond issue as detailed in Note V.

In the event of default of these Series 2007 revenue bonds, no judgment for any deficiency upon the indebtedness will be sought or obtained by the bank against the City. The University of South Carolina is the guarantor for payment of the debt.

An additional \$5,185,000 taxable (based on percent of garage used for private purposes) construction and term loan was made to the Corporation by a bank for the second garage that enables the Corporation to draw down proceeds from the loan as needed during the construction of the second garage. The principal balance and any accrued interest are due in full on March 1, 2017. Interest is payable at an adjusted LIBOR rate which is a rate of interest per annum equal to the One Month Libor plus 1.5% per year. This rate is adjusted monthly on the first day of each month for each LIBOR interest period (0.4695%, at June 30, 2016). At June 30, 2016, \$4,054,142 was outstanding on the term loan.

In the event of foreclosure of this note, no judgment for any deficiency upon the indebtedness will be sought or obtained by the bank against the City.

CITY OF COLUMBIA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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

H. LONG-TERM OBLIGATIONS (Continued)

*Notes Payable*

Governmental Activities:

\$1,500,000 Note secured for development costs for Drew Wellness Center. Annual principal installments of \$75,000 through August 14, 2026. Interest rate 0.0%.	\$ 750,000
\$5,185,000 Construction note secured for the construction of a 1,450 parking space parking deck for Innovista. (Note III.F.) Annual principal installments of \$120,000 to \$140,000 through March 1, 2017, with balloon payment at maturity. Interest rate: Adjusted LIBOR rate (0.4527%). (See Note V. for details regarding the interest rate swap related to this note issue.) Maximum draw amount: \$5,185,000.	<u>4,054,142</u>
<i>Total Governmental Activities Note Payable</i>	<u>\$ 4,804,142</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**H. LONG-TERM OBLIGATIONS (Continued)**

Revenue bonds outstanding as of June 30, 2016, are as follows:

Governmental Activities:

<p>\$14,825,000 Revenue Bond - Hospitality Fee Pledge, Series 2012          Payable from revenues derived by the City from hospitality taxes          Annual principal installments of \$1,000,000 to \$1,315,000 through Feb. 1, 2025          Interest rate: 2.50%</p>	\$ 10,745,000
<p>\$24,260,000 Certificates of Participation Series 2012          Payable from revenues derived by the City from tourism development fees          Annual principal installments of \$2,225,000 to \$2,660,000 through June 1, 2022          Interest rate: 2.29%</p>	15,120,000
<p>\$26,175,000 Special Obligation Revenue Bond - Hospitality Fee Pledge, Series 2014          Payable from revenues derived by the City from hospitality taxes          Annual principal installments of \$900,000 to \$2,045,000 through Feb. 1, 2044          Interest rate: 2.42 to 3.15%</p>	26,175,000
<p>\$13,070,000 South Carolina Jobs-Economic Development Authority Bond 2007          Payable from revenues derived by the City from operation of a garage (Note III.F.)          Annual principal installments of \$250,000 to \$920,000 through March 1, 2031          Interest rate: Rate per annum equal to 95% of LIBOR (0.43%). See Note V.          for details regarding the interest rate swap related to this bond issue.</p>	10,140,000
<p style="text-align: center;"><i>Total Governmental Activities Revenue Bonds</i></p>	\$ 62,180,000

Business-Type Activities:

Parking Facilities Fund:

<p>\$39,895,000 Parking Facilities Revenue Bonds, Series 2005A          Payable from revenues derived by the City from operation of off-street          and on-street parking facilities          Annual principal installments of \$1,240,000 to \$3,015,000 through Feb. 1, 2037          Interest rate: 4.375 to 5.0%</p>	\$ 28,170,000
<p>\$5,380,000 Parking Facilities Revenue Bonds, Series 2005B          Payable from revenues derived by the City from operation of off-street          and on-street parking facilities          Proceeds for: Expand City parking facilities          Annual principal installments of \$225,000 to \$1,120,000 through Feb. 1, 2017          Interest rate: 4.88 to 5.2%</p>	815,000
<p>\$12,210,000 Parking Facilities Refunding Revenue Bonds, Series 2014          Payable from revenues derived by the City from operation of off-street          and on-street parking facilities          Proceeds for: Refunding a portion of the Series 2000A and 2000B bonds          Annual principal installments of \$300,000 to \$1,750,000 through Feb. 1, 2025          Interest rate: 2.38%</p>	11,630,000
<p style="text-align: center;"><i>Total Parking Facilities Revenue Bonds</i></p>	40,615,000

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**H. LONG-TERM OBLIGATIONS (Continued)**

*Business-Type Activities: (Continued)*

Water and Sewer Fund:

<p>\$81,860,000 Waterworks and Sewer System Revenue Bonds, Series 2009          Payable from revenues derived from the City's water and sewer system          Proceeds for: Cost of improvements to the System          Annual principal installments of \$525,000 to \$10,840,000 through Feb. 1, 2038          Interest rate: 3.6 to 5.0%          See Note V for details regarding the interest rate swap related to this bond issue</p>	<p>\$ 81,860,000</p>
<p>\$105,000,000 Waterworks and Sewer System Revenue Bonds, Series 2010          Payable from revenues derived from the City's water and sewer system          Proceeds for: Cost of improvements to the System          Annual principal installments of \$1,090,000 to \$17,855,000 through Feb. 1, 2040          Interest rate: 3.0 to 5.0%</p>	<p>100,465,000</p>
<p>\$100,000,000 Waterworks and Sewer System Revenue Bonds, Series 2011A          Payable from revenues from the City's water and sewer system          Proceeds for: Cost of improvements to the System          Annual principal installments of \$1,815,000 to \$23,520,000 through Feb. 1, 2041          Interest rate: 2.0 to 5.0%</p>	<p>91,905,000</p>
<p>\$27,265,000 Waterworks and Sewer System Revenue Bonds, Series 2011B          Payable from revenues from the City's water and sewer system          Proceeds for: Refunding portion of Series 2001 (\$30,345,000)          Annual principal installments of \$3,420,000 to \$4,455,000 through Feb. 1, 2019          Interest rate: 4.0 to 5.0%</p>	<p>12,740,000</p>
<p>\$58,055,000 Waterworks and Sewer System Revenue Bonds, Series 2012          Payable from revenues from the City's water and sewer system          Proceeds for: Refunding portion of Series 2005 (\$60,000,000)          Annual principal installments of \$4,560,000 to \$6,115,000 through Feb. 1, 2030          Interest rate: 3.5 to 5.0%</p>	<p>58,055,000</p>
<p>\$75,305,000 Waterworks and Sewer System Revenue Bonds, Series 2013          Payable from revenues from the City's water and sewer system          Proceeds for: Cost of improvements to the System          Annual principal installments of \$1,205,000 to \$4,600,000 through Feb. 1, 2043          Interest rate: 1.0 to 5.0%</p>	<p><u>70,705,000</u></p>
<p><i>Total Water and Sewer Revenue Bonds</i></p>	<p><u>415,730,000</u></p>
<p><i>Total Business-Type Activities Revenue Bonds</i></p>	<p><u><u>\$ 456,345,000</u></u></p>

***Obligations Under Capital Leases***

During the prior year, the City entered into a lease agreement as lessee for financing the acquisition of various vehicles valued at approximately \$7,000,000. The estimated useful lives of the vehicles range from five to twelve years. During the current year, approximately \$1,017,900 was included in depreciation expense.



**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**H. LONG-TERM OBLIGATIONS (Continued)**

***Obligations Under Capital Leases (Continued)***

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.

\$7,315,000 City of Columbia General Obligation Bonds, Series 2013

Proceeds for: Acquisition of capital assets

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

Interest rate: 1.57%

\$ 5,630,642

***Refundings***

In December 2015, the City issued \$6,260,000 in a General Obligation Refunding Bond Series 2015 at interest rates between 2.00% and 4.00%. The City issued the bonds to advance refund \$6,365,000 of the outstanding General Obligation Bonds Series 2007A with at interest rates between 3.75% and 4.05%. The net proceeds of \$6,669,718 (after payment of approximately \$253,200 in issue costs) along with funds on hand were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the 2007A series General Obligation Bonds. The City completed the refunding to reduce its total debt service payments over a period of 12 years by \$499,380 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$456,105.

***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, 2016, the balance of this conduit debt was approximately \$2,498,500.

***Defeasance Debt***

During the year ended June 30, 2016, the City defeased a portion of its Series 2007A General Obligation Bonds by placing the proceeds of the new bonds in an irrevocable trust to provide to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability of the defeasd bond are not included in the City's financial statements. On June 30, 2016, the amount of debt considered defeased is approximately \$6,365,000.

***Arbitrage***

In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the City must rebate to the federal government "arbitrage profits" earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings, if any. For the year ended June 30, 2016, the City did not have any arbitrage profits due to the federal government.

**IV. PENSION PLANS**

The South Carolina Public Employee Benefit Authority ("PEBA"), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board (restructured into the State Fiscal Accountability Authority on July 1, 2015), 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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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**IV. PENSION PLANS (Continued)**

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

PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, P.O. Box 11960, Columbia, SC 29211-1960. 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.

*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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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**IV. PENSION PLANS (Continued)**

- 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 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 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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**IV. PENSION PLANS (Continued)**

Required <u>employee</u> contribution rates for fiscal year 2015-2016 are as follows:		
<b>SCRS</b>		
Employee Class Two		8.16% of earnable compensation
Employee Class Three		8.16% of earnable compensation
<b>PORS</b>		
Employee Class Two		8.74% of earnable compensation
Employee Class Three		8.74% of earnable compensation
Required <u>employer</u> contribution rates for fiscal year 2015-2016 are as follows:		
<b>SCRS</b>		
Employer Class Two		10.91% of earnable compensation
Employer Class Three		10.91% of earnable compensation
Employer Incidental Death Benefit		0.15% of earnable compensation
<b>PORS</b>		
Employer Class Two		13.34% of earnable compensation
Employer Class Three		13.34% of earnable compensation
Employer Incidental Death Benefit		0.20% of earnable compensation
Employer Accidental Death Program		0.20% of earnable compensation

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

<b>Year Ended June 30, 2016</b>	<b>SCRS</b>	<b>PORS</b>
Required contributions	\$6,155,138	\$5,548,189
Actual contributions	\$6,155,138	\$5,548,189

**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 valuation process are subject to continual revision as actual results 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. The last experience study was performed on data through June 30, 2010, and the next experience study, performed on data through June 30, 2015, is currently underway.

The most recent annual actuarial valuation reports adopted by the PEBA Board are as of July 1, 2014. The net pension liability of each defined benefit pension plan was therefore determined by the consulting actuary, Gabriel, Roeder, Smith and Company ("GRS"), based on the July 1, 2014, actuarial valuations using membership data as of July 1, 2014, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2015, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by GRS.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
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**IV. PENSION PLANS (Continued)**

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2014, valuations for SCRS and PORS.

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	3.5% to 12.5% (varies by service)	4.0% to 10.0% (varies by service)
Includes inflation at	2.75%	2.75%
Benefit adjustments	Lesser of 1% or \$500	Lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2014, valuations for SCRS and PORS are as follows.

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

**Net Pension Liability**

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

<u>Measurement Period</u> <u>Ended June 30,</u>	<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>SCRS</u>	<u>PORS</u>
2014	2015	\$101,430,205	\$58,710,015
2015	2016	\$108,153,886	\$66,145,819

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The City's proportionate share of the net pension liability was calculated on the basis of historical employer contributions. Although GASB 68 encourages the use of the employer's projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is considered acceptable. For the measurement period ended June 30, 2015, the City's percentage of the SCRS and PORS net pension liability was 0.570267% and 3.03491%, respectively.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
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**IV. PENSION PLANS (Continued)**

*Long-term Expected Rate of Return*

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the fourth quarter 2013, as developed by the Retirement Systems Investment Commission in collaboration with Aon Hewitt, its investment consultant. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission ("RSIC") using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics, and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table below. For actuarial purposes, the 7.50% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.75% inflation component.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that 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, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
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**IV. PENSION PLANS (Continued)**

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Long Term Expected Portfolio Real Rate of Return</b>
<b>Short Term</b>	<b>5.0%</b>		
Cash	2.0%	1.90%	0.04%
Short Duration	3.0%	2.00%	0.06%
<b>Domestic Fixed Income</b>	<b>13.0%</b>		
Core Fixed Income	7.0%	2.70%	0.19%
Mixed Credit	6.0%	3.80%	0.23%
<b>Global Fixed Income</b>	<b>9.0%</b>		
Global Fixed Income	3.0%	2.80%	0.08%
Emerging Markets Debt	6.0%	5.10%	0.31%
<b>Global Public Equity</b>	<b>31.0%</b>	7.10%	2.20%
<b>Global Tactical Asset Allocation</b>	<b>10.0%</b>	4.90%	0.49%
<b>Alternatives</b>	<b>32.0%</b>		
Hedge Funds (Low Beta)	8.0%	4.30%	0.34%
Private Debt	7.0%	9.90%	0.69%
Private Equity	9.0%	9.90%	0.89%
Real Estate (Broad Market)	5.0%	6.00%	0.30%
Commodities	3.0%	5.90%	0.18%
Total Expected Real Return	<u>100.0%</u>		6.00%
Inflation for Actuarial Purposes			<u>2.75%</u>
Total Expected Nominal Return			<u>8.75%</u>

*Sensitivity Analysis*

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

<b>Sensitivity of the City's Proportional Share of Net Pension Liability To Changes in the Discount Rate</b>			
<b>System</b>	<b>1.00% Decrease</b>	<b>Current Discount Rate</b>	<b>1.00% Increase</b>
SCRS	\$136,351,146	\$108,153,886	\$84,520,997
PORS	\$90,105,956	\$66,145,819	\$44,726,627

**Plan Fiduciary Net Position**

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
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**IV. PENSION PLANS (Continued)**

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

For the year ended June 30, 2016, the City recognized pension expense of \$12,780,621.

At June 30, 2016, the City reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 11,703,327	\$ -
Differences in actual and expected experience	3,232,544	193,413
Changes in proportion and differences between the City's contributions and proportionate share of contributions	-	3,141,504
Net differences between projected and actual earnings on plan investments	1,447,675	-
	<u>\$ 16,383,546</u>	<u>\$ 3,334,917</u>

The City reported \$11,703,327 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, 2017. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the City's proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2016. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2015, measurement date was 4.164 years for SCRS and 4.796 years for PORS.

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS	PORS
2016	2017	\$ (361,583)	\$ 65,442
2017	2018	\$ (361,583)	\$ 65,442
2018	2019	\$ (1,021,596)	\$ 7,542
2019	2020	<u>\$ 1,587,729</u>	<u>\$ 1,363,906</u>
Net Balance of Deferred Outflows/ (Inflows) of Resources		<u>\$ (157,033)</u>	<u>\$ 1,502,332</u>

**Payables to the Pension Plans**

At June 30, 2016, the City reported a payable of \$841,490 and \$687,628 for the outstanding amount of contributions due to SCRS and PORS, respectively. This liability will be paid in the normal course of paying year-end obligations.



**CITY OF COLUMBIA, SOUTH CAROLINA**  
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**June 30, 2016**

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**IV. PENSION PLANS (Continued)**

**Component Units**

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

**V. INTEREST RATE SWAP AGREEMENTS**

**Swap One** – 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, 2007, with an effective date of September 15, 2009. The counterparty is J.P. Morgan. The City agreed to pay a fixed rate to J.P. Morgan and receive a variable rate while paying a variable rate to bond holders. Semi-annually the City pays a fixed rate of 4.354% to J.P. Morgan, and monthly receives a variable rate based on the average Securities Industry and Financial Markets Association ("SIFMA") index rate. Interest payments to the bond holders are offset by the amount received by the City from J. P. Morgan under the swap. The purpose of the swap was to effectively change the variable rate bonds to fixed rate bonds. The bonds and related swap agreement mature February 2038. The notional amount of the swap equals the principal amount of the associated bonds and decreases simultaneously with the reduction in the principal amount of the associated bonds. As of June 30, 2016, the notional amount was \$81,860,000.

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

During the year ended June 30, 2016, the City made variable bond interest payments in the amount of \$36,825 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 \$43,950. The net of variable payments on the bonds and receipts on the swap was \$7,125.

**Swap Two and Three** – One of the City's blended component units, the Columbia Parking Facilities Corporation (the "Corporation"), maintains two interest rate swaps to hedge exposure to rising interest rates. The Corporation entered into two variable-to-fixed interest rate swap agreements related to a \$13,070,000 tax exempt revenue bond payable and \$5,185,000 taxable bond payable. The agreements were entered into February 23, 2007, and were effective on February 23, 2007, and March 1, 2008, respectively. The counterparty is Branch Bank and Trust Corporation. The purpose of the swaps was to effectively change the variable rate debt to fixed rate debt. The swap agreements mature on March 1, 2017, and the related debt matures in 2031 and 2017, respectively. The notional amounts of the swaps equal the principal amounts of the associated debt and decrease simultaneously with the reduction in the principal amounts of the associated bonds. As of June 30, 2016, the notional amounts were \$10,140,000 and \$4,054,142.

The swaps provide for monthly payment by the Corporation of a 5.085% and 6.815% fixed rate on a notional amount having an amortization schedule equal to that of the bonds. In return, the counterparty will pay the Corporation a variable rate equal to 95% of the one-month London Interbank Offered Rate (LIBOR) and LIBOR plus 1.50% on each swaps' respective notional amount. At June 30, 2016, 95% of LIBOR was 0.430%, and LIBOR plus 1.50% was 1.930%. The Corporation also makes interest payments to the bondholders at 95% of LIBOR and LIBOR, respectively, (0.430% and 0.4527% at June 30, 2016), on the outstanding principal amount.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
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**V. INTEREST RATE SWAP AGREEMENTS (Continued)**

The obligation of the Corporation to make regularly scheduled payments under the swaps ranks on a parity basis with the Corporation's obligation to make debt service payments on its outstanding bonds. Under certain circumstances, the swaps are subject to termination prior to their respective scheduled expiration dates and prior to the maturity of the bonds to which each such swaps relates, in which event the Corporation may be obligated to make a substantial payment to the respective counterparty ("Termination Payments"). The obligation of the Corporation to make any termination payments under the swaps is junior and subordinate to the obligation to make debt service payments on notes. Under the swaps, the counterparties have certain limited rights to consent to modifications to the master resolution, which modifications would affect the rights of the counterparties under the swaps. To minimize credit or repayment risk, the swap agreements contain varying collateral agreements with the counterparties. The swaps require collateralization of the fair value of the swaps should the counterparty's credit rating fall below the applicable thresholds. During the fiscal year, the Corporation made variable interest payments of \$115,353 and recovered offsetting variable payments on this swap in a like amount. The Corporation made fixed payments of \$787,443 under the swaps. The market value of the swaps was (\$351,329) and (\$153,631) at June 30, 2016, respectively.

In the event that either party to the swap, BB&T or Columbia Parking Facilities Corporation, cannot perform on the agreement, no judgment for any deficiency will be sought or obtained against the City of Columbia. The University of South Carolina is solely responsible for payment if the Corporation cannot perform on the agreements. As such, the City has decided not to implement the provisions of GASB Statement No. 53 for this interest rate swap.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2016, classified by type, and the changes in fair value of such derivatives for the year then ended are as follows:

	Changes in Fair Value		Fair Value at June 30		
	Classification	Amount	Classification	Amount	Notional
Governmental activities					
Cash flow hedges:					
Pay-fixed interest rate swap					
Swap Two	Deferred outflow	\$ (466,938)	Debt	\$ 351,329	\$ 10,140,000
Pay-fixed interest rate swap					
Swap Three	Deferred outflow	\$ (202,721)	Debt	153,631	\$ 4,054,142
				<u>\$ 504,960</u>	
Business-type activity					
Cash flow hedges:					
Pay-fixed interest rate swap					
Swap One	Deferred outflow	\$ 12,156,759	Debt	<u>\$ 39,041,575</u>	\$ 81,860,000

**CITY OF COLUMBIA, SOUTH CAROLINA**  
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**V. INTEREST RATE SWAP AGREEMENTS (Continued)**

The following table displays the objectives and terms of the City's hedging derivative instruments outstanding at June 30, 2016, along with the credit rating of the associated counterparty:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating*
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 2009 Water and Sewer Revenue Bonds	\$ 81,860,000	9/15/2009	2/1/2038	Receive monthly average SIFMA rate and pay fixed rate of 4.354%	Aa3 / A+ / A+
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 2007 JEDA Revenue Bonds	\$ 10,140,000	2/23/2007	3/1/2017	Receive 95% of one month LIBOR and pay fixed rate of 5.085%	A2 / A- / A+
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Inovista construction note payable	\$ 4,054,142	3/1/2007	3/1/2017	Receive 95% of one month LIBOR plus 1.5% and pay fixed rate of 6.815%	A2 / A- / A+
* Moody's, S&P, and Fitch, respectively.						

**Future Debt Service Requirements**

The following schedules detail the debt service requirements to maturity for the underlying debt instruments related to the interest rate swaps. The interest rates in effect at June 30, 2016, have 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 instruments will vary.

Year Ended June 30,	<b>Waterworks and Sewer Bonds</b>			
	Series 2009 (Swap One)			
	Variable Rate Bonds		Hedging	
	Principal	Interest	Derivatives, Net	Total
2017	\$ -	\$ -	\$ 3,565,995	\$ 3,565,995
2018	-	-	3,565,995	3,565,995
2019	-	-	3,565,995	3,565,995
2020	-	-	3,565,995	3,565,995
2021	-	-	3,565,995	3,565,995
2022-2026	2,870,000	-	17,581,887	20,451,887
2027-2031	12,130,000	-	16,789,459	28,919,459
2032-2036	45,640,000	-	10,753,074	56,393,074
2037-2038	21,220,000	-	1,395,893	22,615,893
	<u>\$ 81,860,000</u>	<u>\$ -</u>	<u>\$ 64,350,288</u>	<u>\$ 146,210,288</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
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**V. INTEREST RATE SWAP AGREEMENTS (Continued)**

<b>Parking Facilities Corporation</b>				
South Carolina JEDA Bond 2007 (Swap Two)				
Year Ended	Variable Rate Bonds		Hedging	
June 30,	Principal	Interest	Derivatives, Net	Total
2017	\$ 440,000	\$ 14,831	\$ 93,469	\$ 548,300
2018	500,000	14,216	89,334	603,550
2019	540,000	13,546	84,874	638,420
2020	540,000	12,848	80,442	633,290
2021	560,000	11,315	76,655	647,970
2022-2026	3,420,000	49,541	297,399	3,766,940
2027-2031	4,140,000	22,817	125,543	4,288,360
	\$ 10,140,000	\$ 139,114	\$ 847,716	\$ 11,126,830

<b>Parking Facilities Corporation</b>				
Innovista Note Payable (Swap Three)				
Year Ended	Variable Rate Bonds		Hedging	
June 30,	Principal	Interest	Derivatives, Net	Total
2017	\$ 4,054,142	\$ 2,456	\$ 5,113	\$ 4,061,711
	\$ 4,054,142	\$ 2,456	\$ 5,113	\$ 4,061,711

**Risks**

*Credit Risk* – Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2016, the three swaps were in liability positions; therefore, the City is not exposed to credit risks. However, should interest rates change and the fair market value of the swaps becomes an asset position, the City would be exposed to credit risks. Credit ratings of the counterparties are 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 swaps. As LIBOR or the SIMFA swap index decreases, the City’s liability upon early termination of the swaps increases.

*Basis Risk* – Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedge item are based on different reference rates. The City is exposed to basis risk on the interest rate swap hedging instrument related to the Waterworks and Sewer bonds because the variable-rate payments received by the City on these hedging derivative instruments are based on a rate or index other than interest rates the City pays on its hedge variable-rate debt. As of June 30, 2016, the interest rate on the City’s hedged variable rate debt was 0.04%, while the SIFMA swap index rate was 0.05%.

*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 (Swap One), 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. The Corporation’s interest rate swaps (Swaps Two and Three) may be terminated if the counterparty ceases to be a party to the credit support documents and the Corporation fails to replace the counterparty with a credit support provider acceptable to the counterparty.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
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**V. INTEREST RATE SWAP AGREEMENTS (Continued)**

*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 Corporation is exposed to rollover risk because the hedging derivative instrument (Swap Two) associated with the hedgeable debt items do not extend to the maturity of the hedgeable debt items.

The City is not required to post collateral under any of the interest rate swap agreements.

**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. In addition, the City paid a civil penalty in the amount of \$476,400 in a prior year to resolve the alleged Clean Water Act violations. The City expects to pay for the cost of these improvements through revenues generated by the system and future and current bond proceeds. City management feels the City is meeting the requirements and deadlines imposed by the Consent Decree.

**C. LITIGATION**

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

**D. DEVELOPMENT AGREEMENT**

On July 9, 2013, the City executed a development agreement with a private developer to develop approximately 165 acres of land within the City of Columbia. During the year ended June 30, 2016, the original agreement was amended. Any City commitment is expected to occur during the first five years of the 20-year agreement. The City's commitments are to occur in four phases. The first phase occurred during the year ended June 30, 2014. This phase required the City to make \$5,250 in public improvements. Phase two required the City to make \$7,965,842 in public improvements. Phase three, which included the year ended June 30, 2016, required the City to make \$2,179,342 in public improvements. Phase four is subdivided into four sub phases. The first sub phase requires the City to make \$5,000,000 in public improvements once the developer makes \$25,000,000 in taxable improvements. The second sub phase requires the City to make an additional \$5,000,000 in public improvements upon completion of an additional

**CITY OF COLUMBIA, SOUTH CAROLINA**  
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**VI. COMMITMENTS AND CONTINGENCIES (Continued)**

**D. DEVELOPMENT AGREEMENT (Continued)**

\$25,000,000 in taxable improvements by the developer. The third sub phase 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 sub phase 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 sub phases 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 the first parking facility constructed. However, the developer has requested that the parking facility not be constructed until the requirements of the first sub phase of phase four are met. This request was granted by the City. The City has not identified a definite funding source for the construction of the parking facilities at this time.

**VII. OTHER INFORMATION**

**A. SUBSEQUENT EVENTS**

In September 2016, the City issued an \$8,000,000 capital lease. The proceeds of this lease will be used to purchase vehicles, heavy equipment, and technology upgrades.

On December 8, 2016, the City issued Series 2016A Waterworks and Sewer System Revenue Bonds in the amount of \$63,325,000 to improve, extend, and enlarge its waterworks and sewer system. Also on December 8, 2016, the City issued Series 2016B Waterworks and Sewer System Refunding Revenue Bonds in the amount of \$146,710,000. The proceeds of these refunding bonds will be used to advance refund certain maturities of the Series 2010 Waterworks and Sewer System Revenue Bonds and the Series 2011A Waterworks and Sewer System Revenue Bonds.

The Columbia Public Facilities Corporation, a blended component unit of the City of Columbia, is the holder of a capital lease receivable from the University of South Carolina. The capital lease originated from the University of South Carolina leasing of two parking garages under a long-term lease. On December 8, 2016, the board of directors approved, assuming certain specified conditions are met, allowing the University of South Carolina Foundation to pay off the capital lease in its entirety. The purchase would require the University of South Carolina Foundation to pay off the City's debt to JEDA of approximately \$9,860,000, the City's debt to BB&T in the approximate amount of \$4,135,000, and approximately \$2,592,900 in exchange for certain future revenues that were to be payable to the City starting on January 1, 2037.

**B. PENDING IMPLEMENTATION OF GASB STATEMENTS**

GASB Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*" The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. The City will implement the new guidance with the 2017 financial statements.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2016

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**VII. OTHER INFORMATION (Continued)**

**B. PENDING IMPLEMENTATION OF GASB STATEMENTS (Continued)**

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

GASB Statement No. 77, *Tax Abatement Disclosures*, requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The City will implement the new guidance with the 2017 financial statements.

*GASB Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, requires the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. This Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The City will implement the new guidance with the 2017 financial statements.

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

**REQUIRED SUPPLEMENTARY INFORMATION**



## REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS -**  
**OTHER POSTEMPLOYMENT BENEFITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(UNAUDITED)**

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
Primary Government						
7/1/2015	\$ -	\$ 148,565,744	\$ 148,565,744	0%	\$ 98,424,816	150.94%
7/1/2014	-	138,748,707	138,748,707	0%	93,451,271	148.47%
7/1/2013	-	131,827,750	131,827,750	0%	91,937,081	143.39%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year Ended June 30	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Liability	Percent of OPEB Cost Contributed
Primary Government				
2016	\$ 10,010,781	\$ 9,774,124	\$ 52,334,762	97.64%
2015	10,734,306	7,248,904	52,098,105	67.53%
2014	9,546,348	6,737,364	48,612,704	70.58%

**CITY OF COLUMBIA, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (UNAUDITED)**

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
General property taxes	\$ 51,826,115	\$ 51,826,115	\$ 51,024,375	\$ (801,740)
Admission taxes	-	-	225,932	225,932
License and permits	36,197,981	36,197,981	38,659,049	2,461,068
Intergovernmental revenue	13,086,467	13,086,467	16,171,263	3,084,796
Charges for services	14,473,390	14,473,390	12,437,766	(2,035,624)
Fines and forfeitures	1,102,000	1,102,000	822,196	(279,804)
Revenues from use of money and property	75,000	75,000	205,922	130,922
Other revenues	106,000	106,000	531,807	425,807
<b>Total revenues</b>	<u>116,866,953</u>	<u>116,866,953</u>	<u>120,078,310</u>	<u>3,211,357</u>
<b>EXPENDITURES:</b>				
General government	7,848,905	7,834,851	7,846,003	(11,152)
Judicial	2,686,612	2,686,612	2,601,829	84,783
Finance department	1,878,235	1,878,235	1,756,891	121,344
Development services and planning	3,337,127	3,640,790	3,328,834	311,956
Public safety	61,856,117	62,655,575	61,520,006	1,135,569
Parks and recreation	11,148,762	11,443,188	11,692,920	(249,732)
Public works	18,078,098	20,775,212	19,600,181	1,175,031
General services	5,814,756	5,407,541	5,321,789	85,752
Community promotion	475,000	520,000	463,287	56,713
Community development	332,519	320,919	317,815	3,104
Nondepartmental	3,760,983	3,696,166	7,095,586	(3,399,420)
<b>Total expenditures</b>	<u>117,217,114</u>	<u>120,859,089</u>	<u>121,545,141</u>	<u>(686,052)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(350,161)</u>	<u>(3,992,136)</u>	<u>(1,466,831)</u>	<u>2,525,305</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	13,640,605	14,904,929	10,971,664	(3,933,265)
Transfers (out)	(13,510,444)	(11,132,793)	(16,342,702)	(5,209,909)
Sale of capital assets	220,000	220,000	348,987	128,987
<b>Total other financing sources (uses)</b>	<u>350,161</u>	<u>3,992,136</u>	<u>(5,022,051)</u>	<u>(9,014,187)</u>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses</b>	-	-	(6,488,882)	(6,488,882)
Fund balance - beginning	36,393,740	36,393,740	36,393,740	-
<b>Fund balance - ending</b>	<u>\$ 36,393,740</u>	<u>\$ 36,393,740</u>	<u>\$ 29,904,858</u>	<u>\$ (6,488,882)</u>

See accompanying Notes to Budgetary Comparison Schedule.

**CITY OF COLUMBIA, SOUTH CAROLINA  
NOTES TO BUDGETARY COMPARISON SCHEDULE (UNAUDITED)  
YEAR ENDED JUNE 30, 2016**

**Budget and Budgetary Accounting**

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

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

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

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

**Schedule of Changes in Appropriated Budget  
For Year Ended June 30, 2016**

	Original Adopted Budget	Final Budget Amendments	Revised Budget
General Fund	\$ 130,727,558	\$ 1,264,324	\$ 131,991,882

**CITY OF COLUMBIA, SOUTH CAROLINA  
SCHEDULES OF THE CITY'S CONTRIBUTIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

	SCRS		
	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 6,155,138	\$ 5,815,863	\$ 5,669,535
Contributions made to pension plan	6,155,138	5,815,863	5,669,535
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City's covered payroll during the measurement period	\$ 55,652,247	\$ 53,480,622	\$ 52,411,010
Contributions as a percentage of covered employee payroll	11.06%	10.87%	10.82%

	PORS		
	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 5,548,189	\$ 5,031,606	\$ 4,736,002
Contributions made to pension plan	5,548,189	5,031,606	4,736,002
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City's covered payroll during the measurement period	\$ 40,976,282	\$ 37,437,424	\$ 36,688,676
Contributions as a percentage of covered employee payroll	13.54%	13.44%	12.91%

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**SCHEDULES OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(UNAUDITED)**

	SCRS		
	June 30, 2016	June 30, 2015	June 30, 2014
The City's percentage of the net pension liability	0.570267%	0.589139%	0.589139%
The City's proportionate share of the net pension liability	\$ 108,153,887	\$ 101,430,204	\$ 105,670,520
The City's covered employee payroll	\$ 55,652,247	\$ 53,356,551	\$ 53,480,622
The City's proportionate share of the net pension liability as a percentage of its covered payroll	194.34%	190.10%	197.59%
The Plan's fiduciary net position as a percentage of the total pension liability	57.00%	59.92%	56.39%

	PORS		
	June 30, 2016	June 30, 2015	June 30, 2014
The City's percentage of the net pension liability	3.03491%	3.06671%	3.06671%
The City's proportionate share of the net pension liability	\$ 66,145,819	\$ 58,710,014	\$ 63,572,138
The City's covered employee payroll	\$ 40,976,282	\$ 37,437,424	\$ 36,688,676
The City's proportionate share of the net pension liability as a percentage of its covered payroll	161.42%	156.82%	173.27%
The Plan's fiduciary net position as a percentage of the total pension liability	64.60%	67.55%	62.98%

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

## **SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**



**CITY OF COLUMBIA, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES & OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
General property taxes				
General property taxes - current	\$ 49,945,163	\$ 49,945,163	\$ 44,061,431	\$ (5,883,732)
Real estate tax - Lexington County - current	-	-	2,108,725	2,108,725
Real estate tax - Lexington County - prior	-	-	9,169	9,169
Personal tax - Lexington County - current	-	-	3,061,700	3,061,700
Homestead exemption	1,070,000	1,070,000	1,048,815	(21,185)
Payment in lieu of taxes	56,000	56,000	18,382	(37,618)
Merchants inventory tax	754,952	754,952	716,153	(38,799)
<b>Total general property taxes</b>	<b>51,826,115</b>	<b>51,826,115</b>	<b>51,024,375</b>	<b>(801,740)</b>
Admission taxes	-	-	225,932	225,932
License and permits				
Business license	10,100,000	10,100,000	11,116,475	1,016,475
Business license - Telecommunications	1,020,050	1,020,050	737,164	(282,886)
Business license - Insurance	15,500,477	15,500,477	11,909,069	(3,591,408)
Delinquent business license	133,650	133,650	152,417	18,767
Business license franchise fees	8,165,000	8,165,000	13,120,067	4,955,067
Franchise fees - vendors	600	600	-	(600)
Arts and craft permits	2,150	2,150	2,270	120
New business list sales	300	300	199	(101)
Business license ordinance sales	600	600	1,200	600
Business license contractor's decals	29,100	29,100	26,321	(2,779)
Group event license/permit	8,050	8,050	7,663	(387)
Building permits	1,035,609	1,035,609	1,267,803	232,194
Electrical permits	35,629	35,629	57,269	21,640
Plumbing permits	13,248	13,248	6,434	(6,814)
Gas permits	2,537	2,537	4,973	2,436
Sign permits	5,356	5,356	20,810	15,454
Heat permits	36,700	36,700	44,635	7,935
Zoning permits	54,120	54,120	124,158	70,038
Dog license	37,000	37,000	44,536	7,536
Chauffeur license	-	-	3,814	3,814
Other miscellaneous - business	16,255	16,255	10,639	(5,616)
Other miscellaneous - non-business	1,550	1,550	1,133	(417)
<b>Total license and permits</b>	<b>36,197,981</b>	<b>36,197,981</b>	<b>38,659,049</b>	<b>2,461,068</b>
Intergovernmental revenues				
State shared	2,805,133	2,805,133	2,952,439	147,306
School resource officer services	190,000	190,000	190,565	565
SC Motor fuel tax reimbursement	-	-	3,054	3,054
FEMA	-	-	200,846	200,846
USC parking garage revenues	-	-	1,839,844	1,839,844
Highway signal maintenance	291,334	291,334	220,262	(71,072)
Fire rebate - Richland County	9,800,000	9,800,000	10,764,253	964,253
<b>Total intergovernmental revenues</b>	<b>13,086,467</b>	<b>13,086,467</b>	<b>16,171,263</b>	<b>3,084,796</b>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES & OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**(Continued)**

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Charges for services				
Trade publication renewals	\$ 8,200	\$ 8,200	\$ 5,640	\$ (2,560)
Support services	2,270,000	2,270,000	-	(2,270,000)
Return check service charges	-	-	1,036	1,036
Duplicated business licenses	250	250	250	-
Compost sales	5,000	5,000	1,920	(3,080)
Recycling sales	110,000	110,000	16,419	(93,581)
Solid waste disposal fees	15,000	15,000	16,405	1,405
Storm water inspection fees	-	-	260	260
Commercial bulk container disposal	-	-	179	179
Commercial roll cart disposal	59,000	59,000	52,398	(6,602)
Departmental fees OBO	-	-	7,133	7,133
Eleemosynary roll cart collection	30,000	30,000	31,478	1,478
Eleemosynary roll cart disposal	7,500	7,500	7,569	69
Eleemosynary homeowner collection	10,000	10,000	6,171	(3,829)
Eleemosynary homeowner disposal	2,500	2,500	1,529	(971)
Six night service disposal	20,000	20,000	18,772	(1,228)
Tree and forestry lot clearance fees	-	-	19,307	19,307
Animal shelter fees - Richland County	285,000	285,000	282,016	(2,984)
Animal shelter fees	135,000	135,000	147,947	12,947
Employee animal clinic fees	100	100	40	(60)
Hydrant fees	10,840,000	10,840,000	10,996,250	156,250
Police accident report copies	33,000	33,000	24,302	(8,698)
Reimbursement police services	71,500	71,500	77,184	5,684
False fire alarm charges	10,000	10,000	12,502	2,502
Maxcy Gregg admission fees	25,000	25,000	43,982	18,982
Drew Park admission fees	300,000	300,000	270,705	(29,295)
Greenview pool admission fees	-	-	32,684	32,684
Recreation athletics	-	-	56,950	56,950
Tennis court fees	61,500	61,500	54,925	(6,575)
Other parks/recreation fees	76,440	76,440	140,738	64,298
Finlay Park ground reservation	15,000	15,000	14,398	(602)
Special event fees	83,400	83,400	96,677	13,277
<b>Total charges for services</b>	<u>14,473,390</u>	<u>14,473,390</u>	<u>12,437,766</u>	<u>(2,035,624)</u>
Fines and forfeitures				
Criminal court fines	1,100,000	1,100,000	819,495	(280,505)
Traffic court fines	-	-	(39,318)	(39,318)
Bond forfeiture from county courts	-	-	37,332	37,332
Late fees	-	-	4,058	4,058
Uniform ordinance animal control	2,000	2,000	-	(2,000)
Uniform ordinance environmental health	-	-	629	629
<b>Total fines and forfeitures</b>	<u>1,102,000</u>	<u>1,102,000</u>	<u>822,196</u>	<u>(279,804)</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES & OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**(Continued)**

For the Year Ended June 30, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues from use of money and property				
Interest on investments general	\$ 75,000	\$ 75,000	\$ 109,483	\$ 34,483
Interest gain (loss) cost/market	-	-	96,439	96,439
<b>Total revenues from use of money and property</b>	<u>75,000</u>	<u>75,000</u>	<u>205,922</u>	<u>130,922</u>
Other revenues				
Miscellaneous revenue	16,000	16,000	430,480	414,480
Rents and royalties	90,000	90,000	101,327	11,327
<b>Total other revenues</b>	<u>106,000</u>	<u>106,000</u>	<u>531,807</u>	<u>425,807</u>
<b>TOTAL REVENUES</b>	<u>116,866,953</u>	<u>116,866,953</u>	<u>120,078,310</u>	<u>3,211,357</u>
<b>OTHER FINANCING SOURCES</b>				
<b>Sale of capital assets</b>	<u>220,000</u>	<u>220,000</u>	<u>348,987</u>	<u>128,987</u>
Transfers from				
Water and sewer operating fund	2,675,605	2,675,605	4,945,605	2,270,000
Parking operating fund	500,000	500,000	500,000	-
Hospitality fund	3,000,000	3,000,000	3,000,000	-
Accommodations fund	25,000	25,000	25,000	-
Other funds	5,000,000	5,000,000	2,501,059	(2,498,941)
Unappropriated surplus transfer	2,440,000	3,704,324	-	(3,704,324)
<b>Total transfers</b>	<u>13,640,605</u>	<u>14,904,929</u>	<u>10,971,664</u>	<u>(3,933,265)</u>
<b>Total other financing sources</b>	<u>13,860,605</u>	<u>15,124,929</u>	<u>11,320,651</u>	<u>(3,804,278)</u>
<b>Total revenues and other financing sources</b>	<u>\$ 130,727,558</u>	<u>\$ 131,991,882</u>	<u>\$ 131,398,961</u>	<u>\$ (592,921)</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended June 30, 2016

<b>EXPENDITURES</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>General Government</b>				
Legislative				
Personnel services	\$ 488,394	\$ 488,394	\$ 467,756	\$ 20,638
Supplies	29,500	29,500	32,921	(3,421)
Other services and charges	<u>266,800</u>	<u>276,508</u>	<u>247,736</u>	<u>28,772</u>
Total legislative	<u>784,694</u>	<u>794,402</u>	<u>748,413</u>	<u>45,989</u>
Executive/Administration				
Personnel services	403,876	403,876	401,144	2,732
Supplies	28,730	30,110	44,821	(14,711)
Other services and charges	<u>61,915</u>	<u>60,535</u>	<u>57,454</u>	<u>3,081</u>
Total executive/administration	<u>494,521</u>	<u>494,521</u>	<u>503,419</u>	<u>(8,898)</u>
Governmental Affairs				
Personnel services	278,867	278,867	291,134	(12,267)
Supplies	16,215	16,215	10,943	5,272
Other services and charges	<u>163,125</u>	<u>163,125</u>	<u>162,413</u>	<u>712</u>
Total governmental affairs	<u>458,207</u>	<u>458,207</u>	<u>464,490</u>	<u>(6,283)</u>
Chief Financial Officer				
Personnel services	159,343	159,343	167,285	(7,942)
Supplies	8,135	8,635	(1,811)	10,446
Other services and charges	<u>23,776</u>	<u>23,276</u>	<u>15,921</u>	<u>7,355</u>
Total administrative operations	<u>191,254</u>	<u>191,254</u>	<u>181,395</u>	<u>9,859</u>
Senior Assistant City Manager				
Personnel services	259,113	259,113	273,386	(14,273)
Supplies	6,655	2,888	2,402	486
Other services and charges	<u>55,409</u>	<u>47,176</u>	<u>46,025</u>	<u>1,151</u>
Total senior assistant city manager	<u>321,177</u>	<u>309,177</u>	<u>321,813</u>	<u>(12,636)</u>
Assistant City Manager for Operations				
Personnel services	280,388	280,388	286,014	(5,626)
Supplies	16,700	17,500	7,898	9,602
Other services and charges	<u>76,835</u>	<u>76,035</u>	<u>70,912</u>	<u>5,123</u>
Total assistant city manager for operations	<u>373,923</u>	<u>373,923</u>	<u>364,824</u>	<u>9,099</u>
Citizen's Support Services				
Personnel services	388,707	388,707	403,610	(14,903)
Supplies	19,052	19,052	21,025	(1,973)
Other services and charges	<u>147,283</u>	<u>147,283</u>	<u>175,098</u>	<u>(27,815)</u>
Total citizen's support services	<u>555,042</u>	<u>555,042</u>	<u>599,733</u>	<u>(44,691)</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**(Continued)**

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Office of Business Opportunities				
Personnel services	\$ 591,683	\$ 591,683	\$ 618,373	\$ (26,690)
Supplies	27,025	29,295	28,020	1,275
Other services and charges	164,515	142,145	142,869	(724)
Capital outlay	-	20,100	20,060	40
Total office of business opportunities	<u>783,223</u>	<u>783,223</u>	<u>809,322</u>	<u>(26,099)</u>
Human Resources and Training				
Personnel services	900,052	900,052	918,131	(18,079)
Supplies	49,794	55,294	35,592	19,702
Other services and charges	48,205	42,705	34,133	8,572
Total human resources and training	<u>998,051</u>	<u>998,051</u>	<u>987,856</u>	<u>10,195</u>
Budget and Program				
Personnel services	273,893	273,893	272,850	1,043
Supplies	3,750	3,750	5,748	(1,998)
Other services and charges	79,650	79,650	16,959	62,691
Total budget and program	<u>357,293</u>	<u>357,293</u>	<u>295,557</u>	<u>61,736</u>
Legal				
Personnel services	1,172,743	1,122,743	1,133,662	(10,919)
Supplies	68,587	86,442	56,483	29,959
Other services and charges	712,737	694,882	776,239	(81,357)
Total legal	<u>1,954,067</u>	<u>1,904,067</u>	<u>1,966,384</u>	<u>(62,317)</u>
Public Information				
Personnel services	414,361	414,361	409,252	5,109
Supplies	54,203	55,143	52,963	2,180
Other services and charges	108,889	146,187	140,582	5,605
Total public information	<u>577,453</u>	<u>615,691</u>	<u>602,797</u>	<u>12,894</u>
<b>Total General Government</b>	<u>7,848,905</u>	<u>7,834,851</u>	<u>7,846,003</u>	<u>(11,152)</u>
<b>Judicial</b>				
Municipal Court				
Personnel services	2,341,267	2,341,267	2,313,716	27,551
Supplies	90,845	100,845	73,011	27,834
Other services and charges	254,500	244,500	215,102	29,398
Total municipal court	<u>2,686,612</u>	<u>2,686,612</u>	<u>2,601,829</u>	<u>84,783</u>
<b>Total Judicial</b>	<u>2,686,612</u>	<u>2,686,612</u>	<u>2,601,829</u>	<u>84,783</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**(Continued)**

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
<b>Finance Department</b>				
Administration				
Personnel services	\$ 137,947	\$ 137,947	\$ 144,852	\$ (6,905)
Supplies	2,350	2,350	2,424	(74)
Other services and charges	49,825	49,825	16,970	32,855
Total administration	<u>190,122</u>	<u>190,122</u>	<u>164,246</u>	<u>25,876</u>
Accounting				
Personnel services	796,175	796,175	760,420	35,755
Supplies	18,410	18,410	14,718	3,692
Other services and charges	97,111	97,111	114,022	(16,911)
Total accounting	<u>911,696</u>	<u>911,696</u>	<u>889,160</u>	<u>22,536</u>
Business License				
Personnel services	682,927	682,927	614,934	67,993
Supplies	31,713	31,713	26,934	4,779
Other services and charges	61,777	61,777	61,617	160
Total business license	<u>776,417</u>	<u>776,417</u>	<u>703,485</u>	<u>72,932</u>
<b>Total Finance Department</b>	<u>1,878,235</u>	<u>1,878,235</u>	<u>1,756,891</u>	<u>121,344</u>
<b>Development Services and Planning</b>				
Development Services				
Personnel services	2,808,362	2,808,362	2,654,592	153,770
Supplies	114,745	101,745	58,551	43,194
Other services and charges	364,020	654,341	358,329	296,012
Capital outlay	50,000	76,342	257,362	(181,020)
Total development services	<u>3,337,127</u>	<u>3,640,790</u>	<u>3,328,834</u>	<u>311,956</u>
<b>Total Development Services and Planning</b>	<u>3,337,127</u>	<u>3,640,790</u>	<u>3,328,834</u>	<u>311,956</u>
<b>Public Safety</b>				
<b>Police Department</b>				
Administrative Services				
Personnel services	4,997,881	4,947,881	3,275,015	1,672,866
Supplies	969,868	1,397,677	1,423,407	(25,730)
Other services and charges	1,580,117	1,705,117	1,989,914	(284,797)
Capital outlay	-	28,886	82,105	(53,219)
Total administrative services	<u>7,547,866</u>	<u>8,079,561</u>	<u>6,770,441</u>	<u>1,309,120</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**(Continued)**

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Operations				
Personnel services	\$ 15,203,703	\$ 15,203,703	\$ 15,884,666	\$ (680,963)
Supplies	1,014,969	714,969	417,151	297,818
Other services and charges	912,148	984,426	981,808	2,618
Capital outlay	-	-	196,630	(196,630)
Total operations	<u>17,130,820</u>	<u>16,903,098</u>	<u>17,480,255</u>	<u>(577,157)</u>
Special Services				
Personnel services	11,728,697	11,728,697	12,313,508	(584,811)
Supplies	354,389	354,389	209,802	144,587
Other services and charges	279,115	279,115	327,854	(48,739)
Capital outlay	-	-	26,659	(26,659)
Total special services	<u>12,362,201</u>	<u>12,362,201</u>	<u>12,877,823</u>	<u>(515,622)</u>
<b>Total Police Department</b>	<u>37,040,887</u>	<u>37,344,860</u>	<u>37,128,519</u>	<u>216,341</u>
<b>Fire Department - City</b>				
Administration				
Personnel services	1,078,178	1,078,178	841,461	236,717
Supplies	192,239	192,239	27,947	164,292
Other services and charges	30,260	30,260	42,017	(11,757)
Capital outlay	59,509	249,300	49,453	199,847
Total administration	<u>1,360,186</u>	<u>1,549,977</u>	<u>960,878</u>	<u>589,099</u>
Fire Prevention				
Personnel services	1,186,103	1,186,103	1,120,435	65,668
Supplies	82,304	70,904	40,086	30,818
Other services and charges	85,898	75,913	52,760	23,153
Total fire prevention	<u>1,354,305</u>	<u>1,332,920</u>	<u>1,213,281</u>	<u>119,639</u>
Fire Suppression				
Personnel services	16,009,399	16,009,399	16,494,358	(484,959)
Supplies	1,334,500	1,305,759	1,052,347	253,412
Other services and charges	1,439,400	1,381,451	1,415,706	(34,255)
Capital outlay	-	95,556	95,556	-
Total fire suppression	<u>18,783,299</u>	<u>18,792,165</u>	<u>19,057,967</u>	<u>(265,802)</u>
Fire Logistics				
Personnel services	143,596	143,596	123,828	19,768
Supplies	98,605	98,605	52,486	46,119
Other services and charges	73,000	73,000	26,382	46,618
Total fire logistics	<u>315,201</u>	<u>315,201</u>	<u>202,696</u>	<u>112,505</u>
<b>Total Fire Department - City</b>	<u>21,812,991</u>	<u>21,990,263</u>	<u>21,434,822</u>	<u>555,441</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**(Continued)**

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
<b>911 Emergency and 311 Center</b>				
Personnel services	\$ 2,699,289	\$ 2,699,289	\$ 2,658,505	\$ 40,784
Supplies	54,400	58,400	42,409	15,991
Other services and charges	248,550	248,550	209,853	38,697
Capital outlay	-	314,213	45,898	268,315
<b>Total 911 Emergency and 311 Center</b>	<u>3,002,239</u>	<u>3,320,452</u>	<u>2,956,665</u>	<u>363,787</u>
<b>Total Public Safety</b>	<u>61,856,117</u>	<u>62,655,575</u>	<u>61,520,006</u>	<u>1,135,569</u>
<b>Parks and Recreation</b>				
Recreation				
Personnel services	3,903,161	3,903,161	4,047,972	(144,811)
Supplies	161,320	161,320	167,279	(5,959)
Other services and charges	991,974	989,374	1,177,000	(187,626)
Capital outlay	-	92,106	92,106	-
Total recreation	<u>5,056,455</u>	<u>5,145,961</u>	<u>5,484,357</u>	<u>(338,396)</u>
Parks				
Personnel services	4,776,104	4,776,104	4,724,713	51,391
Supplies	470,658	552,090	524,250	27,840
Other services and charges	620,545	724,313	779,483	(55,170)
Capital outlay	225,000	244,720	180,117	64,603
Total parks	<u>6,092,307</u>	<u>6,297,227</u>	<u>6,208,563</u>	<u>88,664</u>
<b>Total Parks and Recreation</b>	<u>11,148,762</u>	<u>11,443,188</u>	<u>11,692,920</u>	<u>(249,732)</u>
<b>Public Works</b>				
Administration				
Personnel services	356,865	356,865	341,784	15,081
Supplies	27,650	35,250	26,523	8,727
Other services and charges	108,650	108,150	116,317	(8,167)
Total administration	<u>493,165</u>	<u>500,265</u>	<u>484,624</u>	<u>15,641</u>
Solid Waste				
Personnel services	4,429,362	4,429,362	4,554,317	(124,955)
Supplies	1,327,896	3,043,596	2,381,598	661,998
Other services and charges	2,344,535	2,516,906	2,347,333	169,573
Capital outlay	15,000	516,250	687,052	(170,802)
Total solid waste	<u>8,116,793</u>	<u>10,506,114</u>	<u>9,970,300</u>	<u>535,814</u>

(Continued)



**CITY OF COLUMBIA, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**(Continued)**

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Streets and Storm Drains				
Personnel services	\$ 1,587,531	\$ 1,587,531	\$ 1,448,405	\$ 139,126
Supplies	226,873	222,973	125,513	97,460
Other services and charges	108,075	116,992	99,914	17,078
Capital outlay	29,700	223,012	222,930	82
Total streets and storm drains	<u>1,952,179</u>	<u>2,150,508</u>	<u>1,896,762</u>	<u>253,746</u>
Animal Control				
Personnel services	1,178,023	1,178,023	1,262,046	(84,023)
Supplies	174,911	190,881	206,465	(15,584)
Other services and charges	138,618	122,648	112,250	10,398
Total animal control	<u>1,491,552</u>	<u>1,491,552</u>	<u>1,580,761</u>	<u>(89,209)</u>
Forestry and Beautification				
Personnel services	1,770,382	1,770,382	1,619,854	150,528
Supplies	209,202	210,302	150,802	59,500
Other services and charges	267,798	266,342	265,049	1,293
Capital outlay	8,500	8,856	8,856	-
Total forestry and beautification	<u>2,255,882</u>	<u>2,255,882</u>	<u>2,044,561</u>	<u>211,321</u>
Traffic Engineering				
Personnel services	1,364,346	1,364,346	1,274,573	89,773
Supplies	192,790	290,920	168,060	122,860
Other services and charges	2,197,791	2,188,791	2,153,765	35,026
Capital outlay	13,600	26,834	26,775	59
Total traffic engineering	<u>3,768,527</u>	<u>3,870,891</u>	<u>3,623,173</u>	<u>247,718</u>
<b>Total Public Works</b>	<u>18,078,098</u>	<u>20,775,212</u>	<u>19,600,181</u>	<u>1,175,031</u>
<b>General Services</b>				
Information Technology				
Personnel services	2,091,020	2,091,020	2,050,069	40,951
Supplies	159,780	159,780	68,756	91,024
Other services and charges	1,340,413	1,398,198	1,577,441	(179,243)
Total information technology	<u>3,591,213</u>	<u>3,648,998</u>	<u>3,696,266</u>	<u>(47,268)</u>
Support Services				
Personnel services	569,302	569,302	547,840	21,462
Supplies	59,550	59,550	75,256	(15,706)
Other services and charges	929,691	965,037	869,939	95,098
Capital outlay	665,000	164,654	132,488	32,166
Total public buildings	<u>2,223,543</u>	<u>1,758,543</u>	<u>1,625,523</u>	<u>133,020</u>
<b>Total General Services</b>	<u>5,814,756</u>	<u>5,407,541</u>	<u>5,321,789</u>	<u>85,752</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**(Continued)**

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
<b>Community Promotion</b>				
Supplies	\$ -	\$ -	\$ 48	\$ (48)
Community promotion	475,000	520,000	463,239	56,761
<b>Total Community Promotion</b>	<u>475,000</u>	<u>520,000</u>	<u>463,287</u>	<u>56,713</u>
<b>Community Development</b>				
Personnel services	297,109	297,109	267,975	29,134
Supplies	15,010	13,510	25,746	(12,236)
Other services and charges	20,400	10,300	24,094	(13,794)
<b>Total Community Development</b>	<u>332,519</u>	<u>320,919</u>	<u>317,815</u>	<u>3,104</u>
<b>Nondepartmental</b>				
Contingencies				
Personnel services	35,141	35,141	-	35,141
Supplies	275,000	275,000	-	275,000
Other services and charges	1,945,842	1,835,442	2,059,947	(224,505)
<b>Total contingencies</b>	<u>2,255,983</u>	<u>2,145,583</u>	<u>2,059,947</u>	<u>85,636</u>
Administration				
Other services and charges	505,000	505,000	1,521,897	(1,016,897)
<b>Total administration</b>	<u>505,000</u>	<u>505,000</u>	<u>1,521,897</u>	<u>(1,016,897)</u>
Homeless Services				
Other services and charges	1,000,000	1,045,583	906,688	138,895
<b>Total homeless services</b>	<u>1,000,000</u>	<u>1,045,583</u>	<u>906,688</u>	<u>138,895</u>
Debt Service				
Principal payments on debt	-	-	1,607,567	(1,607,567)
Interest payments on debt	-	-	999,487	(999,487)
<b>Total debt service</b>	<u>-</u>	<u>-</u>	<u>2,607,054</u>	<u>(2,607,054)</u>
<b>Total Nondepartmental</b>	<u>3,760,983</u>	<u>3,696,166</u>	<u>7,095,586</u>	<u>(3,399,420)</u>
<b>TOTAL EXPENDITURES</b>	<u>117,217,114</u>	<u>120,859,089</u>	<u>121,545,141</u>	<u>(686,052)</u>
<b>OTHER FINANCING USES</b>				
Transfers to Other Funds				
Debt service	6,577,973	6,577,973	5,508,714	1,069,259
Transfers interfund	6,932,471	4,554,820	10,833,988	(6,279,168)
<b>Total Transfers to Other Funds</b>	<u>13,510,444</u>	<u>11,132,793</u>	<u>16,342,702</u>	<u>(5,209,909)</u>
<b>Total Other Financing Uses</b>	<u>13,510,444</u>	<u>11,132,793</u>	<u>16,342,702</u>	<u>(5,209,909)</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 130,727,558</u>	<u>\$ 131,991,882</u>	<u>\$ 137,887,843</u>	<u>\$ (5,895,961)</u>

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

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

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

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

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

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

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

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

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

### Debt Service Funds

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

### Capital Project Funds

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

*Streetscaping* accounts for capital improvements to street landscaping.

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

### 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, 2016

	Special Revenue									
	Liquor Permit Fee	Business Improvement District	Accommodations Tax	Confiscated Drug Program	Hospitality Tax	Community Development	Federal Grants	Other Programs	Tourism Development Convention Center	Total
<b>ASSETS</b>										
Cash and cash equivalents	\$ 877,413	\$ -	\$ -	\$ 364,411	\$ 626,510	\$ -	\$ 1,413	\$ 233,395	\$ 4,738,050	\$ 6,841,192
Investments	-	-	-	9,893	-	-	-	-	-	9,893
Due from the Federal government	-	-	-	-	-	596,877	612,013	-	-	1,208,890
Due from State government	31,760	-	824,351	-	-	-	-	-	-	856,111
Due from County government	-	-	-	-	-	-	-	-	617,524	617,524
Accrued interest receivable	-	-	-	-	-	-	-	-	9	9
Due from component unit	-	-	-	-	-	-	2,825	-	-	2,825
Due from other funds	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 909,173</b>	<b>\$ -</b>	<b>\$ 824,351</b>	<b>\$ 374,304</b>	<b>\$ 626,510</b>	<b>\$ 596,877</b>	<b>\$ 616,251</b>	<b>\$ 233,395</b>	<b>\$ 5,355,583</b>	<b>\$ 9,536,444</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities										
Accounts payable	\$ -	\$ -	\$ 412,500	\$ 2,750	\$ 218,556	\$ 306,885	\$ 183,655	\$ 12,349	\$ 11,947	\$ 1,148,642
Accrued salaries and benefits	-	-	-	-	-	26,285	10,853	5,666	-	42,804
Retainage payable	-	-	-	-	-	-	-	-	-	-
Refundable advances	-	-	-	17,753	-	733	37,007	-	-	55,493
Due to other funds	-	-	112,772	-	-	262,974	384,736	-	-	760,482
Total liabilities	-	-	525,272	20,503	218,556	596,877	616,251	18,015	11,947	2,007,421
Fund balances										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	909,173	-	299,079	353,801	407,954	-	-	215,380	5,343,636	7,529,023
Assigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	909,173	-	299,079	353,801	407,954	-	-	215,380	5,343,636	7,529,023
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 909,173</b>	<b>\$ -</b>	<b>\$ 824,351</b>	<b>\$ 374,304</b>	<b>\$ 626,510</b>	<b>\$ 596,877</b>	<b>\$ 616,251</b>	<b>\$ 233,395</b>	<b>\$ 5,355,583</b>	<b>\$ 9,536,444</b>

(Continued)

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

June 30, 2016

	<u>Capital Projects</u>				<u>Permanent Trust</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Debt Service Fund</u>	<u>Congaree Vista District</u>	<u>Streetscaping</u>	<u>General Capital Projects</u>	<u>Total</u>	<u>Dickson Trust</u>	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,998,811	\$ 5,461,610	\$ 9,189,815	\$ 4,883,205	\$ 19,534,630	\$ 5,592	\$ 29,380,225
Investments	1,214,349	-	-	-	-	-	1,224,242
Due from the Federal government	-	-	-	-	-	-	1,208,890
Due from State government	-	-	-	-	-	-	856,111
Due from County government	-	-	-	-	-	-	617,524
Accrued interest receivable	-	-	-	-	-	-	9
Due from component unit	-	-	-	-	-	-	2,825
Due from other funds	-	100,000	-	802,000	902,000	-	902,000
<b>TOTAL ASSETS</b>	<u>\$ 4,213,160</u>	<u>\$ 5,561,610</u>	<u>\$ 9,189,815</u>	<u>\$ 5,685,205</u>	<u>\$ 20,436,630</u>	<u>\$ 5,592</u>	<u>\$ 34,191,826</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities							
Accounts payable	\$ 10	\$ 1,160	\$ 370,416	\$ 494,903	\$ 866,479	\$ -	\$ 2,015,131
Accrued salaries and benefits	-	-	-	-	-	-	42,804
Retainage payable	-	-	-	81,603	81,603	-	81,603
Refundable advances	-	-	-	-	-	-	55,493
Due to other funds	-	-	-	-	-	-	760,482
Total liabilities	<u>10</u>	<u>1,160</u>	<u>370,416</u>	<u>576,506</u>	<u>948,082</u>	<u>-</u>	<u>2,955,513</u>
Fund balances							
Nonspendable	-	-	-	-	-	5,000	5,000
Restricted	4,213,150	5,560,450	-	729,538	6,289,988	592	18,032,753
Assigned	-	-	8,819,399	4,379,161	13,198,560	-	13,198,560
Total fund balances	<u>4,213,150</u>	<u>5,560,450</u>	<u>8,819,399</u>	<u>5,108,699</u>	<u>19,488,548</u>	<u>5,592</u>	<u>31,236,313</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,213,160</u>	<u>\$ 5,561,610</u>	<u>\$ 9,189,815</u>	<u>\$ 5,685,205</u>	<u>\$ 20,436,630</u>	<u>\$ 5,592</u>	<u>\$ 34,191,826</u>

CITY OF COLUMBIA, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2016

	Special Revenue								Total	
	Liquor Permit Fee	Business Improvement District	Accommodations Tax	Confiscated Drug Program	Hospitality Tax	Community Development	Federal Grants	Other Programs		Tourism Development Convention Center
<b>REVENUES</b>										
Federal government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,055,211	\$ 631,672	\$ -	\$ -	\$ 4,686,883
State government	348,990	-	-	-	-	-	-	-	-	348,990
County government	-	892,829	-	-	-	-	-	-	6,583,783	7,476,612
Promotions	-	-	-	-	-	-	-	12,578	-	12,578
Charges for services	-	-	-	-	-	-	-	86,684	-	86,684
Fines and forfeitures	-	-	-	-	-	-	-	119,517	-	119,517
Confiscated funds	-	-	-	274,392	-	-	-	-	-	274,392
Sales and hospitality taxes	-	-	2,324,105	-	10,848,556	-	-	-	-	13,172,661
Interest income	-	-	-	78	4,841	-	-	-	10,357	15,276
Other revenue	-	-	-	-	-	10	870,428	-	-	870,438
<b>Total revenues</b>	<b>348,990</b>	<b>892,829</b>	<b>2,324,105</b>	<b>274,470</b>	<b>10,853,397</b>	<b>4,055,221</b>	<b>1,502,100</b>	<b>218,779</b>	<b>6,594,140</b>	<b>27,064,031</b>
<b>EXPENDITURES</b>										
Current										
General government	-	-	22,183	-	-	-	420,968	3,101	-	446,252
Public safety	-	-	-	143,971	-	-	965,662	205,815	-	1,315,448
Public services	-	-	-	-	-	-	-	-	-	-
Tourism and community development	-	892,829	2,029,333	-	5,689,058	2,644,641	-	14,571	4,005,558	15,275,990
Debt Service										
Principal	-	-	-	-	-	-	-	-	2,325,000	2,325,000
Interest and other charges	-	-	-	-	-	-	-	-	399,490	399,490
Fiscal agent charges	-	-	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-	-	-
Capital Outlay										
Capital outlay	-	-	-	8,320	-	-	130,038	12,335	36,270	186,963
<b>Total expenditures</b>	<b>-</b>	<b>892,829</b>	<b>2,051,516</b>	<b>152,291</b>	<b>5,689,058</b>	<b>2,644,641</b>	<b>1,516,668</b>	<b>235,822</b>	<b>6,766,318</b>	<b>19,949,143</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>348,990</b>	<b>-</b>	<b>272,589</b>	<b>122,179</b>	<b>5,164,339</b>	<b>1,410,580</b>	<b>(14,568)</b>	<b>(17,043)</b>	<b>(172,178)</b>	<b>7,114,888</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	664,950	14,568	87,242	-	766,760
Transfers out	-	-	(25,000)	-	(5,595,547)	(2,075,530)	-	(61,113)	-	(7,757,190)
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>(25,000)</b>	<b>-</b>	<b>(5,595,547)</b>	<b>(1,410,580)</b>	<b>14,568</b>	<b>26,129</b>	<b>-</b>	<b>(6,990,430)</b>
Net change in fund balances	348,990	-	247,589	122,179	(431,208)	-	-	9,086	(172,178)	124,458
Fund balances - beginning	560,183	-	51,490	231,622	839,162	-	-	206,294	5,515,814	7,404,565
<b>Fund balances - ending</b>	<b>\$ 909,173</b>	<b>\$ -</b>	<b>\$ 299,079</b>	<b>\$ 353,801</b>	<b>\$ 407,954</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 215,380</b>	<b>\$ 5,343,636</b>	<b>\$ 7,529,023</b>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

Year Ended June 30, 2016

	Capital Projects				Permanent Trust	Total Nonmajor Governmental Funds
	Debt Service Fund	Congaree Vista District	Streetscaping	General Capital Projects	Total	
<b>REVENUES</b>						
Federal government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,686,883
State government	-	-	-	9,677	9,677	358,667
County government	-	-	-	-	-	7,476,612
Promotions	-	-	-	-	-	12,578
Charges for services	-	-	-	-	-	86,684
Fines and forfeitures	-	-	-	-	-	119,517
Confiscated funds	-	-	-	-	-	274,392
Sales and hospitality taxes	-	-	-	-	-	13,172,661
Interest income	154	-	-	-	-	6
Other revenue	-	-	1,895,338	647,966	2,543,304	-
<b>Total revenues</b>	<u>154</u>	<u>-</u>	<u>1,895,338</u>	<u>657,643</u>	<u>2,552,981</u>	<u>6</u>
<b>EXPENDITURES</b>						
Current						
General government	-	2,305	-	1,861	4,166	-
Public safety	-	-	-	-	-	1,315,448
Public services	-	-	48,279	-	48,279	-
Tourism and community development	-	-	-	1,077,478	1,077,478	-
Debt Service						
Principal	6,305,000	-	-	-	-	-
Interest and other charges	2,530,459	-	-	-	-	-
Fiscal agent charges	5,732	-	-	-	-	-
Debt issuance costs	230,155	-	-	-	-	-
Capital Outlay						
Capital outlay	-	86,000	479,316	16,462,605	17,027,921	-
<b>Total expenditures</b>	<u>9,071,346</u>	<u>88,305</u>	<u>527,595</u>	<u>17,541,944</u>	<u>18,157,844</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(9,071,192)</u>	<u>(88,305)</u>	<u>1,367,743</u>	<u>(16,884,301)</u>	<u>(15,604,863)</u>	<u>6</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Refunding bonds issued	6,260,000	-	-	-	-	-
Premium on debt issuance	662,888	-	-	-	-	-
Payments to refunded bond escrow agent	(6,666,502)	-	-	-	-	-
Transfers in	9,049,024	-	-	12,874,050	12,874,050	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources and uses</b>	<u>9,305,410</u>	<u>-</u>	<u>-</u>	<u>12,874,050</u>	<u>12,874,050</u>	<u>-</u>
Net change in fund balances	234,218	(88,305)	1,367,743	(4,010,251)	(2,730,813)	6
Fund balances - beginning	3,978,932	5,648,755	7,451,656	9,118,950	22,219,361	5,586
<b>Fund balances - ending</b>	<u>\$ 4,213,150</u>	<u>\$ 5,560,450</u>	<u>\$ 8,819,399</u>	<u>\$ 5,108,699</u>	<u>\$ 19,488,548</u>	<u>\$ 5,592</u>

## NONMAJOR PROPRIETARY FUNDS

*Nonmajor Proprietary Funds* are used to account for operations of the City (a) that are financed and operated in a manner similar to private business where the intent is for the cost of providing goods or services to be recovered, in whole or in part, through user charges; or (b) where the City Council has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. These funds include:

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

*Stormwater Facilities Fund* accounts for stormwater utility activities.

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

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



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

June 30, 2016

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Proprietary Funds
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	\$ 280,577	\$ 13,182,613	\$ 5,700,699	\$ 142,736	\$ 19,306,625
Investments	-	5,312,710	-	-	5,312,710
Accounts receivable, net	-	9,527	-	-	9,527
Mortgage notes receivable, net	-	-	439,811	-	439,811
Accrued interest receivable	-	12,991	-	-	12,991
Due from component units	-	-	170,071	-	170,071
Prepaid expenses	-	8,040	-	-	8,040
Real estate held for resale	-	-	84,810	-	84,810
<b>Total current assets</b>	<b>280,577</b>	<b>18,525,881</b>	<b>6,395,391</b>	<b>142,736</b>	<b>25,344,585</b>
Noncurrent Assets					
Mortgage notes receivable, net	-	-	21,550,737	-	21,550,737
Capital assets					
Land	327,169	220,085	-	-	547,254
Buildings, improvements, and utility plant	16,173,300	17,794,377	-	-	33,967,677
Machinery and equipment	-	3,718,869	-	-	3,718,869
Less accumulated depreciation	(4,447,658)	(5,347,125)	-	-	(9,794,783)
Construction in progress	-	2,951,636	-	-	2,951,636
<b>Net capital assets</b>	<b>12,052,811</b>	<b>19,337,842</b>	<b>-</b>	<b>-</b>	<b>31,390,653</b>
<b>Total noncurrent assets</b>	<b>12,052,811</b>	<b>19,337,842</b>	<b>21,550,737</b>	<b>-</b>	<b>52,941,390</b>
<b>TOTAL ASSETS</b>	<b>12,333,388</b>	<b>37,863,723</b>	<b>27,946,128</b>	<b>142,736</b>	<b>78,285,975</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to net pension liability	-	273,605	20,529	16,384	310,518
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 12,333,388</b>	<b>\$ 38,137,328</b>	<b>\$ 27,966,657</b>	<b>\$ 159,120</b>	<b>\$ 78,596,493</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION</b>					
Current Liabilities					
Accounts payable	\$ 2,850	\$ 1,106,179	\$ 11,797	\$ 9,710	\$ 1,130,536
Accrued salaries and benefits	-	118,349	6,946	35,956	161,251
Compensated absences	-	17,306	3,529	8	20,843
Due to other funds	-	-	181,726	-	181,726
<b>Total current liabilities</b>	<b>2,850</b>	<b>1,241,834</b>	<b>203,998</b>	<b>45,674</b>	<b>1,494,356</b>
Noncurrent Liabilities					
Net pension liability	-	2,910,805	222,063	174,300	3,307,168
Compensated absences	-	69,222	14,117	31	83,370
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>2,980,027</b>	<b>236,180</b>	<b>174,331</b>	<b>3,390,538</b>
<b>Total liabilities</b>	<b>2,850</b>	<b>4,221,861</b>	<b>440,178</b>	<b>220,005</b>	<b>4,884,894</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to net pension liability	-	55,693	4,179	3,335	63,207
<b>FUND NET POSITION</b>					
Net investment in capital assets	12,052,811	19,337,842	-	-	31,390,653
Unrestricted	277,727	14,521,932	27,522,300	(64,220)	42,257,739
<b>Total fund net position</b>	<b>12,330,538</b>	<b>33,859,774</b>	<b>27,522,300</b>	<b>(64,220)</b>	<b>73,648,392</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION</b>	<b>\$ 12,333,388</b>	<b>\$ 38,137,328</b>	<b>\$ 27,966,657</b>	<b>\$ 159,120</b>	<b>\$ 78,596,493</b>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**

**Year Ended June 30, 2016**

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Proprietary Funds
Operating revenues					
Charges for service	\$ 54,435	\$ 7,297,315	\$ 511,780	\$ 320,265	\$ 8,183,795
Other operating revenue	-	18,886	34,546	-	53,432
<b>Total operating revenues</b>	<b>54,435</b>	<b>7,316,201</b>	<b>546,326</b>	<b>320,265</b>	<b>8,237,227</b>
Operating expenses					
Personnel services	-	2,718,428	175,174	236,021	3,129,623
Materials and supplies	-	199,095	580	47,475	247,150
Other services and charges	201,589	1,639,079	555,449	41,557	2,437,674
Depreciation	323,466	1,031,602	-	-	1,355,068
Bad debt expense	-	-	83,181	-	83,181
<b>Total operating expenses</b>	<b>525,055</b>	<b>5,588,204</b>	<b>814,384</b>	<b>325,053</b>	<b>7,252,696</b>
<b>Operating income (loss)</b>	<b>(470,620)</b>	<b>1,727,997</b>	<b>(268,058)</b>	<b>(4,788)</b>	<b>984,531</b>
Nonoperating revenues (expenses)					
Investment income (loss)	-	164,995	71	-	165,066
Federal grant revenue	-	-	20,379	-	20,379
Other nonoperating revenue	-	175,000	-	-	175,000
Gain from sale of assets	-	450	-	-	450
<b>Total nonoperating revenues (expenses)</b>	<b>-</b>	<b>340,445</b>	<b>20,450</b>	<b>-</b>	<b>360,895</b>
<b>Income (loss) before transfers</b>	<b>(470,620)</b>	<b>2,068,442</b>	<b>(247,608)</b>	<b>(4,788)</b>	<b>1,345,426</b>
Transfers					
Transfers in	-	-	884,641	-	884,641
Transfers out	-	(167,443)	(666,401)	(19,933)	(853,777)
<b>Total transfers</b>	<b>-</b>	<b>(167,443)</b>	<b>218,240</b>	<b>(19,933)</b>	<b>30,864</b>
<b>Change in net position</b>	<b>(470,620)</b>	<b>1,900,999</b>	<b>(29,368)</b>	<b>(24,721)</b>	<b>1,376,290</b>
Net position - beginning	12,801,158	31,958,775	27,551,668	(39,499)	72,272,102
<b>Net position - ending</b>	<b>\$ 12,330,538</b>	<b>\$ 33,859,774</b>	<b>\$ 27,522,300</b>	<b>\$ (64,220)</b>	<b>\$ 73,648,392</b>

**CITY OF COLUMBIA, SOUTH CAROLINA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS**

Year Ended June 30, 2016

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Proprietary Funds
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and users	\$ 173,965	\$ 7,310,887	\$ 546,326	\$ 320,265	\$ 8,351,443
Internal activity - payments to other funds	-	(1,013,985)	-	(20,820)	(1,034,805)
Payments to suppliers	(198,797)	(802,249)	(597,783)	(87,444)	(1,686,273)
Payments to employees	-	(2,031,496)	(177,713)	(197,943)	(2,407,152)
<b>Net cash provided by (used in) operating activities</b>	<u>(24,832)</u>	<u>3,463,157</u>	<u>(229,170)</u>	<u>14,058</u>	<u>3,223,213</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Transfers in	-	-	884,641	-	884,641
Transfers out	-	(167,443)	(666,401)	(19,933)	(853,777)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>-</u>	<u>(167,443)</u>	<u>218,240</u>	<u>(19,933)</u>	<u>30,864</u>
<b>Cash Flows From Capital And Related Financing Activities</b>					
Purchase of capital assets	-	(4,274,911)	-	-	(4,274,911)
Proceeds from sale of capital assets	-	450	-	-	450
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>-</u>	<u>(4,274,461)</u>	<u>-</u>	<u>-</u>	<u>(4,274,461)</u>
<b>Cash Flows From Investing Activities</b>					
Advances of mortgage notes receivable	-	-	(3,062,938)	-	(3,062,938)
Collections of mortgage notes receivable	-	-	2,259,107	-	2,259,107
Interest received	-	89,812	71	-	89,883
Sale of real estate held for resale	-	-	156,624	-	156,624
<b>Net cash provided by (used in) investing activities</b>	<u>-</u>	<u>89,812</u>	<u>(647,136)</u>	<u>-</u>	<u>(557,324)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(24,832)	(888,935)	(658,066)	(5,875)	(1,577,708)
Cash and cash equivalents, July 1, 2015	<u>305,409</u>	<u>14,071,548</u>	<u>6,358,765</u>	<u>148,611</u>	<u>20,884,333</u>
<b>Cash and cash equivalents, June 30, 2016</b>	<u><u>\$ 280,577</u></u>	<u><u>\$ 13,182,613</u></u>	<u><u>\$ 5,700,699</u></u>	<u><u>\$ 142,736</u></u>	<u><u>\$ 19,306,625</u></u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS (CONTINUED)**

**Year Ended June 30, 2016**

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Proprietary Funds
Reconciliation Of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities					
<b>Operating income (loss)</b>	<u>\$ (470,620)</u>	<u>\$ 1,727,997</u>	<u>\$ (268,058)</u>	<u>\$ (4,788)</u>	<u>\$ 984,531</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	323,466	1,031,602	-	-	1,355,068
Accrued benefits related to net pension liability	-	10,337	2,539	1,054	13,930
Bad debt expense	-	-	83,181	-	83,181
Change in operating assets and liabilities					
Accounts receivable	119,530	(5,314)	-	-	114,216
Prepaid expenses	-	1,243	-	-	1,243
Accounts payable	2,792	649,427	(44,293)	1,588	609,514
Accrued salaries	-	32,588	208	16,165	48,961
Accrued compensated absences	-	15,277	(2,747)	39	12,569
Total adjustments	<u>445,788</u>	<u>1,735,160</u>	<u>38,888</u>	<u>18,846</u>	<u>2,238,682</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (24,832)</u>	<u>\$ 3,463,157</u>	<u>\$ (229,170)</u>	<u>\$ 14,058</u>	<u>\$ 3,223,213</u>

## INTERNAL SERVICE FUNDS

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

*Fleet Management* accounts for the maintenance and repair of vehicles.

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

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

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

June 30, 2016

	Fleet Management	Support Services	Risk Management	Total Internal Service Funds
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 3,609,318	\$ 687,353	\$ 64,234,658	\$ 68,531,329
Accounts receivable	68,034	-	344,969	413,003
Prepaid expenses	2,094	79,548	-	81,642
Inventory	-	662,645	-	662,645
Total current assets	<u>3,679,446</u>	<u>1,429,546</u>	<u>64,579,627</u>	<u>69,688,619</u>
Noncurrent Assets				
Deposits	-	-	78,745	78,745
Capital assets				
Buildings	903,586	-	-	903,586
Machinery and equipment	455,308	1,281,631	-	1,736,939
Less accumulated depreciation	(1,012,934)	(742,805)	-	(1,755,739)
Total capital assets (net of accumulated depreciation)	<u>345,960</u>	<u>538,826</u>	<u>-</u>	<u>884,786</u>
Total noncurrent assets	<u>345,960</u>	<u>538,826</u>	<u>78,745</u>	<u>963,531</u>
<b>TOTAL ASSETS</b>	<u>4,025,406</u>	<u>1,968,372</u>	<u>64,658,372</u>	<u>70,652,150</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to net pension liability	<u>273,605</u>	<u>131,068</u>	<u>22,937</u>	<u>427,610</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>273,605</u>	<u>131,068</u>	<u>22,937</u>	<u>427,610</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 4,299,011</u>	<u>\$ 2,099,440</u>	<u>\$ 64,681,309</u>	<u>\$ 71,079,760</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION</b>				
Current Liabilities				
Accounts payable	\$ 718,316	\$ 402,606	\$ 1,447,173	\$ 2,568,095
Accrued salaries and benefits	124,554	40,268	17,764	182,586
Accrued compensation absences	25,316	12,314	8,468	46,098
Accrued liability for claims	-	-	15,664,715	15,664,715
Total current liabilities	<u>868,186</u>	<u>455,188</u>	<u>17,138,120</u>	<u>18,461,494</u>
Noncurrent Liabilities				
OPEB liability	-	-	52,334,762	52,334,762
Net pension liability	2,910,805	1,394,398	244,020	4,549,223
Accrued compensated absences	101,266	49,256	33,874	184,396
Total noncurrent liabilities	<u>3,012,071</u>	<u>1,443,654</u>	<u>52,612,656</u>	<u>57,068,381</u>
Total liabilities	<u>3,880,257</u>	<u>1,898,842</u>	<u>69,750,776</u>	<u>75,529,875</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to net pension liability	<u>55,693</u>	<u>26,679</u>	<u>4,669</u>	<u>87,041</u>
<b>FUND NET POSITION</b>				
Net investment in capital assets	345,960	538,826	-	884,786
Unrestricted	17,101	(364,907)	(5,074,136)	(5,421,942)
Total net position (deficit)	<u>363,061</u>	<u>173,919</u>	<u>(5,074,136)</u>	<u>(4,537,156)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION</b>	<u>\$ 4,299,011</u>	<u>\$ 2,099,440</u>	<u>\$ 64,681,309</u>	<u>\$ 71,079,760</u>

**CITY OF COLUMBIA, SOUTH CAROLINA  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS**

Year Ended June 30, 2016

	Fleet Management	Support Services	Risk Management	Total Internal Service Funds
Operating revenues				
Charges for service	\$ 9,113,749	\$ 1,418,157	\$ 39,700,220	\$ 50,232,126
Total operating revenue	<u>9,113,749</u>	<u>1,418,157</u>	<u>39,700,220</u>	<u>50,232,126</u>
Operating expenses				
Personnel services	2,493,322	966,893	417,433	3,877,648
Materials and supplies	6,936,212	466,782	179,330	7,582,324
Heat, light and power	47,328	-	-	47,328
Other services and charges	164,072	2,372,662	4,205,419	6,742,153
Claims and premiums	-	-	40,586,416	40,586,416
Depreciation	80,442	244,465	-	324,907
Total operating expenses	<u>9,721,376</u>	<u>4,050,802</u>	<u>45,388,598</u>	<u>59,160,776</u>
Operating income (loss)	<u>(607,627)</u>	<u>(2,632,645)</u>	<u>(5,688,378)</u>	<u>(8,928,650)</u>
Nonoperating revenues				
Gain from sale of assets	17,889	(2,811)	-	15,078
Total nonoperating revenues	<u>17,889</u>	<u>(2,811)</u>	<u>-</u>	<u>15,078</u>
Loss before transfers	<u>(589,738)</u>	<u>(2,635,456)</u>	<u>(5,688,378)</u>	<u>(8,913,572)</u>
Transfers				
Transfers in	3,628,079	4,090,949	7,230,248	14,949,276
Transfers out	-	-	(1,287,160)	(1,287,160)
Total transfers	<u>3,628,079</u>	<u>4,090,949</u>	<u>5,943,088</u>	<u>13,662,116</u>
Change in net position	3,038,341	1,455,493	254,710	4,748,544
Net position (deficit) - beginning	<u>(2,675,280)</u>	<u>(1,281,574)</u>	<u>(5,328,846)</u>	<u>(9,285,700)</u>
Net position (deficit) - ending	<u>\$ 363,061</u>	<u>\$ 173,919</u>	<u>\$ (5,074,136)</u>	<u>\$ (4,537,156)</u>

**CITY OF COLUMBIA, SOUTH CAROLINA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS**

Year Ended June 30, 2016

	Fleet Management	Support Services	Risk Management	Total Internal Service Funds
<b>Cash Flows From Operating Activities</b>				
Internal activity - receipts from other funds	\$ 8,855,860	\$ 1,418,157	\$ 39,634,853	\$ 49,908,870
Receipts from customers and users	250,555	-	-	250,555
Internal activity - payments to other funds	(655,259)	(86,092)	(32,326)	(773,677)
Payments to suppliers	(8,555,378)	(2,745,573)	(3,021,212)	(14,322,163)
Claims paid	-	-	(41,147,090)	(41,147,090)
Payments to employees	(1,798,772)	(857,292)	(379,444)	(3,035,508)
<b>Net cash provided by (used in) operating activities</b>	<u>(1,902,994)</u>	<u>(2,270,800)</u>	<u>(4,945,219)</u>	<u>(9,119,013)</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Advances to other funds	-	(1,202,351)	-	(1,202,351)
Transfers in	3,628,079	4,090,949	7,230,248	14,949,276
Transfers out	-	-	(1,287,160)	(1,287,160)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>3,628,079</u>	<u>2,888,598</u>	<u>5,943,088</u>	<u>12,459,765</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Proceeds from sale of capital assets	17,889	-	-	17,889
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>17,889</u>	<u>-</u>	<u>-</u>	<u>17,889</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	1,742,974	617,798	997,869	3,358,641
Cash and cash equivalents, July 1, 2015	<u>1,866,344</u>	<u>69,555</u>	<u>63,236,789</u>	<u>65,172,688</u>
<b>Cash and cash equivalents, June 30, 2016</b>	<u>\$ 3,609,318</u>	<u>\$ 687,353</u>	<u>\$ 64,234,658</u>	<u>\$ 68,531,329</u>
<b>Reconciliation Of Operating Loss To Net Cash Provided By (Used In) Operating Activities</b>				
<b>Operating income (loss)</b>	<u>\$ (607,627)</u>	<u>\$ (2,632,645)</u>	<u>\$ (5,688,378)</u>	<u>\$ (8,928,650)</u>
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	80,442	244,465	-	324,907
Accrued benefits related to net pension liability	17,612	8,439	1,479	27,530
Change in operating assets and liabilities				
Accounts receivable	(7,334)	-	(65,367)	(72,701)
Inventory	-	24,118	-	24,118
Prepaid expenses	3,850	100,939	-	104,789
Accounts payable	(1,411,616)	(31,186)	1,126,880	(315,922)
Accrued salaries	39,804	10,054	3,040	52,898
Accrued compensated absences	(18,125)	5,016	1,144	(11,965)
OPEB liability	-	-	236,657	236,657
Accrued liability for claims	-	-	(560,674)	(560,674)
<b>Total adjustments</b>	<u>(1,295,367)</u>	<u>361,845</u>	<u>743,159</u>	<u>(190,363)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (1,902,994)</u>	<u>\$ (2,270,800)</u>	<u>\$ (4,945,219)</u>	<u>\$ (9,119,013)</u>



## FIDUCIARY FUNDS

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

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

Police Canteen fund – to account for revenue raised to support police activities.

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  
PRIVATE PURPOSE TRUST FUNDS**

June 30, 2016

	<b>Private-Purpose Trust Funds</b>				
	<b>Breast Cancer Awareness</b>	<b>Police Canteen</b>	<b>Employee Special Activity</b>	<b>Mayor's Commission Employ People with Disabilities</b>	<b>Total Private- Purpose Trust Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,771	\$ -	\$ 12,315	\$ 2,630	\$ 17,716
<b>Total assets</b>	2,771	-	12,315	2,630	17,716
<b>NET POSITION</b>					
Held in trust - other purposes	\$ 2,771	\$ -	\$ 12,315	\$ 2,630	\$ 17,716

**CITY OF COLUMBIA, SOUTH CAROLINA  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PRIVATE PURPOSE TRUST FUNDS**

Year Ended June 30, 2016

	<b>Private-Purpose Trust Funds</b>				
	<b>Breast Cancer Awareness</b>	<b>Police Canteen</b>	<b>Employee Special Activity</b>	<b>Mayor's Commission Employ People with Disabilities</b>	<b>Total Private- Purpose Trust Funds</b>
<b>ADDITIONS</b>					
Contributions:					
Private donations	\$ 5,630	\$ -	\$ 10,555	\$ -	\$ 16,185
<b>Total contributions</b>	<u>5,630</u>	<u>-</u>	<u>10,555</u>	<u>-</u>	<u>16,185</u>
<b>DEDUCTIONS</b>					
Administrative expenses	4,439	1,005	9,039	84	14,567
<b>Total deductions</b>	<u>4,439</u>	<u>1,005</u>	<u>9,039</u>	<u>84</u>	<u>14,567</u>
<b>Change in net position</b>	1,191	(1,005)	1,516	(84)	1,618
Net position - beginning	<u>1,580</u>	<u>1,005</u>	<u>10,799</u>	<u>2,714</u>	<u>16,098</u>
<b>Net position - ending</b>	<u>\$ 2,771</u>	<u>\$ -</u>	<u>\$ 12,315</u>	<u>\$ 2,630</u>	<u>\$ 17,716</u>

**CITY OF COLUMBIA, SOUTH CAROLINA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND**

Year Ended June 30, 2016

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 33,728	\$ 138,292	\$ 135,087	\$ 36,933
<b>Total assets</b>	<u>33,728</u>	<u>138,292</u>	<u>135,087</u>	<u>36,933</u>
 <b>LIABILITIES</b>				
Accounts payable	33,728	138,292	135,087	36,933
<b>Total liabilities</b>	<u>\$ 33,728</u>	<u>\$ 138,292</u>	<u>\$ 135,087</u>	<u>\$ 36,933</u>

## **OTHER SCHEDULE**

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES**  
**YEAR ENDED JUNE 30, 2016**

**Court Fines and Assessments**

Fines Collected	\$ 780,176
Assessments	923,528
Surcharges	<u>346,161</u>

**Total Court Fines and Assessments Collected** \$ 2,049,865

**Surcharges and Assessments Remitted to State Treasurer**

Fines, Fees and Filing Fee / Assessment	
Municipal Conditional Discharge Fee	\$ 22,500
DUI/DUS/BUI	
Municipal DUS DPS Pullout	25,945
Municipal DUI Assessment	1,378
Municipal DUI Surcharge	11,481
DUS DPS Pullout - DUIHP	11,456
DUI/DUAC Breathalyzer Test Conviction Fee - SLED	2,895
Surcharges	
Municipal Drug Surcharge	17,821
Municipal Law Enforcement Surcharge	234,901
Criminal Justice Academy Surcharge	46,980
Other Assessments - State Shared	<u>774,815</u>

**Total Revenue Remitted to State Treasurer** \$ 1,150,172

**Fines, Surcharges, and Assessments Retained by City**

Fines	\$ 780,176
Assessments	97,372
Surcharges	<u>22,145</u>

**Total Revenue Retained by City** \$ 899,693

**Funds Allocated to Victims Assistance**

Carryover Funds from Prior Year	\$ (257)
Assessments Retained	97,372
Surcharges Retained	22,145
Expenditures	(203,821)
Transfers from General Fund	<u>84,561</u>

**Total Carryover** \$ -

**STATISTICAL SECTION**  
**(UNAUDITED)**

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

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

**Contents**

**Financial Trends (Schedule 1 through 4)**

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

**Revenue Capacity (Schedule 5 through 8)**

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

**Debt Capacity (Schedule 9 through 15)**

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

**Demographic and Economic Information (Schedule 16 through 18)**

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

**Operating Information (Schedule 19 through 20)**

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

**Sources**

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



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

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities</b>										
Net investment in capital assets <sup>1</sup>	\$ 170,666,468	\$ 133,392,515	\$ 150,922,216	\$ 141,865,590	\$ 142,944,260	\$ 155,989,971	\$ 155,118,428	\$ 156,454,488	\$ 162,102,481	\$ 163,832,021
Restricted for:										
Public safety	7,270	5,435	5,528	5,575	701,466	386,158	2,294,259	4,233,960	231,622	353,801
Community development	-	-	-	-	-	-	209,030	107,259	1,051,042	628,926
Tourism	-	-	-	-	5,323,341	5,187,200	5,149,465	3,155,058	6,127,487	6,551,888
Debt service	-	-	-	-	4,940,501	3,480,333	3,512,035	3,339,548	3,978,932	4,213,150
Capital projects	-	-	-	-	16,940,012	17,701,662	15,264,573	19,833,612	42,264,148	13,276,860
Unrestricted <sup>2</sup>	23,619,914	45,278,383	36,636,210	44,723,202	20,963,118	18,967,653	25,840,430	26,906,641	(109,340,207)	(81,441,812)
<b>Total governmental activities net position</b>	<b>\$ 194,293,652</b>	<b>\$ 178,676,333</b>	<b>\$ 187,563,954</b>	<b>\$ 186,594,367</b>	<b>\$ 191,812,698</b>	<b>\$ 201,712,977</b>	<b>\$ 207,388,220</b>	<b>\$ 214,030,566</b>	<b>\$ 106,415,505</b>	<b>\$ 107,414,834</b>
<b>Business-type activities</b>										
Net investment in capital assets <sup>1</sup>	\$ 441,526,920	\$ 402,973,904	\$ 445,685,893	\$ 438,133,821	\$ 414,942,578	\$ 389,423,595	\$ 373,649,773	\$ 375,763,776	\$ 368,742,602	\$ 401,468,909
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
Unrestricted	84,719,370	156,426,859	144,213,396	145,389,137	168,441,129	195,789,983	237,703,681	252,831,152	224,972,741	208,565,893
<b>Total business-type activities net position</b>	<b>\$ 526,246,290</b>	<b>\$ 559,400,763</b>	<b>\$ 589,899,289</b>	<b>\$ 592,754,529</b>	<b>\$ 592,615,278</b>	<b>\$ 594,506,388</b>	<b>\$ 620,668,875</b>	<b>\$ 637,925,568</b>	<b>\$ 603,067,624</b>	<b>\$ 619,439,244</b>
<b>Primary government</b>										
Net investment in capital assets <sup>1</sup>	\$ 612,193,388	\$ 536,366,419	\$ 596,608,109	\$ 579,999,411	\$ 557,886,838	\$ 545,413,566	\$ 528,768,201	\$ 532,218,264	\$ 530,845,083	\$ 565,300,930
Restricted for:										
Public safety	7,270	5,435	5,528	5,575	701,466	386,158	2,294,259	4,233,960	231,622	353,801
Community development	-	-	-	-	-	-	209,030	107,259	1,051,042	628,926
Tourism related expenditures	-	-	-	-	5,323,341	5,187,200	5,149,465	3,155,058	6,127,487	6,551,888
Debt service	-	-	-	9,231,571	14,172,072	12,773,143	12,827,456	12,670,188	13,331,213	13,617,592
Capital projects	-	-	-	-	16,940,012	17,701,662	15,264,573	19,833,612	42,264,148	13,276,860
Unrestricted <sup>2</sup>	108,339,284	201,705,242	180,849,606	190,112,339	189,404,247	214,757,636	263,544,111	279,737,793	115,632,534	127,124,081
<b>Total primary government net position</b>	<b>\$ 720,539,942</b>	<b>\$ 738,077,096</b>	<b>\$ 777,463,243</b>	<b>\$ 779,348,896</b>	<b>\$ 784,427,976</b>	<b>\$ 796,219,365</b>	<b>\$ 828,057,095</b>	<b>\$ 851,956,134</b>	<b>\$ 709,483,129</b>	<b>\$ 726,854,078</b>

<sup>1</sup> Net of related debt

<sup>2</sup> Years 2007 through 2013 have been restated to reflect the adoption of GASB Statement 65

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

Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
General government	\$ 35,358,581	\$ 37,178,955	\$ 41,427,388	\$ 53,883,052	\$ 35,131,885	\$ 10,877,738	\$ 17,577,215	\$ 8,049,816	\$ 8,050,355	\$ 16,584,496
Judicial	2,167,922	2,131,608	2,364,353	2,360,125	2,697,932	2,447,105	2,601,919	2,615,194	2,749,136	2,821,703
Finance	1,982,964	2,474,302	2,647,689	1,986,467	2,235,981	2,348,922	2,051,555	1,726,481	1,886,778	1,872,071
Community development	3,904,174	4,012,966	4,192,966	4,017,482	4,365,542	4,760,642	5,855,023	5,787,850	5,791,062	5,523,831
Public safety	50,306,710	55,514,924	57,138,835	50,615,722	58,762,428	75,783,788	73,682,870	84,053,096	87,251,472	93,500,619
Parks and recreation	11,053,830	11,544,030	11,142,423	8,681,126	11,445,882	9,912,910	11,329,817	12,290,401	13,081,872	13,936,365
Public services	24,014,241	20,835,435	20,798,283	17,884,065	21,229,705	24,168,009	23,483,659	21,960,858	24,282,518	23,134,424
General services	3,382,092	4,018,322	3,919,228	3,598,839	3,924,144	4,193,394	4,540,814	4,933,285	5,269,511	5,423,712
Community promotions	9,926,673	9,744,750	8,321,723	8,990,842	7,843,093	11,899,487	11,915,733	12,872,657	10,660,364	14,374,726
Interest and other charges	4,081,910	4,459,396	3,824,725	3,413,317	3,763,963	2,366,916	3,027,411	2,955,994	4,491,254	4,289,910
Non departmental	3,433,419	11,904,001	1,694,525	1,936,148	2,644,113	2,401,408	2,455,260	2,515,184	2,141,310	3,656,099
Total governmental activities expense	149,612,516	163,818,689	157,472,138	157,367,185	154,044,668	151,160,319	158,521,276	159,760,816	165,655,632	185,117,956
Business-type Activities:										
Water and sewer facilities	83,849,936	85,963,177	85,747,245	103,530,941	107,934,251	106,594,059	107,410,948	100,389,819	113,273,814	133,177,028
Hydro-electric plant	1,020,132	3,037,803	5,989,066	3,310,407	1,615,222	1,547,093	1,544,804	3,012,376	2,422,544	525,056
Stormwater	3,382,264	3,383,853	3,148,296	4,117,396	5,169,916	4,595,847	4,692,223	5,668,819	4,814,419	6,371,047
Parking facilities	5,139,583	5,213,105	5,740,304	6,959,024	7,234,418	6,336,721	6,330,524	6,162,449	7,678,876	7,300,521
Transportation	30,320	433,773	-	-	-	-	-	-	-	-
Redevelopment programs	774,935	3,611,769	960,872	4,704,419	606,265	1,966,452	734,283	848,141	835,812	811,683
Parks and recreation camps	-	-	-	248,705	268,639	305,939	271,271	324,209	306,219	325,053
Total business-type expenses	94,197,170	101,643,480	101,585,783	122,870,892	122,828,711	121,346,111	120,984,053	116,405,813	129,331,684	148,510,388
Total primary government expenses	\$ 243,809,686	\$ 265,462,169	\$ 259,057,921	\$ 280,238,077	\$ 276,873,379	\$ 272,506,430	\$ 279,505,329	\$ 276,166,629	\$ 294,987,316	\$ 333,628,344
Program revenues										
Governmental Activities:										
Charges for services										
General government	\$ 8,853,475	\$ 10,150,599	\$ 7,900,830	\$ 6,461,975	\$ 9,042,002	\$ 771,459	\$ 940,028	\$ 758,177	\$ 726,487	\$ 810,592
Finance	29,319,287	28,351,828	28,850,804	26,306,361	27,706,315	28,328,937	30,505,679	31,467,056	37,837,666	38,659,299
Community development	2,138,058	1,623,669	1,478,580	1,112,332	1,052,569	721,425	793,431	832,159	799,663	908,359
Public safety	12,874,328	12,384,856	12,926,072	13,953,062	14,123,994	16,154,103	21,387,115	22,040,936	22,811,461	23,078,568
Parks and recreation	608,728	718,288	656,535	629,982	644,895	583,471	728,247	818,304	822,319	779,008
Public services	297,809	1,038,433	1,060,884	860,914	762,632	350,100	247,570	344,718	258,211	169,512
Non departmental	2,492,238	3,091,810	440,682	154,783	170,256	-	-	-	-	-
Operating grants and contributions	30,413,604	27,663,920	29,022,624	34,616,143	35,000,087	33,702,068	33,701,772	34,448,202	34,980,295	38,004,041
Capital grants and contributions	8,291,673	5,649,457	11,318,774	5,851,833	3,618,198	4,112,450	1,295,665	766,837	3,069,436	6,399,622
Total Governmental Activities Program Revenue	95,289,200	90,672,860	93,655,785	89,947,385	92,120,948	84,724,013	89,599,507	91,476,389	101,305,538	108,809,001
Business-type Activities:										
Charges for services										
Water and sewer facilities	98,386,267	112,790,238	106,434,644	109,044,457	107,976,683	112,750,717	121,723,711	116,644,423	119,716,789	133,482,271
Hydro-electric plant	493,290	784,235	4,094,441	1,346,041	851,431	2,622,234	2,731,475	4,843,922	3,037,971	54,435
Stormwater	3,983,590	3,980,323	4,725,468	4,800,452	4,778,442	4,861,153	6,685,838	6,958,281	7,521,149	7,316,201
Parking facilities	6,135,182	6,916,956	6,265,683	5,765,996	6,441,140	6,520,866	6,864,323	6,495,064	7,145,520	7,365,470
Redevelopment programs	495,150	934,614	918,809	881,876	646,954	599,950	921,759	564,456	680,111	543,626
Parks and recreation camps	-	-	-	207,707	226,238	262,582	253,150	275,182	303,931	320,265
Operating grants and contributions	-	-	-	-	-	-	-	-	-	6,248,115
Capital grants and contributions	12,161,089	12,847,905	8,358,175	5,154,530	4,038,585	4,066,060	5,831,240	5,431,910	3,872,664	16,229,517
Total Business-type Activities Revenues	121,654,568	138,254,271	130,797,220	127,201,059	124,959,473	131,683,562	145,011,496	141,213,238	142,275,135	171,559,900
Total Primary Government Revenues	\$ 216,943,768	\$ 228,927,131	\$ 224,453,005	\$ 217,148,444	\$ 217,080,421	\$ 216,407,575	\$ 234,611,003	\$ 232,689,627	\$ 243,580,673	\$ 280,368,901
Net (expense) revenue										
Governmental activities	\$ (54,323,316)	\$ (73,145,829)	\$ (63,816,353)	\$ (67,419,800)	\$ (61,923,720)	\$ (66,436,306)	\$ (68,921,769)	\$ (68,284,427)	\$ (64,350,094)	\$ (76,308,955)
Business-type activities	27,457,398	36,610,791	29,211,437	4,330,167	2,130,762	10,337,451	24,027,443	24,807,425	12,943,451	23,049,512
Total Primary Government Net Expense	\$ (26,865,918)	\$ (36,535,038)	\$ (34,604,916)	\$ (63,089,633)	\$ (59,792,958)	\$ (56,098,855)	\$ (44,894,326)	\$ (43,477,002)	\$ (51,406,643)	\$ (53,259,443)

(Continued)

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

Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes levied for general purposes	\$ 32,028,856	\$ 30,888,940	\$ 35,042,668	\$ 34,096,781	\$ 35,775,181	\$ 35,831,679	\$ 34,462,835	\$ 34,353,070	\$ 34,178,067	\$ 32,871,757
Local Option Sales Tax	14,988,418	14,988,418	13,616,717	15,722,327	13,947,099	14,874,049	15,781,749	16,465,463	16,385,254	18,152,618
Sales tax	-	8,061,364	8,070,790	7,941,705	8,359,028	14,216,318	11,498,370	12,072,024	12,626,419	13,398,593
Alcoholic beverages	3,435,403	254,562	323,644	261,200	-	-	-	-	-	-
Motor fuel	7,715	1,275	1,059	11,024	4,976	3,436	3,566	1,381	3,348	3,054
State shared revenue	-	3,796,780	3,622,407	3,037,888	2,604,423	2,363,791	2,788,097	2,805,133	2,829,726	2,853,350
Investment income	4,670,483	3,481,543	1,282,669	417,459	1,068,106	537,702	26,022	89,001	163,175	227,683
Other	(7,426,558)	(1,159,745)	1,891,037	-	-	156,323	188,511	109,361	254,447	222,106
Transfers	8,736,903	2,788,348	8,580,988	4,838,083	6,126,263	7,826,063	9,739,875	9,031,340	8,889,857	9,566,317
Total Governmental Activities	<u>56,441,220</u>	<u>63,101,485</u>	<u>72,431,979</u>	<u>66,326,467</u>	<u>67,885,076</u>	<u>75,809,361</u>	<u>74,489,025</u>	<u>74,926,773</u>	<u>75,330,293</u>	<u>77,295,478</u>
Business-type Activities										
Investment income	6,715,293	8,194,017	5,589,423	5,146,089	3,389,883	2,899,062	231,513	1,158,475	1,226,558	2,511,346
Gain (loss) on sale of capital assets	(116,006)	(228,140)	3,843,432	17,476	143,088	(2,609,759)	10,922,099	322,133	103,766	377,079
Transfers	(8,736,903)	(2,788,348)	(8,580,988)	(4,838,083)	(6,126,263)	(7,826,063)	(9,739,875)	(9,031,340)	(8,889,857)	(9,566,317)
Total Business-type Activities	<u>(2,137,616)</u>	<u>5,177,529</u>	<u>851,867</u>	<u>325,482</u>	<u>(2,593,292)</u>	<u>(7,536,760)</u>	<u>1,413,737</u>	<u>(7,550,732)</u>	<u>(7,559,533)</u>	<u>(6,677,892)</u>
Total Primary Government	<u>\$ 54,303,604</u>	<u>\$ 68,279,014</u>	<u>\$ 73,283,846</u>	<u>\$ 66,651,949</u>	<u>\$ 65,291,784</u>	<u>\$ 68,272,601</u>	<u>\$ 75,902,762</u>	<u>\$ 67,376,041</u>	<u>\$ 67,770,760</u>	<u>\$ 70,617,586</u>
Change in Net Position										
Governmental activities	\$ 2,117,904	\$ (10,044,344)	\$ 8,615,626	\$ (1,093,333)	\$ 5,961,356	\$ 9,373,055	\$ 5,567,256	\$ 6,642,346	\$ 10,980,199	\$ 999,329
Business-type activities	25,319,782	41,788,320	30,063,304	4,655,649	(462,530)	2,800,691	25,441,180	17,256,693	5,383,918	16,371,620
Total Primary Government	<u>\$ 27,437,686</u>	<u>\$ 31,743,976</u>	<u>\$ 38,678,930</u>	<u>\$ 3,562,316</u>	<u>\$ 5,498,826</u>	<u>\$ 12,173,746</u>	<u>\$ 31,008,436</u>	<u>\$ 23,899,039</u>	<u>\$ 16,364,117</u>	<u>\$ 17,370,949</u>

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

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010 **	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 2,037,950	\$ 2,083,436	\$ 1,523,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	21,687,149	10,463,453	5,300,625	-	-	-	-	-	-	-
Nonspendable	-	-	-	246,160	493,807	280,272	298,252	233,945	696,389	433,224
Restricted	-	-	-	-	-	-	-	-	4,880,662	1,579,244
Committed	-	-	-	-	2,126,479	-	-	72,975	4,810,356	4,876,045
Assigned	-	-	-	1,538,430	-	190,599	2,159,860	3,627,442	3,654,109	3,603,701
Unassigned	-	-	-	13,668,226	11,424,065	14,972,196	22,380,727	25,059,965	22,352,224	19,412,644
Total general fund	<u>\$ 23,725,099</u>	<u>\$ 12,546,889</u>	<u>\$ 6,823,895</u>	<u>\$ 15,452,816</u>	<u>\$ 14,044,351</u>	<u>\$ 15,443,067</u>	<u>\$ 24,838,839</u>	<u>\$ 28,994,327</u>	<u>\$ 36,393,740</u>	<u>\$ 29,904,858</u>
County Services Fund										
Reserved	\$ 445,261	\$ -	\$ 445,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	(1,039,064)	(862,306)	(445,261)	-	-	-	-	-	-	-
Nonspendable	-	-	-	35,374	4,378	14,536	71,775	56,905	64,376	66,437
Assigned	-	-	-	303,617	481,073	735,023	1,704,488	2,089,901	-	-
Unassigned	-	-	-	-	-	-	-	-	(1,016,105)	(3,197,450)
Total county services fund	<u>\$ (593,803)</u>	<u>\$ (862,306)</u>	<u>\$ -</u>	<u>\$ 338,991</u>	<u>\$ 485,451</u>	<u>\$ 749,559</u>	<u>\$ 1,776,263</u>	<u>\$ 2,146,806</u>	<u>\$ (951,729)</u>	<u>\$ (3,131,013)</u>
Miscellaneous Projects										
Restricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,407,629</u>
Columbia Parking Facilities Corporation Fund *										
Unreserved	<u>\$ 4,784,113</u>	<u>\$ 176,310</u>	<u>\$ 1,068,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All Other Governmental Funds										
Reserved	\$ 17,534,858	\$ 7,670,827	\$ 16,065,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	24,688,537	40,903,607	27,174,124	-	-	-	-	-	-	-
Nonspendable	-	-	-	6,943	19,080	16,433	5,000	5,000	5,000	5,000
Restricted	-	-	-	5,575	27,900,320	26,750,353	24,724,874	28,565,017	48,767,569	18,032,753
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
Unassigned	-	-	-	(31,068)	(14,080)	(225,792)	(152,559)	-	-	-
Total all other governmental funds	<u>\$ 42,223,395</u>	<u>\$ 48,574,434</u>	<u>\$ 43,239,977</u>	<u>\$ 39,180,111</u>	<u>\$ 48,187,299</u>	<u>\$ 44,285,830</u>	<u>\$ 37,180,908</u>	<u>\$ 41,238,499</u>	<u>\$ 65,343,175</u>	<u>\$ 31,236,313</u>

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

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

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

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues:</b>										
General property taxes	\$ 46,684,713	\$ 45,540,299	\$ 48,292,387	\$ 48,930,564	\$ 49,728,075	\$ 50,496,237	\$ 50,644,107	\$ 50,884,644	\$ 50,563,321	\$ 51,024,375
Sales, hospitality and admission taxes	-	8,061,364	8,070,790	7,941,705	8,359,028	14,216,318	11,498,370	12,072,024	12,626,419	13,398,593
License and permits	31,162,106	29,961,967	29,591,085	27,418,693	28,758,883	28,329,064	30,505,429	31,466,856	37,837,446	38,659,049
Intergovernmental revenue	9,879,961	11,401,560	11,689,903	11,961,868	11,734,994	12,974,392	13,540,185	14,380,520	15,682,389	15,970,472
Charges for services	8,412,727	7,200,753	7,166,064	7,004,163	6,945,737	6,915,049	11,983,172	12,692,387	12,622,954	12,579,623
Fines and forfeitures	786,187	910,061	922,675	864,112	889,048	1,139,209	1,230,219	1,334,420	1,237,153	941,713
Federal revenues	6,296,982	8,143,042	15,391,313	16,205,021	12,019,998	7,905,552	5,452,069	3,942,851	3,434,392	4,965,775
State revenues	1,630,152	2,988,092	2,002,864	1,634,625	1,971,391	417,851	380,553	1,010,674	3,381,680	1,074,349
County revenues	27,546,699	18,674,699	20,093,357	21,084,511	21,626,422	25,013,335	26,530,590	27,742,117	25,652,150	30,232,460
Promotions	188,563	148,073	192,721	144,639	220,148	392,947	89,314	78,047	121,928	109,255
Confiscated funds	44,057	192,623	291,003	74,057	671,961	403,311	533,541	267,863	279,147	274,392
Cost recovery fees	3,200,000	2,735,000	2,270,000	2,270,000	-	-	-	-	-	-
Interest	3,512,130	3,451,240	1,282,669	417,458	1,068,106	539,145	26,386	89,104	163,266	227,762
Other revenues	4,991,201	5,158,653	4,789,277	3,355,276	8,279,105	2,970,687	1,688,232	1,415,305	1,738,208	4,241,505
<b>Total revenues</b>	<b>144,335,478</b>	<b>144,567,426</b>	<b>152,046,108</b>	<b>149,306,692</b>	<b>152,272,896</b>	<b>151,713,097</b>	<b>154,102,167</b>	<b>157,376,812</b>	<b>165,340,453</b>	<b>173,699,323</b>
<b>Expenditures:</b>										
Current:										
General government	30,136,559	30,673,629	32,129,878	32,931,032	33,091,576	6,222,202	6,644,937	7,109,837	7,184,601	8,280,304
Judicial	1,874,399	2,276,204	2,279,449	2,264,446	2,267,244	2,387,018	2,494,267	2,481,917	2,539,958	2,601,829
Finance	1,747,050	2,583,820	2,601,962	1,953,988	1,974,835	1,978,427	1,978,474	1,668,970	1,779,283	1,756,891
Planning and development	3,249,126	4,311,401	4,027,245	3,898,247	3,635,412	3,939,862	4,041,701	4,013,337	3,228,917	3,071,520
Public safety	42,204,031	56,694,907	54,665,050	48,782,688	52,391,812	73,865,581	73,409,740	76,120,091	78,340,960	85,837,873
Parks and recreation	8,959,135	11,172,199	9,889,048	9,133,653	9,135,419	9,349,169	9,486,586	10,075,127	10,525,782	11,367,618
Public services	20,907,423	21,341,887	19,926,127	17,257,530	19,094,868	20,637,713	20,561,911	17,476,210	16,958,389	19,979,648
General services	3,221,626	3,873,214	3,847,700	3,537,722	3,644,002	4,109,575	4,476,134	4,757,553	4,680,453	5,189,301
Community promotion	8,028,392	9,744,750	8,321,723	8,990,842	7,843,093	12,745,631	14,114,668	15,149,073	13,409,862	17,175,029
Nondepartmental	1,994,232	5,348,207	1,395,676	1,066,644	1,666,009	2,388,824	2,475,304	2,835,449	2,279,518	3,785,304
Other charges	1,567,941	6,464,433	8,357	729,482	825,212	-	11,079	-	-	-
Debt service:										
Principal payment on bonds	7,559,169	16,741,585	9,144,966	5,205,034	5,655,000	7,205,000	8,260,000	8,989,992	9,326,791	10,334,259
Interest payments on bonds	3,804,084	4,838,956	3,899,408	3,444,234	3,776,747	4,069,181	2,778,884	2,909,808	3,172,846	3,832,744
Fiscal agent charges	87,360	4,072	27,424	8,040	9,040	8,913	4,975	4,587	5,461	5,732
Debt issuance costs	-	-	-	-	276,774	2,122,842	550,421	243,479	904,310	580,569
Capital outlay:										
Capital outlay:	25,409,592	11,293,382	16,773,619	9,410,916	6,081,858	13,338,436	11,293,853	8,425,531	20,507,125	45,467,704
<b>Total expenditures</b>	<b>160,750,119</b>	<b>187,362,646</b>	<b>168,937,632</b>	<b>148,614,498</b>	<b>151,368,901</b>	<b>164,368,374</b>	<b>162,582,934</b>	<b>162,260,961</b>	<b>174,844,256</b>	<b>219,266,325</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(16,414,641)</b>	<b>(42,795,220)</b>	<b>(16,891,524)</b>	<b>692,194</b>	<b>903,995</b>	<b>(12,655,277)</b>	<b>(8,480,767)</b>	<b>(4,884,149)</b>	<b>(9,503,803)</b>	<b>(45,567,002)</b>
<b>Other financing sources (uses):</b>										
Transfers in	23,252,127	57,336,108	25,317,909	22,801,863	28,197,309	31,021,933	28,738,040	26,160,749	30,526,833	34,532,789
Transfers out	(31,432,694)	(46,409,322)	(22,775,520)	(19,811,164)	(31,220,308)	(27,084,972)	(24,286,578)	(21,206,734)	(29,926,951)	(38,628,587)
Issuance of debt	22,014,258	13,143,195	2,429,249	-	9,375,000	5,575,000	6,375,000	7,315,000	26,175,000	10,645,000
Issuance of capital lease	-	-	-	-	-	-	-	-	7,000,000	-
Premium on debt issued	-	-	-	-	662,383	343,785	401,659	816,175	3,747,839	1,707,916
Refunding bonds issued	-	-	3,625,000	-	9,945,000	14,825,000	24,260,000	-	-	6,260,000
Payment to refunded bond escrow agent	-	-	(3,540,000)	-	(10,262,899)	(14,436,356)	(23,915,684)	-	-	(6,666,502)
Sales of assets	2,526,053	9,021,764	2,531,802	156,782	144,703	170,409	225,883	382,589	386,636	348,987
<b>Total other financing sources (uses)</b>	<b>16,359,744</b>	<b>33,091,745</b>	<b>7,588,440</b>	<b>3,147,481</b>	<b>6,841,188</b>	<b>10,414,799</b>	<b>11,798,320</b>	<b>13,467,779</b>	<b>37,909,357</b>	<b>8,199,603</b>
<b>Net change in fund balance</b>	<b>\$ (54,897)</b>	<b>\$ (9,703,475)</b>	<b>\$ (9,303,084)</b>	<b>\$ 3,839,675</b>	<b>\$ 7,745,183</b>	<b>\$ (2,240,478)</b>	<b>\$ 3,317,553</b>	<b>\$ 8,583,630</b>	<b>\$ 28,405,554</b>	<b>\$ (37,367,399)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>8%</b>	<b>12%</b>	<b>9%</b>	<b>6%</b>	<b>6%</b>	<b>7%</b>	<b>7%</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>

**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 <sup>1</sup>	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2007	2006	\$ 292,337,560	\$ 6,045,640,063	\$ 108,588,202	\$ 1,178,467,212	\$ 400,925,762	\$ 7,224,107,275	5.55%	99.0
2008	2007	308,221,850	6,240,046,571	112,847,593	1,353,108,906	421,069,443	7,593,155,477	5.55%	102.5
2009	2008	344,361,680	7,060,929,803	113,237,212	1,354,280,788	457,598,892	8,415,210,591	5.44%	106.3
2010	2009	386,566,370	7,933,397,705	111,006,869	1,308,826,126	497,573,239	9,242,223,831	5.38%	98.1
2011	2010	395,897,190	8,042,557,033	101,465,789	1,231,433,192	497,362,979	9,273,990,225	5.36%	98.1
2012	2011	399,357,360	8,240,197,133	105,214,744	1,241,437,184	504,572,104	9,481,634,317	5.32%	98.1
2013	2012	400,610,960	8,131,722,177	110,571,977	1,297,785,551	511,182,937	9,429,507,728	5.42%	98.1
2014	2013	404,719,630	8,212,659,856	110,356,777	1,315,979,478	515,076,407	9,528,639,334	5.41%	98.1
2015	2014	394,221,790	7,949,097,129	117,043,195	1,709,777,055	511,264,985	9,658,874,184	5.29%	98.1
2016	2015	406,028,080	8,164,834,273	123,473,420	1,480,591,620	529,501,500	9,645,425,893	5.49%	96.1

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.

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

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

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

Year Ended June 30,	City Direct Millage	Overlapping Rates <sup>1</sup>				
		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
2007	99.0	98.3	104.1	260.8	273.5	231.1
2008	102.5	100.1	109.7	276.9	288.9	252.5
2009	106.3	104.0	114.2	283.2	301.3	261.5
2010	98.1	101.8	115.2	284.4	342.3	265.0
2011	98.1	102.8	109.7	288.4	343.3	266.3
2012	98.1	105.3	112.7	289.7	349.4	274.4
2013	98.1	84.2	118.5	296.1	367.5	274.4
2014	98.1	111.5	122.1	301.7	385.5	281.8
2015	98.1	121.2	125.0	300.9	406.0	288.3
2016	96.1	123.1	124.0	309.0	412.0	304.0

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

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

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

**Current Year and Nine Years Ago**

Taxpayer	2016			2007		
	Taxable Assessed Value <sup>1</sup>	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value <sup>2</sup>	Rank	Percentage of Total Taxable Assessed Value
South Carolina Electric and Gas	\$ 15,731,970	1	2.97%	\$ 11,495,160	1	2.87%
Bellsouth Telecommunications LLC	4,732,940	2	0.89%	9,776,500	2	2.44%
GGP Columbiana Trust	3,415,070	3	0.64%	2,966,460	4	0.74%
CW Meridian Inc.	2,710,870	4	0.51%	-		
CORE Campus Columbia LLC	2,624,050	5	0.50%	-		
Spirit SPE SCOA2013-8 LLC	2,310,000	6	0.44%	-		
Assembly Station Columbia LLC	2,234,910	7	0.42%	-		
US REIF/MJW Capital Center Fee	2,181,610	8	0.41%	-		
Sprintcom Inc.	2,108,320	9	0.40%	-		
Main & Gervias LLC	1,810,360	10	0.34%	-		
Cingular Wireless	-			4,824,950	3	1.20%
Main Street Associates	-			2,334,900	5	0.58%
Baker and Baker	-			2,001,830	6	0.50%
Time Warner Entertainment-Advanced	-			1,937,750	7	0.48%
Unumprovident Corporation	-			1,848,565	8	0.46%
Colonial Life & Accident	-			1,834,817	9	0.46%
Parkway Properties LP	-			1,726,610	10	0.43%
	<u>\$ 39,860,100</u>		<u>7.53%</u>	<u>\$ 40,747,542</u>		<u>10.16%</u>

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

<sup>1</sup> Total assessed valuation was \$529,501,500

<sup>2</sup> Total assessed valuation was \$400,925,762



**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
2007	\$ 39,338,096	\$ 38,398,690	97.61%	\$ 1,011,744	\$ 39,410,434	100.18%
2008	43,166,262	42,270,086	97.92%	1,348,627	43,618,713	101.05%
2009	48,642,762	46,502,075	95.60%	1,322,443	47,824,518	98.32%
2010	49,514,889	46,637,386	94.19%	2,293,178	48,930,564	98.82%
2011	49,454,262	47,105,225	95.25%	2,622,850	49,728,075	100.55%
2012	50,201,476	48,564,952	96.74%	1,931,285	50,496,237	100.59%
2013	50,179,312	48,712,822	97.08%	1,058,584	49,771,406	99.19%
2014	50,554,312	49,826,060	98.56%	1,070,102	50,896,162	100.68%
2015	50,167,100	49,493,219	98.66%	1,094,527	50,587,746	100.84%
2016	50,915,070	48,401,467	95.06%	-	48,401,467	95.06%

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

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

**Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds <sup>1</sup>	Tax Increment Bonds <sup>1</sup>	Notes Payable	Capital Lease	Revenue Bonds <sup>1</sup>	Total Governmental Activities Debt
2007	\$ 18,225,370	\$ 10,241,585	\$ 3,738,526	\$ 2,246,993	\$ 64,230,236	\$ 98,682,710
2008	28,885,543	3,760,000	4,658,191	1,518,235	61,888,539	100,710,508
2009	26,302,152	-	6,747,474	-	59,071,248	92,120,874
2010	23,688,812	-	6,009,142	-	56,324,804	86,022,758
2011	30,756,608	-	5,814,142	-	53,949,135	90,519,885
2012	32,020,777	-	5,619,142	-	50,811,284	88,451,203
2013	33,848,474	-	5,424,142	-	48,082,505	87,355,121
2014	37,494,897	-	5,229,142	-	43,580,000	86,304,039
2015	32,242,297	-	5,034,142	6,603,209	69,696,682	113,576,330
2016	39,021,630	-	4,804,142	5,630,642	65,712,446	115,168,860

<sup>1</sup> 2007 through 2013 have been restated for the implementation of GASB 65

(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 <sup>2</sup>	Debt Per Capita <sup>3</sup>
	Revenue Bonds <sup>1</sup>	Notes Payable	Notes Payable				
2007	\$ 197,038,605	\$ 520,000	\$ 2,736,055	\$ 200,294,660	\$ 298,977,370	7.98%	\$ 2,571
2008	186,593,978	-	1,866,018	188,459,996	289,170,504	6.71%	2,276
2009	175,862,492	-	933,009	176,795,501	268,916,375	6.12%	2,117
2010	357,487,401	-	-	357,487,401	443,510,159	9.84%	3,429
2011	345,878,897	-	-	345,878,897	436,398,782	9.62%	3,376
2012	444,643,320	-	-	444,643,320	533,094,523	11.51%	4,082
2013	435,639,889	-	-	435,639,889	522,995,010	11.23%	3,972
2014	505,105,688	-	-	505,105,688	591,409,727	12.50%	4,435
2015	493,735,898	-	-	493,735,898	607,312,228	12.19%	4,599
2016	482,521,108	-	-	482,521,108	597,689,968	11.61%	4,467

<sup>1</sup> 2007 through 2013 have been restated for the implementation of GASB 65

<sup>2</sup> Personal income is disclosed on Schedule 16

<sup>3</sup> Population is disclosed on Schedule 16

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

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

**Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt			Percentage of Estimated Actual Taxable Value of Property <sup>2</sup>	Per Capita <sup>3</sup>
	Governmental Activities General Obligation Bonds <sup>1</sup>	Less: Amount Available in Debt Service Funds	Total		
2007	\$ 18,225,370	\$ 1,196,198	\$ 17,029,172	0.24%	\$ 146.45
2008	28,885,543	4,687,280	24,198,263	0.32%	190.49
2009	26,302,152	1,288,755	25,013,397	0.30%	196.91
2010	23,688,812	3,013,132	20,675,680	0.22%	159.86
2011	30,756,608	4,940,502	25,816,106	0.28%	199.70
2012	32,020,777	3,481,333	28,539,444	0.30%	218.54
2013	33,848,474	3,512,035	30,336,439	0.32%	230.37
2014	37,494,897	3,339,548	34,155,349	0.36%	256.12
2015	32,242,297	3,978,932	28,263,365	0.29%	214.01
2016	39,021,630	4,213,150	34,808,480	0.36%	260.15

<sup>1</sup> 2007 through 2013 have been restated for the implementation of GASB 65

<sup>2</sup> Estimated value of property is disclosed on Schedule 5

<sup>3</sup> Population is disclosed on Schedule 16

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

**June 30, 2016**

Jurisdiction	Total Assessed Value	Assessed Value Within the City	Net Governmental Activities Debt Outstanding <sup>1</sup>	Percentage Applicable to the City	Estimated Amount Applicable to the City
Direct:					
City of Columbia	\$ 529,501,500	\$ 529,501,500	\$ 115,168,860	100.00%	<u>\$ 115,168,860</u>
Overlapping					
<b>Counties:</b>					
Richland County	1,537,993,428	506,565,930	85,190,000	32.94%	28,058,866
Lexington County	1,130,913,560	22,935,570	42,193,795	2.03%	855,714
<b>School Districts:</b>					
Lexington Richland SD 5	187,760,079	18,948,700	221,656,000	10.09%	22,369,468
Richland School District One	817,148,054	445,071,486	461,390,000	54.47%	251,302,725
Richland School District Two	533,085,295	42,545,744	434,685,000	7.98%	34,692,378
<b>Special Districts:</b>					
Airport District	1,537,993,428	506,565,930	7,570,000	32.94%	2,493,316
Riverbanks Park District	2,668,906,988	529,501,500	33,425,000	19.84%	<u>6,631,399</u>
Total Overlapping Debt					<u>346,403,866</u>
Total Direct and Overlapping Debt					<u><u>\$ 461,572,726</u></u>

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

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

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

**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Net Debt Outstanding<sup>1</sup></u>	<u>Legal Debt Margin</u>	<u>Ratio of Net Debt Outstanding to the Debt Limit</u>
2007	\$ 32,607,444	\$ 17,430,000	\$ 15,177,444	53.45%
2008	34,218,939	28,155,000	6,063,939	82.28%
2009	37,162,628	25,695,000	11,467,628	69.14%
2010	40,339,242	23,125,000	17,214,242	57.33%
2011	40,322,422	30,055,000	10,267,422	74.54%
2012	40,899,152	31,505,000	9,394,152	77.03%
2013	41,428,018	33,515,000	7,913,018	80.90%
2014	41,564,012	35,680,000	5,884,012	85.84%
2015	41,434,582	30,665,000	10,769,582	74.01%
2016	42,893,503	36,025,000	6,868,503	83.99%

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

<sup>1</sup> Excludes debt not applicable to the limit.

Legal Debt Margin Calculation for the Year Ended June 30, 2016:

Assessed value in Richland County	\$ 506,565,930
Assessed value in Lexington County	22,935,570
Subtotal	<u>529,501,500</u>
Business inventory 1987 assessed value	6,667,290
Total assessed value	<u>536,168,790</u>
	8.00%
Debt Limit	<u>42,893,503</u>
Net debt outstanding subject to the debt limit	<u>36,025,000</u>
Legal debt margin as of June 30, 2016	<u><u>\$ 6,868,503</u></u>

**Schedule 13**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Certificates of Participation Debt Coverage (unaudited)**

**Last Ten Fiscal Years**

Fiscal Year	Allowable Revenues <sup>1</sup>	Debt Service Requirement			COPS Debt Coverage
		Principal	Interest	Total	
2007	\$ 11,945,776	\$ 2,080,000	\$ 2,455,630	\$ 4,535,630	2.6
2008	13,375,022	2,175,000	2,365,080	4,540,080	2.9
2009	13,026,184	2,250,000	2,274,105	4,524,105	2.9
2010	12,519,790	2,335,000	2,191,986	4,526,986	2.8
2011	12,875,743	2,480,000	2,012,205	4,492,205	2.9
2012	13,760,410	2,635,000	1,976,483	4,611,483	3.0
2013	14,655,101	3,700,000	1,720,250	5,420,250	2.7
2014	15,260,239	3,225,000	848,193	4,073,193	3.7
2015	16,283,694	3,300,000	772,230	4,072,230	4.0
2016	17,432,339	3,465,000	1,701,448	5,166,448	3.4

<sup>1</sup> Allowable revenues include hospitality fees and tourism development fees.

**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 <sup>1</sup>	Current Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Debt Service Requirement			Revenue Bond Coverage	
				Principal	Interest <sup>3</sup>	Net Swap Payments <sup>4</sup>		
2007	\$ 101,657,409	\$53,436,775	\$48,220,634	\$ 9,275,000	\$ 7,889,584	\$ -	\$ 17,164,584	2.8
2008	118,014,221	61,347,698	56,666,523	9,865,000	7,419,673	-	17,284,673	3.3
2009	110,181,495	58,541,111	51,640,384	10,410,000	6,880,982	-	17,290,982	3.0
2010	113,389,385	76,393,887	36,995,498	11,295,000	7,673,174	(49,865)	18,918,309	2.0
2011	110,749,377	79,584,775	31,164,602	11,905,000	12,724,467	(56,216)	24,573,251	1.3
2012	115,271,396	80,373,777	34,897,619	12,150,000	13,873,881	(29,306)	25,994,575	1.3
2013	121,878,086	74,400,785	47,477,301	6,465,000	17,047,580	(828)	23,511,752	2.0
2014	117,924,265	66,189,697	51,734,568	8,810,000	18,790,180	(1,811)	27,598,369	1.9
2015	118,178,523	67,105,722	51,072,801	8,095,000	20,219,738	(7,406)	28,307,332	1.8
2016	140,727,628	80,492,473	60,235,155	8,750,000	19,684,734	(7,125)	28,427,609	2.1

<sup>1</sup> Represents total operating revenues as well as all nonoperating revenues and investment income.

<sup>2</sup> Represents total operating expenses less depreciation expense.

<sup>3</sup> Includes capitalized interest.

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



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

**Last Ten Fiscal Years**

Fiscal Year	Allowable Revenues <sup>1</sup>	Current Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Debt Service Requirement			Revenue Bond Coverage
				Principal	Interest <sup>3</sup>	Total	
2007	\$ 4,859,393	\$ 524,835	\$ 4,334,558	\$ 460,000	\$ 2,455,384	\$ 2,915,384	1.5
2008	5,765,193	1,046,949	4,718,244	740,000	2,429,153	3,169,153	1.5
2009	6,190,809	1,571,323	4,619,486	780,000	2,388,322	3,168,322	1.5
2010	4,549,663	1,616,796	2,932,867	825,000	2,344,732	3,169,732	0.9
2011	4,365,608	760,577	3,605,031	870,000	2,298,059	3,168,059	1.1
2012	4,487,992	863,010	3,624,982	310,000	2,152,618	2,462,618	1.5
2013	6,911,985	3,299,708	3,612,277	970,000	2,184,910	3,154,910	1.1
2014	6,592,455	3,073,503	3,518,952	1,030,000	2,128,167	3,158,167	1.1
2015	7,040,165	3,576,578	3,463,587	1,065,000	2,000,288	3,065,288	1.1
2016	5,602,137	1,909,118	3,693,019	1,115,000	1,698,549	2,813,549	1.3

<sup>1</sup> 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.

<sup>2</sup> For the year 2007 represents total operating expenses less depreciation expense less operating expenses paid with revenues from parking fines and late fees. Definition of current operating expenses was revised during fiscal year 2013.

<sup>3</sup> Includes capitalized interest

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

**Last Ten Fiscal Years**

<u>Year</u>	<u>Population<sup>1</sup></u>	<u>Personal Income<sup>2</sup></u>	<u>Per Capita Personal Income</u>	<u>Public School Enrollment<sup>3</sup></u>	<u>Unemployment Rate<sup>4</sup></u>
2007	116,278	\$ 3,748,570,164	\$ 32,238	23,658	5.10%
2008	127,029	4,311,745,347	33,943	24,179	5.80%
2009	127,029	4,395,203,400	34,600	24,590	9.80%
2010	129,333	4,506,867,051	34,847	23,119	9.20%
2011	129,272	4,536,930,112	35,096	22,898	10.50%
2012	130,591	4,632,454,543	35,473	22,475	8.50%
2013	131,686	4,655,100,100	35,350	24,166	8.00%
2014	133,358	4,730,608,334	35,473	24,171	5.50%
2015	132,067	4,980,378,637	37,711	24,320	6.30%
2016	133,803	5,147,267,607	38,469	24,326	6.50%

Source of data:

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

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

**Current Year and Nine Years Ago**

Employer	2016 <sup>1</sup>			2007 <sup>2</sup>		
	Employees	Rank	Percentage to Total City Employment <sup>3</sup>	Employees	Rank	Percentage to Total City Employment
Palmetto Health	9,400	1	7.67%	N/A	N/A	N/A
University of South Carolina	9,000	2	7.35%	N/A	N/A	N/A
Richland County School District One	4,229	3	3.45%	N/A	N/A	N/A
City of Columbia, South Carolina	2,444	4	1.99%	N/A	N/A	N/A
AT&T	2,400	5	1.96%	N/A	N/A	N/A
S.C. Department of Corrections	2,320	6	1.89%	N/A	N/A	N/A
S.C. Department of Mental Health	2,143	7	1.75%	N/A	N/A	N/A
Richland County, South Carolina	1,879	8	1.53%	N/A	N/A	N/A
S.C. Department of Transportation	1,716	9	1.40%	N/A	N/A	N/A
First Citizens Bank and Trust	1,646	10	1.34%	N/A	N/A	N/A

Source of data:

<sup>1</sup> Central South Carolina Alliance

<sup>2</sup> 2007 Data not available per Central Midlands Council of Governments

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

N/A Data not available

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

**Last Ten Fiscal Years**

Function/Program	Full-time Equivalent Employees as of June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	84.30	93.25	100.00	99.00	93.97	99.00	101.00	105.00	104.25	97.25
Judicial	42.00	41.00	36.00	35.00	36.00	37.00	36.00	37.00	37.00	41.00
Finance	54.00	58.00	57.00	56.00	51.50	53.50	51.50	71.50	79.50	82.50
Development services and planning	62.00	64.30	56.00	63.00	63.00	63.00	63.00	63.00	43.00	43.00
Public safety	735.00	743.50	757.50	757.50	747.50	757.50	770.00	770.50	792.50	797.50
Parks and recreation	155.80	155.75	156.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00
Public works	295.00	301.00	303.00	275.00	269.00	270.00	269.00	268.00	269.00	269.00
General services	10.00	11.00	11.00	11.00	11.00	15.00	14.00	14.00	17.00	17.00
Fleet services	47.00	47.00	47.00	41.00	44.00	46.00	46.00	48.00	48.00	48.00
Risk Management	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	6.00
County fire	184.00	198.00	233.00	236.00	236.00	235.00	235.50	235.50	235.50	235.50
County emergency communications	36.00	35.50	35.50	38.50	38.50	38.50	45.50	45.00	45.00	45.00
Economic & Community development	46.00	53.04	51.20	43.50	44.63	39.60	36.50	41.50	44.50	44.50
Parking	41.90	41.66	46.00	42.00	41.00	41.00	42.00	43.00	44.25	41.25
Utilities & Engineering	489.00	489.00	499.80	482.50	501.90	498.90	519.00	504.00	504.50	504.50
Summer Programs	25.00	21.00	21.00	18.50	20.00	24.50	24.50	23.50	23.50	23.50
<b>Total</b>	<b>2,310.00</b>	<b>2,356.00</b>	<b>2,413.00</b>	<b>2,350.50</b>	<b>2,349.00</b>	<b>2,369.50</b>	<b>2,404.50</b>	<b>2,420.50</b>	<b>2,438.50</b>	<b>2,444.50</b>

Source: City's Human Resource department

Years 2007-2014 have been re-stated to reflect budgeted positions

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

**Last Ten Fiscal Years**

Function/Program	Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Public Safety</b>										
Police physical arrests	N/A	N/A	6,418	6,734	7,259	8,024	10,652	5,301	5,658	5,230
Citations written	N/A	N/A	34,357	29,522	25,985	30,996	33,111	37,307	32,497	24,288
911 call volume	998,628	#####	1,032,664	1,171,433	1,197,141	1,102,640	1,317,008	1,222,436	1,096,117	1,122,002
Fire calls answered	27,025	28,982	28,746	30,208	30,629	31,265	31,240	35,785	34,500	40,374
Number of inspections	2,049	3,630	4,410	6,943	7,911	7,726	6,261	5,292	6,482	4,618
<b>Sanitation</b>										
Refuse collected (in tons)	97,616	96,140	90,222	63,507	57,903	N/A	43,157	51,106	43,924	47,370
Recyclables collected (in tons)	3,739	3,779	3,538	3,932	4,223	N/A	3,867	4,591	4,021	5,672
<b>Fleet Management</b>										
Fleet maintained	2,934	3,164	3,329	3,668	3,925	4,055	2,802	2,893	3,005	3,165
Fleet workdays	13,909	13,385	13,747	13,336	13,309	12,901	12,608	12,052	12,048	12,587
<b>Streets and highways</b>										
Potholes repaired	1,505	1,120	2,757	1,524	1,416	920	1,231	1,453	1,598	1,361
<b>Water</b>										
Number of service connections	127,196	124,414	125,846	134,910	140,721	136,220	137,701	140,009	139,990	140,908
Average daily consumption (in millions of gallons)	0.360	0.349	0.436	0.352	0.315	0.320	0.440	0.458	0.449	0.452
<b>Sewer</b>										
Number of service connections	65,848	67,786	68,550	74,865	69,199	69,508	67,698 <sup>1</sup>	60,239	59,677	60,777
Average daily treatment (in millions of gallons)	0.139	0.127	0.136	0.139	0.134	0.152	0.169	0.189	0.182	0.327
<b>Economic development</b>										
Permits issued	5,697	4,667	4,404	4,204	4,129	4,181	4,950	4,262	5,438	7,675
Building inspections	11,932	11,612	9,472	10,544	40,018	10,277	15,735	14,514	10,025	11,355

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

Source: Various City departments

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

**Last Ten Fiscal Years**

Function/Program	Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Police</b>										
Police stations	24	22	14	14	14	16	10	12	13	13
Patrol units	N/A	N/A	N/A	N/A	N/A	N/A	205	238	296	264
Vehicles	155	206	233	244	305	371	358	395	483	449
<b>Fire</b>										
Fire stations	11	11	12	12	12	12	12	12	12	12
Vehicles	180	194	210	215	219	236	251	270	270	283
<b>Public works</b>										
Vehicles	422	457	486	518	553	603	600	600	626	640
Streets (miles)	219.00	219.00	219.00	219.00	220.00	220.00	275.00	275.00	275.00	195.00
Sidewalks (miles)	120.45	120.45	120.45	120.45	120.45	139.56	139.46	139.46	139.50	145.00
Traffic signals	261	262	262	262	262	265	364	364	331	356
Street lights	9,067	9,250	9,437	9,859	10,190	10,325	11,724	11,363	11,483	11,669
<b>Parks and recreation</b>										
Parks - acreage	597.85	597.85	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00
Park facilities	58.00	58.00	59.00	59.00	59.00	60.00	60.00	60.00	60.00	60.00
Tennis courts	54.00	54.00	54.00	54.00	54.00	54.00	57.00	55.00	55.00	55.00
Swimming pools/splash pads	3.00	3.00	4.00	4.00	4.00	4.00	15.00	16.00	16.00	17.00
Playground	30.00	30.00	30.00	30.00	30.00	31.00	31.00	31.00	31.00	31.00
<b>Parking</b>										
Garages	7	7	8	8	8	9	9	8	8	8
Lots	5	5	5	5	5	5	5	4	5	5
Metered spaces	4,604	4,602	4,703	4,736	4,728	4,704	4,502	4,487	4,198	4,690
<b>Stormwater</b>										
Storm drains (miles)	137.00	137.00	137.00	137.00	137.00	137.00	254.00	254.00	366.00	356.32
Vehicles	54	55	55	70	67	69	63	64	68	66
<b>Wastewater</b>										
Sanitary sewer (miles)	1,002.50	1,036.90	1,047.97	1,053.75	1,100.00	1,108.50	1,059.00	1,077.00	1,109.00	1,125.53
Vehicles	161	183	200	212	278	331	300	277	278	287
Treatment plants	1	1	1	1	1	1	1	1	1	1
<b>Solid Waste</b>										
Vehicles	73	85	94	95	117	128	130	125	127	124
<b>Water</b>										
Water lines (miles)	1,887.10	1,935.69	1,954.68	1,966.58	1,966.58	1,978.45	2,250.00	2,301.00	2,356.00	2,403.50
Vehicles	178	209	228	237	256	281	291	285	298	318
Fire hydrants	3,063	3,307	5,200	5,300	5,300	5,350	5,450	4,300	4,390	4,494
Treatment plants	2	2	2	2	2	2	2	2	2	2

Source: Various City departments

Vehicle data includes both licensed and unlicensed vehicles