

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

CITY OF COLUMBIA, SOUTH CAROLINA

FISCAL YEAR ENDED JUNE 30, 2021

Prepared by the City's Finance Department

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021**

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INTRODUCTORY SECTION



We Are Columbia

January 31, 2022

The Honorable Daniel J. Rickenmann, 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 Annual Comprehensive Financial Report ("ACFR") of the City of Columbia, South Carolina (the "City") for the fiscal year ended June 30, 2021. 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 ACFR 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 ACFR is complete and reliable in all material respects.

The City's financial statements have been audited by Scott and Company LLC. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2021, 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, 2021, are presented fairly and in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available on the City's website.

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

City of Columbia Overview

The City, incorporated in 1786, is located 13 miles northwest of South Carolina's geographic center. The City currently occupies a land area of approximately 135 square miles with a population estimated at approximately 136,632 in the City and approximately 860,857 within the metropolitan statistical area according to the 2020 United States Census. Columbia is also combined with the Newberry and Orangeburg micropolitan areas to form the Columbia-Orangeburg-Newberry Combined Statistical area which has approximately 951,412 people according to the 2020 Census and is the second-largest combined statistical area in South Carolina. Columbia is considered the primary city of the Midlands region of South Carolina. The mission of the City is to provide high quality municipal services efficiently, effectively, and responsively to the citizens of Columbia.

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

Primary City Functions

The City provides a full range of municipal services including police and fire protection, the maintenance of streets and other infrastructure, recreational activities and cultural events, land use and building regulations, water and wastewater treatment, storm-water operations, parking operations, and economic development. The City accounts for water and wastewater operations, parking operations and storm-water operations separately within the reporting entity, and attempts to recover the costs of these functions through user charges. In 2018, the City transitioned from being self-insured and became a member of the State Health Plan. The City is self-insured for workers' compensation and general claims liabilities. The City pays for such claims as they become due. The City engages an external party to provide an estimate of its liabilities related to these self-insured expenses.

Budget Process

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

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which runs from July 1st to June 30th. In November, the departments begin to prepare operational plans. In December, budget preparation materials are distributed to the departments. In February, budgets are submitted and reviewed by City staff. The budget review continues through March. In April, budgets are presented to council. In May, public hearings on the budget are held. In June, first and second reading of the budget is held. Appropriations for capital projects are adopted by the City Council primarily on an individual basis when the project is initially approved. Budget-to-actual comparisons are provided in this report for the general fund. This comparison is presented as required supplementary information.

Economic Development

Columbia is one of the fastest growing metro areas in the Southeast. The effects of the Covid-19 pandemic had impacted the economy, however Columbia has rebounded and has an unemployment rate of 3.1% versus a prior year rate of 7.8%. The City benefits from its role as the state capital and the presence of the University of South Carolina's flagship campus, employing nearly 6,400 individuals and servicing approximately 35,000 students. The City is further stabilized by the presence of Fort Jackson, the United States Army's largest training installation, with 3,900 active duty soldiers and civilian employees, and their 15,000 family members assigned to the installation. In addition, five State agencies employ over 19,800.

Local Economy

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

Quality of Life

After a robust public planning process, the City of Columbia adopted *Columbia Compass: Envision 2036* as the ten-year update to the City's comprehensive plan in August of 2020. The plan makes 125 recommendations for the City to take on, in stages, in the coming decade, as well as a number of recommendations for transportation infrastructure projects. As implementation efforts move forward, annual reporting will record these efforts and help spread awareness of the City's commitment to the plan's vision and goals. The first annual report, which covers activities during FY2020-2021, was released in January 2022. The report found that 85 of the 125 recommendations (68%) saw progress during the fiscal year. Of note, a large number of the plan's recommendations are meant to be implemented on an ongoing basis, where efforts must be a part of the daily or yearly work of the City in order to keep up with changes in the community in technology, in the economy, and more. The Annual Report can be accessed on the City's website.

The City adopted a new zoning and land development code, known as the Unified Development Ordinance was completed that went into effect August 2021. This is the first comprehensive rewrite of the regulations that govern the growth and development of Columbia since the late 1970s. The code is intended to address four main goals: create a user-friendly code, implement Plan Columbia/Columbia



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Compass, add context-sensitive regulations to promote “infill” development, and incorporate sustainable development.

On May 31, 2019, the Columbia Empowerment Zone, Inc., a component unit of the City of Columbia, held a ribbon cutting ceremony for the grand opening of the Veranda at North Main. By the summer of 2020, 85% of units were leased. This \$10 million senior housing project was completed with the development team, The Integral Group, LLC. The Integral Group secured \$6,040,000 in private investment to help fund this project. The Veranda at North Main is comprised of fifty-eight senior apartments with an eligible age of fifty-five years old. The three-story, mixed income building is comprised of one and two bedroom units. Residents have access to medical care, pharmaceutical needs, limited financial services and food establishments at the North Main Plaza (adjacent property). The Veranda reached stabilization in mid-2021 and is 100% percent occupied.

ShotSpotter, an innovative gunshot detection technology was implemented on April 18, 2019. The technology relies on acoustic sensors to pinpoint where gunfire occurs. The information from the sensors is sent to CPD officers and 9-1-1 dispatchers through real-time digital alerts. The coverage was expanded during 2020 for a total coverage area of seven square miles. Since implementation through 2021, CPD officers have responded to 2,864 ShotSpotter alerts and activations which has resulted in 142 guns recovered.

The City of Columbia continued implementation of storm water infrastructure improvements as funded by the City’s first ever “green bonds” creating a lasting investment in sustainability. The \$37.9 million Green Bond sale was certified by the Climate Bond Initiative, an independent global non-profit that rates environmentally responsible investments. Proceeds from the bonds are being used to upgrade and improve Columbia’s storm water system, part of a \$95 million investment over a five-year period to address the City’s flooding and storm water drainage issues.

The City of Columbia also continued the implementation of the Advanced Metering Infrastructure (AMI) project this year, reaching a milestone of 145,000 meters upgraded through 2021. This project includes the replacement of most of Columbia Water’s 150,000 meters. Once a meter is replaced, the new meter will report over a cellular network that will replace the manual meter reading process. Columbia Water and its customers will have access to all data collected throughout the billing period via online utility and customer portals. Installation will continue through 2022.

Major Initiatives and Financial Planning

The total fiscal year 2022 operating budget and capital budget was developed with the impact of COVID-19 continuing to cause some uncertainty in revenue. In developing its fiscal year 2022 budget, the City factored in the following key elements in the preparation of the budget:

1. Continuity of Operations
 - a. Ensuring departments have the resources required to provide city services
 - b. Restored Capital Replacement Program
2. Continuing to provide excellent day-to-day service to our community
 - a. Commitment to highest level of customer care for residents, visitors, businesses
3. Fulfilling the City’s financial obligations
 - a. Debt service payments and other financial commitments



We Are Columbia

4. Address Critical Infrastructure Needs
 - a. Restored Water, Sewer and Capital Improvement Programs
 - b. Finlay Park Rehabilitation

The City's fiscal year 2022 general fund budget is approximately \$155,544,488, which is an increase of approximately \$18,439,647 or 13.4% from the fiscal year 2021 budget. The 2022 general fund budget does not contain a property tax millage rate increase and property tax revenues are expected to increase by \$1,700,000. The most significant increase on the budget is the return to an issuance of a capital lease for vehicle and technology replacements. This results in an increase of \$9,000,000 versus the fiscal year 2021 budget. The City did not budget for the use of fund balance in the 2022 fiscal year budget. The use of the American Rescue Plan Act (ARPA) funds in the amount of \$1,689,499 is included in this budget. The general fund departmental expenditure budget for fiscal year 2022 totals approximately \$126,071,046. This is an increase of \$4,763,053 or 3.8% from the prior year.

The City projects water and sewer revenues for fiscal year 2022 to total approximately \$182,564,189, an increase of approximately \$13,881,758 or 8.2% over the fiscal year 2021 budgeted amounts. This includes an increase of 5.02% in water and sewer rates. The City expects to maintain the target debt service coverage ratio of 2:1. Debt service expenditures are expected to account for 24% of the expected fiscal year 2022 operating expenditures. Operating expenditures are expected to total approximately \$102,187,548. Operating and capital expenditures are expected to focus on Clean Water 2020 programs to meet the EPA Consent Decree requirements and the phased-in implementation of an automated meter reading system. Customer care will continue to be an area of priority. Improvements will also continue in mobile field services so that water crews are better able to send and receive information remotely.

The storm water operating revenues are expected to total approximately \$15,622,754. This represents an increase of approximately \$1,599,455 or 11.4% from the prior year. The five-year rate plan increase continues with an increase to the ERU of \$0.83 or 6%. Operating and capital improvement expenditures are expected to focus on projects that meet the initiatives of alleviating nuisance flooding and promoting water quality.

Parking total revenues are expected to total approximately \$9,103,275 in fiscal year 2022. This reflects a use of ARPA funds in the amount of \$2,703,774. Actual revenues total \$6,215,800 which is a reduction of 17% below prior year budget and is impacted by the Covid-19 pandemic. Revenue primarily comes from the parking system, to include park meters, parking service contracts and parking garages.

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

The Capital Improvement Program (CIP) for water and sewer is \$120,000,000 for fiscal year 2022. It is expected there will be \$40,000,000 in water CIP expenditures and \$80,000,000 in sewer CIP expenditures. These projects will be funded with funds on hand of \$31,000,000 and bond proceeds in the amount of \$89,000,000. Major water projects for fiscal year 2022 include water treatment plants improvements of \$15,000,000 and water quality improvements of \$16,000,000. Major sewer projects for fiscal year 2022 include capacity expansion of \$44,902,000 and rehab projects of \$10,366,000.



We Are Columbia

The CIP for storm water is \$11,050,000 and funded primarily with bond proceeds. The proposed projects are expected to improve drainage in several areas across the city. These projects will be funded from operating revenues of \$1,735,000 and the remaining \$9,315,000 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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR 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 ACFR 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 ACFR 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 ACFR 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, 2020

Christopher P. Morill

Executive Director/CEO

**CITY OF COLUMBIA, SOUTH CAROLINA
CITY LEADERS
As of June 30, 2021**

Mayor

Stephen K. Benjamin

Council Members

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

Sam Davis
Edward McDowell, Jr.
William Brennan
Daniel Rickenmann
Tameika Isaac Devine
Howard E. Duvall, Jr.

City Manager

Teresa Wilson

Assistant City Managers

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

Melissa Gentry-Smith, ICMA-CM, P.E
Jeff Palen
Clint Shealy, P.E.
Henry Simons, MHA

Department Directors

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

Pamela Benjamin, CPM
Melisa Caughman, CPM
Teresa Knox
Gloria Saeed
Ryan Coleman, CEcD
Jacquelyn Richburg
Harry Tinsley
Dana Higgins
Jan Alonso, CGFO
Aubrey Jenkins
Kelvin Keisler
Tiniece Jarvis, Ed.D
Sylvia White
Vacant
Melissa Lindler
Linda "Elle" Matney
Randy Davis
Krista Hampton
William "Skip" Holbrook
Sandra Wright, CPPB
Leshia Utsey
Robert Anderson
Joseph Jaco, P.E.

Development Corporation Directors

Columbia Empowerment Zone, Inc.
Columbia Housing/TN Development Corp.
Eau Claire Development Corp.

Felicia Maloney
Harrison C. Joseph III
Vacant

Other Directors

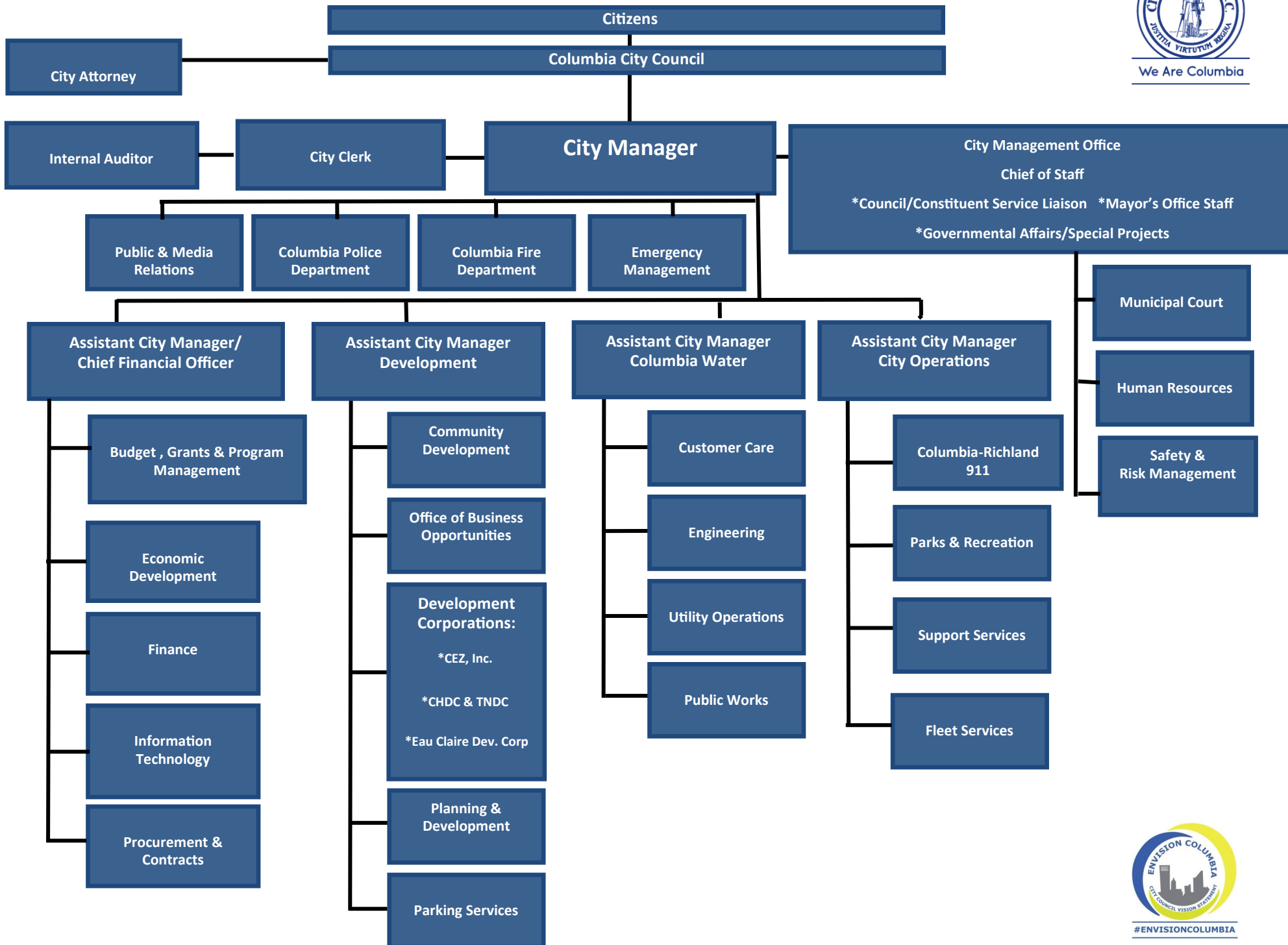
Experience Columbia SC

Bill Ellen

CITY OF COLUMBIA ORGANIZATIONAL CHART



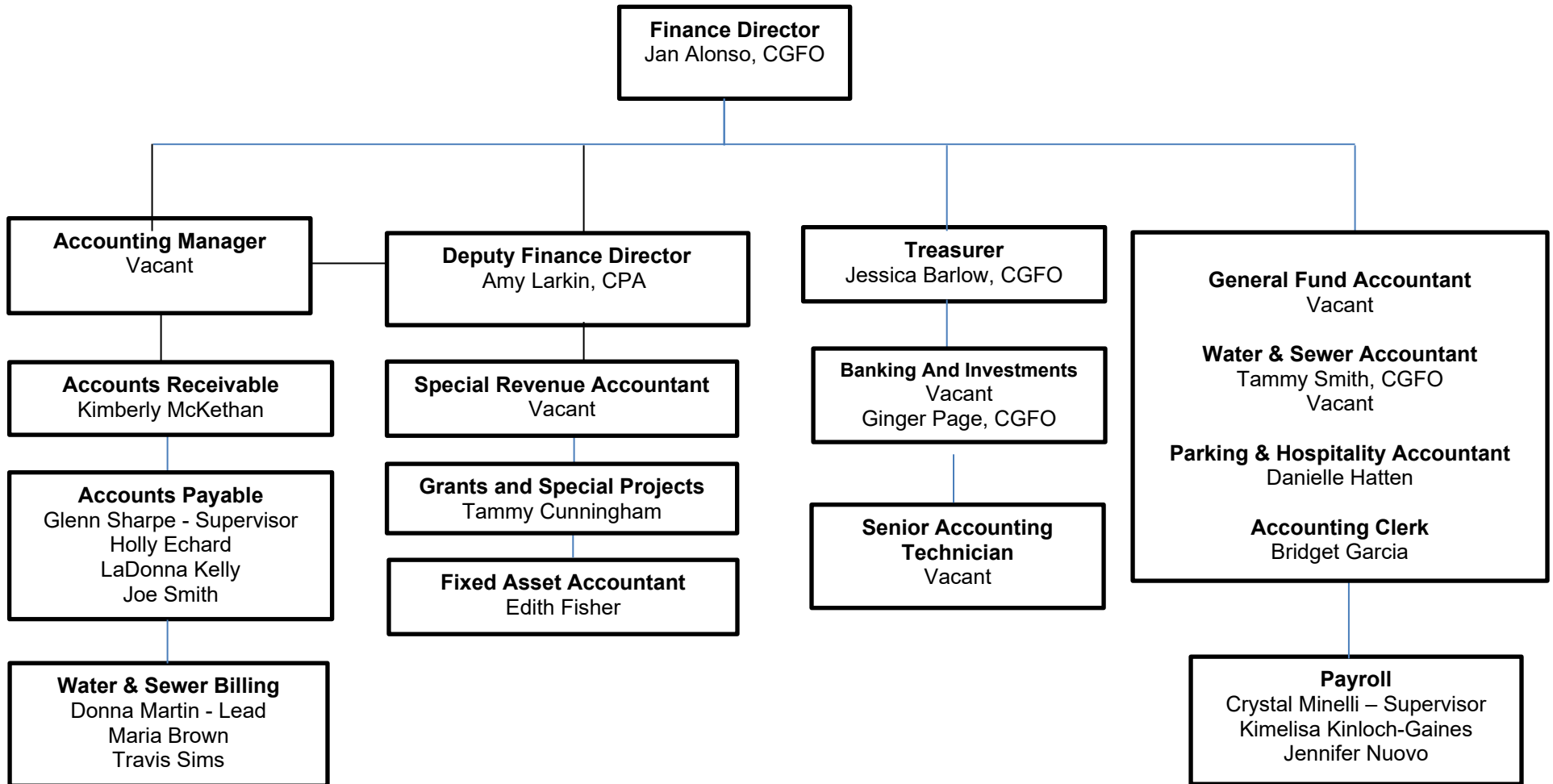
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#ENVISIONCOLUMBIA

CITY OF COLUMBIA, SOUTH CAROLINA
Finance Department
Organizational Chart

As of June 30, 2021



FINANCIAL SECTION

Independent Auditor's Report

The Honorable Daniel Rickenmann, Mayor
and Members of City Council
City of Columbia, South Carolina
Columbia, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Columbia (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Experience Columbia SC, a discretely presented component unit of the City, which represent 60.80%, 67.95%, and 74.45%, 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 Experience Columbia SC, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Scott and Company LLC

Columbia, South Carolina
January 31, 2022

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2021

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, 2021, as part of the overall Annual Comprehensive Financial Report (ACFR). This overview compares the year ended June 30, 2021, with the year ended June 30, 2020. 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 fiscal year 2021 by \$632,155,738. This amount represents the City's net position. The City has a deficit of \$(19,902,765) in unrestricted net position as of June 30, 2021.
- The City's total net position decreased by \$8,564,417 (an increase of \$2,914,004 from governmental activities and a decrease of \$11,478,421 from business-type activities). This decrease is primarily due to an increase in Water and Sewer Facilities Fund expenses. Total revenues of \$392,411,330 were exceeded by total expenses of \$400,975,747. This resulted in a decrease in net position for the year ended June 30, 2021, of \$8,564,417. This decrease in net position for the current year is approximately \$35,683,000 less than the prior year. This is the result of a decrease of approximately \$1,459,000 in the governmental activities and a decrease of approximately \$34,224,000 in business-type activities.
- Charges for services revenue for the year ended June 30, 2021, was similar to the amount reported in the prior year for the enterprise funds. For the Water and Sewer Facilities Fund, total nonoperating revenues were approximately \$2,805,000, a decrease of \$4,836,000, or 63%. The decrease was primarily due to a decrease in investment income due to investment market performance, offset by an increase in development contributions and capital grants. Total revenues decreased by approximately \$1,288,000 or 1%. Total operating expenses for the Water and Sewer Facilities Fund increased by approximately \$8,029,000, or 6%, to \$139,342,000 when compared to the year ended June 30, 2020. The increase was primarily the result of higher personnel expenses and special contracts for projects. Interest and amortization expense was approximately \$27,147,000, an increase of \$16,923,000 or 166%. The most significant increase was in interest expense, which increased due to the issuance of new revenue bonds in 2021 and related refunding of previous bonds. Net transfers from the Water and Sewer Facilities Fund decreased by approximately \$3,482,000 or 26% to \$9,899,000, compared to the year ended June 30, 2020, due to additional transfers needed by other funds in the prior year to cover COVID-19 expenses. For the Parking Facilities Fund, nonoperating revenue decreased by approximately \$439,000 or 76% to \$139,000, due primarily to decreased rental income received during the current fiscal year. Total revenues for the year ended June 30, 2021, decreased approximately \$691,000 or 9% to \$6,699,000. Total operating expenses decreased by approximately \$136,000, or 2%, to \$6,068,000 when compared to the year ended June 30, 2020. Total expenses decreased by approximately \$166,000 or 2%, to \$8,446,000.

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- Revenues from governmental activities decreased by approximately \$194,000 during fiscal year 2021. Total governmental activities expenses incurred by the City increased approximately \$219,000 during fiscal year 2021.
- As of June 30, 2021, the City's governmental funds reported combined ending fund balances of \$113,760,453. The unassigned General Fund balance of \$41,855,330 is available for spending at the City's discretion and represents approximately 29% of the General Fund's actual expenditures and transfers out for the year ended June 30, 2021.
- The City's total net capital assets were \$1,364,792,869 as of June 30, 2021, increasing \$67,041,951 (5%). This increase was the result of additions of \$36,693,437 in governmental activities and \$95,589,326 in business-type activities offset by depreciation expense and net disposals of \$17,120,183 in governmental activities and \$48,120,629 in business-type activities.
- The City's long-term debt at June 30, 2021, totaled \$956,402,393, a net increase of \$73,944,617 or 8% from the balance at June 30, 2020, of \$882,457,776. This net increase was the result of \$124,426,778 in principal payments and \$3,051,541 in premium amortization. In addition, \$64,625,000 in revenue bonds were issued in the other governmental funds at a discount of \$200,000. The Water and Sewer Facilities Fund issued \$135,535,000 (including premiums of \$1,462,936) of revenue bonds.
- As of June 30, 2021, the City's General Obligation bonds were rated AA+ by Standard and Poor's and AA1 by Moody's. The City's Water and Sewer Facilities revenue bonds were rated AA+ by Standard and Poor's and Aa1 by Moody's. The City's Parking Facilities revenue bonds were rated A- by Standard and Poor's and A1 by Moody's. The City's Stormwater Facilities revenue bonds were rated AA+ by Standard and Poor's and Aa2 by Moody's.

Using This Annual Report

This discussion and analysis is intended to serve as an introduction to the City of Columbia's financial statements. This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on the pages identified in the table of contents) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 36. For governmental funds, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

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.

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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, tourism and community development, 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 Facilities, Parking Facilities, Stormwater, Hydroelectric, 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; Municipal Complex; Columbia Housing Development Corporation; Eau Claire Development Corporation; Experience Columbia SC; 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 Municipal Complex, whose statements are blended with the primary government.

The government-wide financial statements can be found beginning on page 33.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Our analysis of the City's major funds begins on page 26. 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.

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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 general capital 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. G. Fund Balances.

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

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

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

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

Conversely, all three internal service funds are combined into a single aggregated position in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The proprietary fund financial statements follow the governmental fund financial statements.

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

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

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

Financial Analysis – Government-wide Statements

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceed liabilities and deferred inflows by \$632,155,738 as of June 30, 2021. The City's overall financial position decreased, and net position decreased by \$8,564,417 during the year ended June 30, 2021. This overall decrease is the result of a \$2,914,004 increase in governmental activities and a \$11,478,421 decrease in business activities. Total governmental activities revenues and expenses remained consistent with those reported in the prior year. Revenues from governmental activities decreased by approximately \$194,000 during fiscal year 2021. Total governmental activities expenses increased by approximately \$219,000 during fiscal year 2021.

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The decrease in overall business activities change in net position is due primarily to the Water and Sewer Facilities fund. The change in net position for this fund for 2021 was a decrease of approximately \$5,705,000. For the Water and Sewer Facilities Fund, total nonoperating revenues were approximately \$2,805,000, a decrease of \$4,836,000, or 63%. The decrease was primarily due to a decrease in investment income due to investment market performance, offset by an increase in development contributions and capital grants. Total revenues decreased by approximately \$1,288,000 or 1%. Total operating expenses for the Water and Sewer Facilities Fund increased by approximately \$8,029,000, or 6%, to \$139,342,000 when compared to the year ended June 30, 2020. The increase was primarily the result of higher personnel expenses and special contracts for projects. Interest and amortization expense was approximately \$27,147,000, an increase of \$16,923,000 or 166%. The most significant increase was in interest expense, which increased due to the issuance of new revenue bonds in 2021 and related refunding of previous bonds. Net transfers from the Water and Sewer Facilities Fund decreased by approximately \$3,482,000 or 26% to \$9,899,000, compared to the year ended June 30, 2020, due to additional transfers needed by other funds in the prior year to cover COVID-19 expenses. In addition to the Water and Sewer Facilities Fund, the change in net position for the Parking Facilities Fund was a decrease of approximately \$1,747,000. For the Parking Facilities Fund, nonoperating revenue decreased by approximately \$439,000 or 76% to \$139,000, due primarily to decreased rental income received during the current fiscal year. Total revenues for the year ended June 30, 2021, decreased approximately \$691,000 or 9% to \$6,699,000. Total operating expenses decreased by approximately \$136,000, or 2%, to \$6,068,000 when compared to the year ended June 30, 2020. Total expenses decreased by approximately \$166,000 or 2%, to \$8,446,000. Table 1 summarizes the major categories of assets, deferred outflows, liabilities, deferred inflows, and net position for governmental activities, business type activities, and the City as a whole.

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Table 1
City of Columbia
Statement of Net Position
As of June 30, 2021 and June 30, 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2021	As of June 30, 2020	As of June 30, 2021	As of June 30, 2020	As of June 30, 2021	As of June 30, 2020
Current and other assets	\$ 274,000,860	\$ 208,561,622	\$ 397,143,447	\$ 442,414,454	\$ 671,144,307	\$ 650,976,076
Capital assets, net of depreciation	267,657,955	248,084,701	1,097,134,914	1,049,666,217	1,364,792,869	1,297,750,918
Total assets	541,658,815	456,646,323	1,494,278,361	1,492,080,671	2,035,937,176	1,948,726,994
Deferred outflows of resources	71,323,192	67,703,988	110,474,753	96,739,820	181,797,945	164,443,808
Total assets and deferred outflows of resources	612,982,007	524,350,311	1,604,753,114	1,588,820,491	2,217,735,121	2,113,170,802
Long-term liabilities outstanding	512,217,187	436,205,929	976,022,887	949,544,776	1,488,240,074	1,385,750,705
Other liabilities	42,345,951	33,612,788	42,353,626	41,731,740	84,699,577	75,344,528
Total liabilities	554,563,138	469,818,717	1,018,376,513	991,276,516	1,572,939,651	1,461,095,233
Deferred inflow of resources	10,333,889	9,360,618	2,305,843	1,994,796	12,639,732	11,355,414
Net position						
Net investment in capital assets	160,830,895	160,452,270	431,093,455	436,753,431	591,924,350	597,205,701
Restricted	56,042,933	27,615,641	4,091,220	4,145,062	60,134,153	31,760,703
Unrestricted	(168,788,848)	(142,896,935)	148,886,083	154,650,686	(19,902,765)	11,753,751
Total net position	\$ 48,084,980	\$ 45,170,976	\$ 584,070,758	\$ 595,549,179	\$ 632,155,738	\$ 640,720,155

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As of June 30, 2021, the City is able to report positive net position for the government as a whole as well as for its governmental activities and business-type activities.

The largest portion of the City's net position, \$591,924,350 (94%), reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related liabilities used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related liabilities, it should be noted that the resources needed to repay these liabilities must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position, \$60,134,153 (9%), represents resources that are subject to external restrictions on how they may be used. The remaining \$(19,902,765) (-3%) is unrestricted.

For governmental activities, the City reported a deficit balance in unrestricted net position of \$(168,788,848). This deficit resulted primarily from the adoption of GASBS 68 and GASBS 75 during 2018. GASBS 68 required the City to recognize a pension liability. GASBS 75 required the City to recognize a total OPEB liability, any related deferred outflows/inflows of resources, and a more comprehensive measure of OPEB expense for the City's OPEB plan. For business-type activities, the City reported a positive balance in unrestricted net position of \$148,886,083. The City reported a positive balance of \$41,855,330 in unassigned fund balance for the general fund as of June 30, 2021. 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, 2021, which totaled approximately \$392,411,000, decreased from the year ended June 30, 2020. The decrease for the City as a whole was approximately \$2,822,000, which was a decrease of 1%. Revenues for the business-type activities decreased approximately \$2,628,000 (1%). Charges for services revenue for the year ended June 30, 2021, was similar to the amount reported in the prior year for the enterprise funds. Water and Sewer Facilities capital grants and contributions increased by approximately \$3,925,000 or 56%, primarily due to an increase in contributions for water lines. This increase in business-type activities revenue was offset by a decrease in unrestricted investment earnings of approximately \$7,210,000 or 90%, due to changes in market performance.

Revenues from governmental activities decreased by approximately \$194,000 during fiscal year 2021. General property taxes and local option sales tax increased by approximately \$3,559,000 or 10% and \$2,830,000 or 13%, respectively, due to increases in property taxes and credits. These increases were offset by a decrease in unrestricted investment earnings of approximately \$1,306,000 or 86%, due to changes in market performance. In addition, public safety revenue decreased by approximately \$4,032,000 or 7%, primarily due to a decrease in county services revenues for fire service.

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Table 2
City of Columbia
Changes in Net Position
Years Ended June 30, 2021 and June 30, 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year ended June 30, 2021	Year ended June 30, 2020	Year ended June 30, 2021	Year ended June 30, 2020	Year ended June 30, 2021	Year ended June 30, 2020
Revenues:						
Program revenues						
Charges for services						
General government	\$ 44,824,660	\$ 42,932,789	\$ -	\$ -	\$ 44,824,660	\$ 42,932,789
Public safety	52,690,415	56,722,229	-	-	52,690,415	56,722,229
Parks and recreation	225,924	608,012	-	-	225,924	608,012
Public services	556,079	839,825	-	-	556,079	839,825
General services	144,378	263,793	-	-	144,378	263,793
Tourism and community development	357,718	200,780	-	-	357,718	200,780
Water/sewer facilities	-	-	158,205,156	158,583,218	158,205,156	158,583,218
Stormwater facilities	-	-	15,593,201	15,491,908	15,593,201	15,491,908
Parking facilities	-	-	6,681,542	7,280,010	6,681,542	7,280,010
Redevelopment programs	-	-	618,613	595,981	618,613	595,981
Parks and recreation camps	-	-	13,063	236,878	13,063	236,878
Operating grants and contributions						
General government	432,671	45,248	-	-	432,671	45,248
Public safety	4,692,577	5,932,849	-	-	4,692,577	5,932,849
Tourism and community development	4,746,537	5,296,922	-	-	4,746,537	5,296,922
Water/sewer facilities	-	-	1,930,701	807,946	1,930,701	807,946
Stormwater facilities	-	-	92,670	1,687,197	92,670	1,687,197
Redevelopment programs	-	-	2,172,985	-	2,172,985	-
Capital grants and contributions						
General government	1,006,965	1,884,709	-	-	1,006,965	1,884,709
Water/sewer facilities	-	-	10,901,680	6,976,485	10,901,680	6,976,485
Tourism and community development	178,711	166,674	-	-	178,711	166,674
General revenues						
General property taxes	39,946,275	36,387,111	-	-	39,946,275	36,387,111
Local option sales tax	23,900,908	21,070,529	-	-	23,900,908	21,070,529
Hospitality and admission taxes	11,733,436	11,175,818	-	-	11,733,436	11,175,818
Accommodations tax	1,950,190	2,456,870	-	-	1,950,190	2,456,870
Tourism development revenue	2,604,061	3,481,978	-	-	2,604,061	3,481,978
Liquor permit revenue	323,055	325,305	-	-	323,055	325,305
State shared revenue	3,123,717	3,064,969	-	-	3,123,717	3,064,969
Unrestricted investment earnings	213,778	1,519,336	800,707	8,011,044	1,014,485	9,530,380
Gain on disposal of capital assets	267,285	77,101	124,325	17,990	391,610	95,091
Donation of capital assets	907,360	-	-	-	907,360	-
Insurance recoveries	177,040	272,080	-	73,908	177,040	345,988
Other revenue	272,947	745,452	-	-	272,947	745,452
Total revenues	\$ 195,276,687	\$ 195,470,379	\$ 197,134,643	\$ 199,762,565	\$ 392,411,330	\$ 395,232,944

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Table 2
City of Columbia
Changes in Net Position (Continued)
Years Ended June 30, 2021 and June 30, 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year ended June 30, 2021	Year ended June 30, 2020	Year ended June 30, 2021	Year ended June 30, 2020	Year ended June 30, 2021	Year ended June 30, 2020
Expenses:						
General government	\$ 24,216,858	\$ 23,829,739	\$ -	\$ -	\$ 24,216,858	\$ 23,829,739
Judicial	3,500,993	3,388,992	-	-	3,500,993	3,388,992
Finance	2,085,404	2,055,884	-	-	2,085,404	2,055,884
Community promotion	55,255	343,746	-	-	55,255	343,746
Planning and development	4,256,319	4,708,218	-	-	4,256,319	4,708,218
Public safety	109,125,861	105,007,457	-	-	109,125,861	105,007,457
Parks and recreation	14,836,783	14,941,915	-	-	14,836,783	14,941,915
Public services	19,696,659	21,844,507	-	-	19,696,659	21,844,507
General services	2,843,703	2,758,595	-	-	2,843,703	2,758,595
Tourism and community development	16,731,313	20,324,371	-	-	16,731,313	20,324,371
Interest and other fiscal charges	4,817,145	2,743,988	-	-	4,817,145	2,743,988
Unallocated depreciation	1,531,898	1,531,898	-	-	1,531,898	1,531,898
Water/sewer facilities	-	-	174,296,353	142,242,080	174,296,353	142,242,080
Hydro-electric plant	-	-	1,275,708	1,444,795	1,275,708	1,444,795
Stormwater facilities	-	-	12,934,746	10,513,908	12,934,746	10,513,908
Parking facilities	-	-	7,853,666	7,750,072	7,853,666	7,750,072
Redevelopment programs	-	-	707,797	2,330,965	707,797	2,330,965
Parks and recreation camps	-	-	209,286	353,720	209,286	353,720
Total expenses	203,698,191	203,479,310	197,277,556	164,635,540	400,975,747	368,114,850
Change in net position before transfers	(8,421,504)	(8,008,931)	(142,913)	35,127,025	(8,564,417)	27,118,094
Transfers	11,335,508	12,381,577	(11,335,508)	(12,381,577)	-	-
Change in net position	2,914,004	4,372,646	(11,478,421)	22,745,448	(8,564,417)	27,118,094
Net position, beginning of period	45,170,976	40,798,330	595,549,179	572,803,731	640,720,155	613,602,061
Net position, end of period	\$ 48,084,980	\$ 45,170,976	\$ 584,070,758	\$ 595,549,179	\$ 632,155,738	\$ 640,720,155

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Total expenses for the City were approximately \$400,976,000 for the year ended June 30, 2021. This represents an increase of approximately \$32,861,000 (9%) when compared to the year ended June 30, 2020. This overall increase in expenses resulted from an increase of approximately \$219,000 in governmental activities and an increase of approximately \$32,642,000 in business-type activities.

For governmental activities, tourism and community development expenses decreased by approximately \$3,593,000 or 18%, as less tax revenue was distributed to events due to impact of COVID-19 on tourism. Interest and other fiscal charges increased by approximately \$2,073,000 or 76%, due to new bonds issued during 2021.

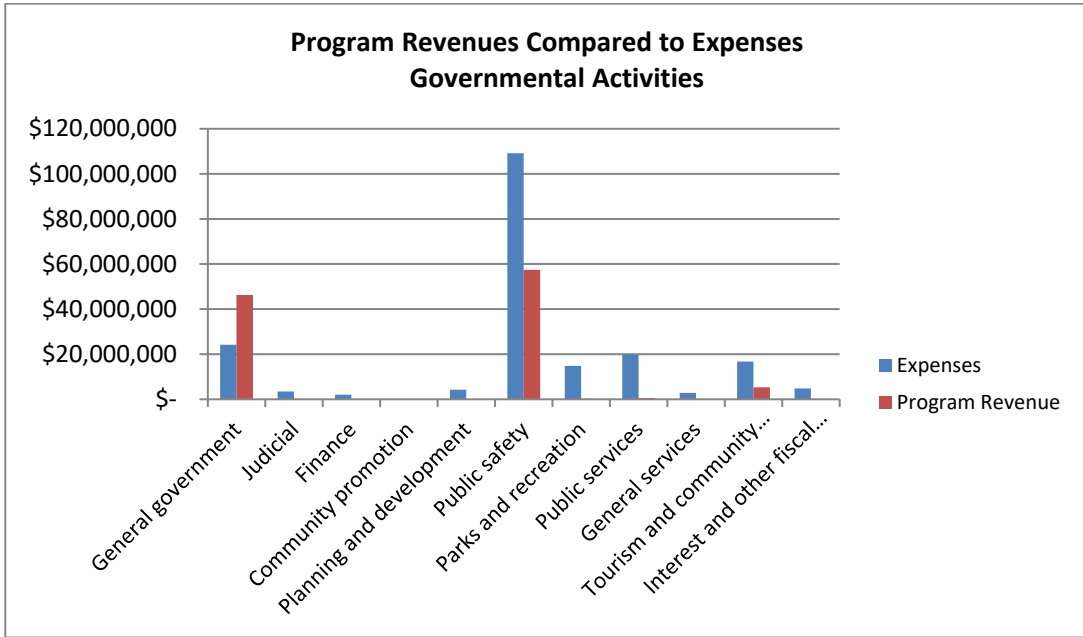
Expenses for business-type activities increased by approximately \$32,642,000, or 20%, compared to the year ended June 30, 2020. The increase was primarily related to the Water and Sewer Facilities Fund. Total operating expenses for the Water and Sewer Facilities Fund increased by approximately \$8,029,000, or 6%, to \$139,342,000 when compared to the year ended June 30, 2020. The increase was primarily the result of higher personnel expenses and special contracts for projects. Interest and amortization expense was approximately \$27,147,000, an increase of \$16,923,000 or 166%. The most significant increase was in interest expense, which increased due to the issuance of new revenue bonds in 2021 and related refunding of previous bonds. In addition, expenses for the Stormwater Facilities Fund increased by approximately \$2,421,000 or 23%, primarily due to an increase in professional fees.

The City's net position decreased by approximately \$8,564,000 during the year ended June 30, 2021. The net position for governmental activities increased by approximately \$2,914,000, while the net position of business-type activities decreased by \$11,478,000. The overall decrease in net position was approximately \$35,683,000 higher when compared to the prior fiscal year. This was due to an approximate \$1,459,000 decrease in the governmental activities and an approximate \$34,224,000 decrease in business-type activities.

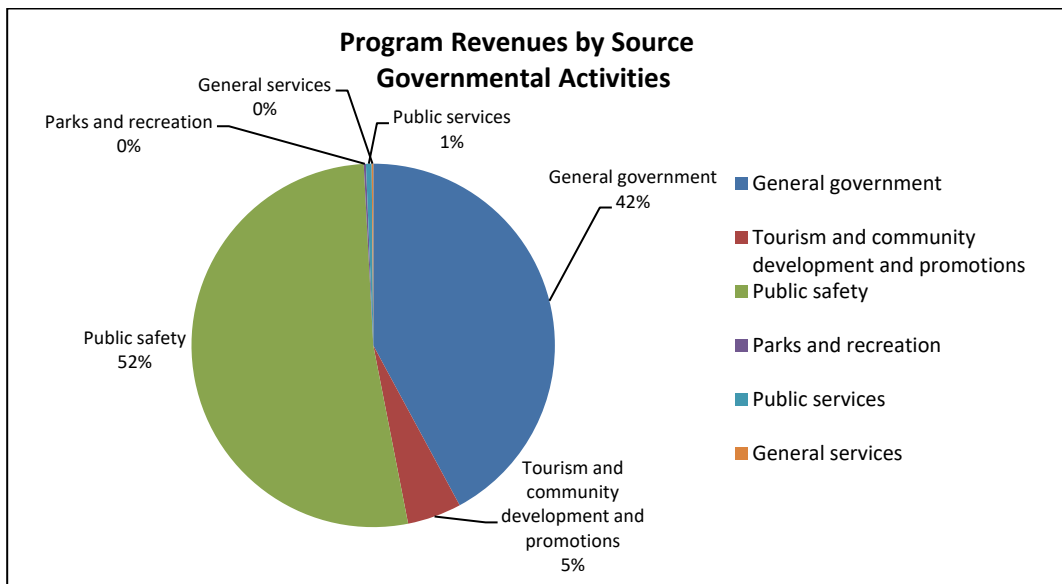
**CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2021**

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, 2021**



**Figure 2
Program Revenues by Source
Governmental Activities
Year Ended June 30, 2021**



CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2021

Business-type Activities – The net position of the City's business-type activities decreased by approximately \$11,478,000 for the year ended June 30, 2021. This decrease is primarily attributable to the operations of the Water and Sewer and Parking operations. A comparative analysis and discussion of expenses and program revenues for these enterprise operations is presented below.

Figure 3
Program Revenue Compared to Expenses for Business-type Activities
Year Ended June 30, 2021

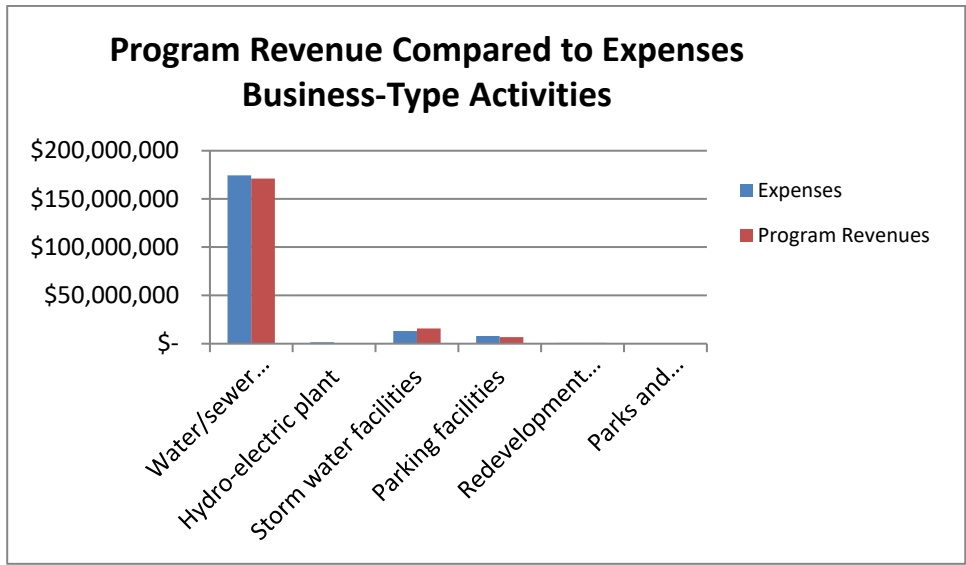
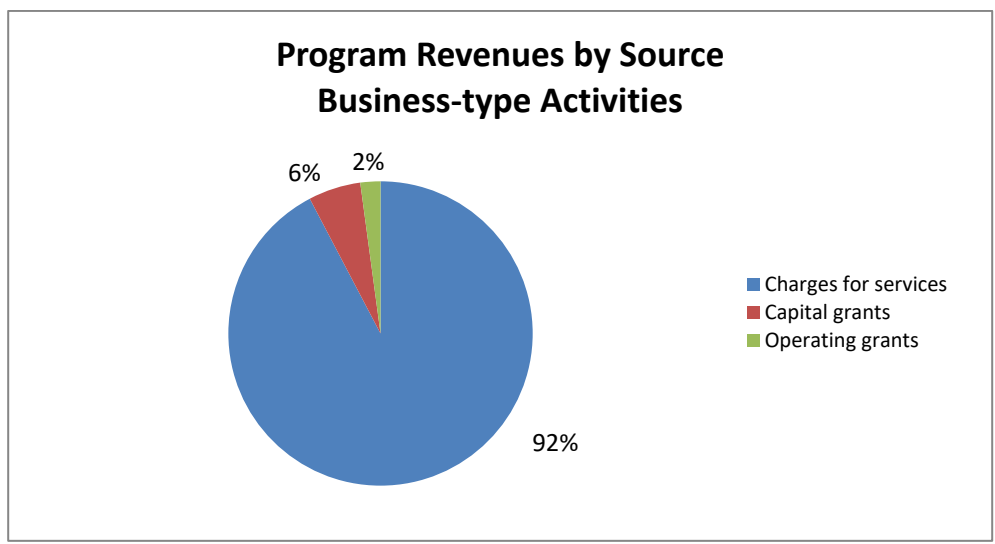


Figure 4
Program Revenues by Source for Business-type Activities
Year Ended June 30, 2021



CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2021

Water and Sewer Facilities Fund – The net position for the Water and Sewer Facilities fund for the year ended June 30, 2021, decreased by approximately \$5,705,000.

Table 3
Water and Sewer Facilities Fund Revenues and Expenses
Years Ended June 30, 2021 and June 30, 2020

	Year Ended June 30,	
	2021	2020
Revenues		
Total operating revenues	\$157,942,666	\$158,320,026
Non-operating revenues	2,804,537	7,640,113
Development contributions and capital grants	10,901,680	6,976,485
Total revenues	<u>171,648,883</u>	<u>172,936,624</u>
Expenses		
Total operating expenses	139,342,144	131,313,475
Loss on disposal of assets	965,903	189,869
Interest and amortization expense	27,146,906	10,223,793
Transfers, net	9,899,086	13,381,553
Total expenses	<u>177,354,039</u>	<u>155,108,690</u>
Change in net position	<u>\$ (5,705,156)</u>	<u>\$ 17,827,934</u>

Total operating revenues, which primarily consist of water and sewer fees, decreased by approximately \$377,000, or 0.2%, to \$157,943,000. Customer base and consumption remained consistent with the prior year. Nonoperating revenues were approximately \$2,805,000, a decrease of \$4,836,000, or 63%. The decrease was primarily due to a decrease in investment income due to investment market performance. Development contributions and capital grants increased by approximately \$3,925,000 or 56%. Total revenues decreased by approximately \$1,288,000 or 1%.

Total operating expenses increased by approximately \$8,029,000, or 6%, to \$139,342,000 when compared to the year ended June 30, 2020. The increase was primarily the result of higher personnel expenses and special contracts for projects. Interest and amortization expense was approximately \$27,147,000, an increase of \$16,923,000, or 166%. The most significant increase was in interest expense, which increased due to the issuance of new revenue bonds in 2021 and related refunding of previous bonds. Net transfers from the Water and Sewer Facilities Fund decreased by approximately \$3,482,000 or 26% to \$9,899,000, compared to the year ended June 30, 2020, due to additional transfers needed by other funds in the prior year to cover COVID-19 expenses.

CITY OF COLUMBIA, SOUTH CAROLINA
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Parking Facilities Fund – The net position of the Parking Facilities Fund for the year ended June 30, 2021, decreased by approximately \$1,747,000.

Table 4
Parking Facilities Fund Revenue and Expenses
Years Ended June 30, 2021 and June 30, 2020

	Year Ended June 30,	
	2021	2020
Revenues		
Total operating revenues	\$ 6,556,044	\$ 6,809,124
Nonoperating revenues	139,153	577,923
Gain on sale of assets	4,095	3,240
Total revenues	6,699,292	7,390,287
Expenses		
Total operating expenses	6,067,933	6,204,300
Interest and amortization expense	1,477,465	1,517,715
Transfers, net	900,899	890,183
Total expenses	8,446,297	8,612,198
Change in net position	\$ (1,747,005)	\$ (1,221,911)

Total operating revenues, which primarily consist of parking fees and fines, decreased by approximately \$253,000, or 4%, to \$6,565,000. The decrease in operating revenues was due primarily to COVID-19 reducing traffic during the year ended June 30, 2021. Nonoperating revenue decreased by approximately \$439,000 or 76% due primarily to decreased rental income received during the current fiscal year. Total revenues for the year ended June 30, 2021, decreased approximately \$691,000, or 9%, to \$6,699,000.

Total operating expenses decreased by approximately \$136,000, or 2%, to \$6,068,000 when compared to the year ended June 30, 2020.

Interest and amortization expense decreased in fiscal year 2021 by approximately \$40,000, or 3%, when compared to fiscal year 2020. Total expenses decreased by approximately \$166,000, or 2%, to \$8,446,000.

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2021

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, 2021, the City's governmental funds reported combined ending fund balances of approximately \$113,760,000, an increase of approximately \$39,697,000. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2021, the City's governmental funds had an unassigned fund balance of approximately \$39,488,000, an increase of approximately \$12,178,000 compared to the year ended June 30, 2020.

The general fund is the chief operating fund of the City. During the year ended June 30, 2021, the fund balance of the general fund increased by approximately \$2,319,000 to approximately \$50,224,000. The increase in fund balance was due primarily to transfers from other funds. Total revenues increased approximately \$6,159,000 (5%) from the prior year. Local option sales taxes increased approximately \$2,830,000 due to an increase in taxable properties during the current year. Revenue from licenses and permits increased approximately \$1,186,000. Rental income increased approximately \$1,547,000, due to income from the Municipal Complex, a new blended component unit in 2021. Total expenditures decreased by approximately \$1,210,000 from the prior year, due primarily to decreased parks and recreation and public services expenses for salary. Other financing sources decreased by approximately \$11,460,000, due to proceeds from capital leases issued during the prior year.

The unassigned fund balance of governmental funds, which is available for use without restriction, increased by approximately \$12,178,000 to approximately \$39,488,000. Unrestricted fund balance is the combination of unassigned fund balance (\$39,488,000), assigned fund balance (\$12,413,000), and committed fund balance (\$4,854,000), and totals approximately \$56,755,000. The fund balance in the general fund is comprised of approximately \$2,531,000 in restricted fund balance, \$858,000 in nonspendable fund balance, \$4,854,000 in committed fund balance, \$124,000 in assigned fund balance, and \$41,855,000 in unassigned fund balance. As a measure of liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The County Services fund is used to report funds received from Richland County, South Carolina to offset costs incurred by the City of Columbia in providing fire services and 911 emergency communications services to Richland County citizens living outside the incorporated area of the City of Columbia.

Revenue payments from Richland County for the year ended June 30, 2021, decreased by approximately \$1,852,000, or 7%, due to the City and Richland County renegotiating the budget. Revenue payments to the City from Richland County are based on the agreed upon budgeted amounts. Expenditures for the year ended June 30, 2021, increased by approximately \$94,000. If actual expenditures exceed the expected amounts during the fiscal year, the City can try and recover some of these costs in subsequent year contract negotiations.

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2021

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

General Fund Budgetary Highlights

The general fund is the principal operating fund of the City and is used to account for all activities of the City not otherwise accounted for by a specified fund. It is also the largest of the City's funds and is mostly comprised of general tax revenues and license and permit fees. Over the course of the fiscal year, the City revises its budget to address unanticipated changes in revenues and expenditures. The City provides basic city services such as police, fire, parks and recreation, and other public services. Each department budget must be developed and justified annually during the legally required budget adoption process. Total general fund revenues and other financing sources for the year ended June 30, 2021, were approximately \$149,114,000, approximately \$5,717,000, or 4%, more than the final budget of approximately \$143,397,000. The increase in total revenue was the result of higher than budgeted taxes and licenses and permits.

Total general fund expenditures and other financing uses were approximately \$146,796,000 for the year ended June 30, 2021, approximately \$3,398,000, or 2%, more than the final budgeted expenditures and other financing uses of approximately \$143,397,000.

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, 2021, totaled \$1,364,792,869 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, 2021, was approximately \$67,042,000, or 5%.

Major capital asset events during the year ended June 30, 2021, included the following:

- Construction in progress (CIP) increased by a net \$28,864,242. This increase was the result of several significant projects during the year ended June 30, 2021 in the Water and Sewer Fund, the most significant of which were the AMR/AMI Business Case Evaluation, Lake Katherine Sewer Capacity Enhancement, Improvements to Canal Clearwell & High Svc Rooms 2&3, and East Rocky Branch Improvements Phase II. There was an approximate increase of \$3,577,000 in the governmental CIP balance. There was a net increase of approximately \$25,287,000 in the business-type activities CIP balance as the City completed several smaller projects while work began or progressed on numerous others that varied in scope and size.
- Buildings and improvements additions totaled approximately \$84,894,000 during the year ended June 30, 2021. Significant additions included improvements to water lines in the Water and Sewer Fund and storm drain improvements in the Stormwater Facilities Fund. There were no significant disposals of buildings and improvements during the current fiscal year.
- Machinery and equipment additions totaled approximately \$10,874,000 during the year ended June 30, 2021. These additions consisted mainly of vehicles, security systems and devices for the police department, and playground equipment. Disposals consisted mainly of fully depreciated vehicles.
- Depreciation expense totaled approximately \$60,217,000 for the City as a whole.

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2021

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, 2021 and June 30, 2020

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2021	As of June 30, 2020	As of June 30, 2021	As of June 30, 2020	As of June 30, 2021	As of June 30, 2020
Land	\$ 39,537,608	\$ 37,104,644	\$ 32,279,773	\$ 33,719,656	\$ 71,817,381	\$ 70,824,300
Construction in progress	32,365,697	28,788,881	266,236,687	240,949,261	298,602,384	269,738,142
Buildings and improvements	159,638,920	143,631,785	783,704,909	761,208,557	943,343,829	904,840,342
Infrastructure	18,025,648	18,778,302	-	-	18,025,648	18,778,302
Machinery and equipment	18,090,082	19,781,089	14,913,545	13,788,743	33,003,627	33,569,832
Total	\$ 267,657,955	\$ 248,084,701	\$ 1,097,134,914	\$ 1,049,666,217	\$ 1,364,792,869	\$ 1,297,750,918

Long-term debt – The City's long-term debt, including capital leases payable, reflected a net increase of approximately \$73,945,000, or 8%, as shown in Table 6. This net increase was the result of \$124,426,778 in principal payments and \$3,051,541 in amortization of bond premiums. In addition, water and sewer revenue bonds were issued in the amount of \$135,535,000, including a premium of \$1,462,936. The Series 2021A and 2021B Water and Sewer Revenue Bonds were issued for the purposes of funding improvements to the Waterworks and Sewer System and refunding of Series 2016A, 2018, 2019A Revenue Bonds. Revenue bonds in the amount of \$64,625,000 were issued in the other governmental funds with a discount of \$200,000.

Principal payments of \$10,870,000 were made on governmental activities bonds and notes payable. Principal payments of \$108,335,000 were made on business-type activity revenue bonds. Principal payments of \$5,221,778 were made on governmental activities capital lease obligations.

Total governmental activities debt had a net increase of approximately \$47,910,000, while business-type activities debt had a net increase of approximately \$26,035,000.

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2021

Table 6
Outstanding Indebtedness
As of June 30, 2021 and June 30, 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2021	As of June 30, 2020	As of June 30, 2021	As of June 30, 2020	As of June 30, 2021	As of June 30, 2020
Notes payable	\$ 375,000	\$ 450,000	\$ -	\$ -	\$ 375,000	\$ 450,000
General obligation bonds	15,760,000	18,445,000	-	-	15,760,000	18,445,000
Bond premiums	1,378,365	1,672,428	-	-	1,378,365	1,672,428
Revenue bonds	99,605,000	43,090,000	-	-	99,605,000	43,090,000
Bond premiums	2,886,267	3,015,503	-	-	2,886,267	3,015,503
Bond discounts	(200,000)	-	-	-	(200,000)	-
Parking facilities revenue bonds	-	-	34,875,000	36,105,000	34,875,000	36,105,000
Waterworks and sewer system revenue bonds	-	-	694,480,000	665,390,000	694,480,000	665,390,000
Bond premiums	-	-	47,731,021	48,720,576	47,731,021	48,720,576
Stormwater system revenue bonds	-	-	36,810,000	37,470,000	36,810,000	37,470,000
Bond premiums	-	-	4,672,055	4,847,806	4,672,055	4,847,806
Capital leases payable	18,029,685	23,251,463	-	-	18,029,685	23,251,463
Total	<u>\$ 137,834,317</u>	<u>\$ 89,924,394</u>	<u>\$ 818,568,076</u>	<u>\$ 792,533,382</u>	<u>\$ 956,402,393</u>	<u>\$ 882,457,776</u>

As noted earlier, the City's underlying bond rating for its general obligation debt issues was an AA+ by Standard and Poor's and Aa1 by Moody's. The underlying bond rating for its Water and Sewer revenue bonds as of June 30, 2021, 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, 2021, were rated "A-" by Standard and Poor's Rating Service and "A1" by Moody's Investor Service, Inc. In July 2018, both Standard and Poor's Rating Service and Moody's Rating Service upgraded the City's bond rating for its Parking revenue bonds. Moody's upgraded their rating from "A2," and Standard and Poor's upgraded their rating from "BBB+." Stormwater revenue bonds received a rating of "Aa2" from Moody's Rating Service and "AA+" from Standard and Poor's Rating Service.

Article X, Section 14 of the State Constitution limits the amount of general obligation debt a governmental entity may issue to 8% of its assessed property value. The City as of June 30, 2021, had \$15,760,000 in debt subject to this limitation which is less than the \$51,401,378 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.

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2021

Economic Factors and Next Year's Budget

The City's financial condition remained strong as of June 30, 2021. The City has below-average unemployment, above average population growth, and gross domestic product in line with the national average. With uncertainty concerning the economic outlook and how much impact there will be on City revenues resulting from the COVID-19 pandemic, the fiscal year 2022 budget reflects estimate based on prior year actuals.

In developing its fiscal year 2022 budget, the City had three main budget development goals.

1. Continuity of Operations
2. Continuing to provide excellent day-to-day service to our community
3. Fulfilling the City's financial obligations

The City's adopted operating budget for all funds for the year ending June 30, 2022, is \$376,180,393. The adopted budget for the general fund for the year ending June 30, 2022, is \$155,544,489. This represents an increase from the prior year in the amount of \$18,439,648 or 13.45%. Revenues are budgeted at an increase of \$3,361,360 or 2.6%. The largest increase is expected to be property tax which is projected to increase \$1,750,575 or 3.1%. The fiscal year 2022 budget reflects funding for continuity of services and maintaining service levels. Expenditure projections were based on prior year actuals with reductions for vacant positions and suspension of various programs. The General Fund millage rate for fiscal year 2022 is 93.8 mills, no change from the prior year. In keeping with its sustainability budget development goal, the City did not include any use of fund balance in the fiscal year 2022 budget.

Key elements that factored into the preparation of the fiscal year 2022 are detailed below:

- Continuity of Operations
 - Ensuring departments have the resources required to provide city services
 - Restored Capital Replacement Program
- Continuing to provide excellent day-to-day service to our community
 - Commitment to highest level of customer care for residents, visitors, businesses
- Fulfilling the City's financial obligations
 - Debt service payments and other financial commitments
- Address Critical Infrastructure Needs
 - Restored Water, Sewer and Capital Improvement Programs
 - Finlay Park Rehabilitation

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, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and equivalents	\$ 148,782,205	\$ 177,076,941	\$ 325,859,146	\$ 13,722,710
Certificates of deposit	-	-	-	1,212,926
Cash on deposit with escrow agent	-	-	-	4,513,306
Investments	27,073,942	101,790,903	128,864,845	-
Receivables				
Property taxes, net of allowance	1,794,981	-	1,794,981	-
Federal government	4,397,386	60	4,397,446	-
State government	1,236,849	69,482	1,306,331	-
Accounts, net of allowance	5,862,887	12,511,422	18,374,309	329,563
Accrued interest	63,255	352,488	415,743	801
Mortgage notes, net of allowance	-	-	-	104,026
Due from component units	-	200,000	200,000	-
Due from grantee agency	6	-	6	-
Internal balances	24,828,736	(24,828,736)	-	-
Prepaid expenses	3,006,534	266,242	3,272,776	486,439
Inventory	916,194	2,763,185	3,679,379	-
Real estate held for sale and development	-	688,335	688,335	-
Restricted assets				
Restricted cash	19,615,780	-	19,615,780	24,201
Restricted investments	7,078,002	-	7,078,002	-
Real estate held for sale and development	-	-	-	28,800
Total current assets	244,656,757	270,890,322	515,547,079	20,422,772
Noncurrent assets				
Cash on deposit with escrow agent	-	-	-	5,020,926
Investments	-	102,725,444	102,725,444	-
Restricted investments	29,344,103	-	29,344,103	-
Mortgage notes receivable, net of current portion	-	23,332,909	23,332,909	1,866,396
Other assets				
Prepaid bond insurance costs	-	194,772	194,772	-
Organizational costs	-	-	-	1,454
Real estate held for sale or development	-	-	-	1,540,952
Security deposits	-	-	-	4,675
Capital assets not being depreciated				
Land	39,537,608	32,279,773	71,817,381	2,131,559
Construction in progress	32,365,697	266,236,687	298,602,384	-
Capital assets net of accumulated depreciation				
Buildings, improvements and utility plant	159,638,920	783,704,909	943,343,829	7,500,032
Infrastructure	18,025,648	-	18,025,648	-
Machinery and equipment	18,090,082	14,913,545	33,003,627	-
Total noncurrent assets	297,002,058	1,223,388,039	1,520,390,097	18,065,994
TOTAL ASSETS	541,658,815	1,494,278,361	2,035,937,176	38,488,766
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	585,679	54,794,707	55,380,386	-
Deferred outflows related to other postemployment benefits liability	36,257,974	12,215,254	48,473,228	-
Deferred outflows related to net pension liability	34,479,539	11,686,653	46,166,192	-
Accumulated decrease in fair value of hedging derivatives	-	31,778,139	31,778,139	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	71,323,192	110,474,753	181,797,945	-

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION (CONTINUED)
June 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	\$ 6,827,430	\$ 23,758,407	\$ 30,585,837	\$ 594,266
Accrued salaries and benefits	4,422,663	1,818,247	6,240,910	-
Accrued liability for claims	15,290,239	23,600	15,313,839	-
Accrued interest	916,369	11,320,227	12,236,596	-
Retainage payable	2,525	4,993,533	4,996,058	-
Unearned revenue	736,026	349,518	1,085,544	975,652
Due to primary government	-	-	-	200,000
Refundable advances	14,085,827	-	14,085,827	-
Compensated absences, current portion	1,868,785	458,567	2,327,352	11,363
Due to others	56,143	-	56,143	-
Deposits payable	8,729	-	8,729	70,105
Notes payable, current portion	75,000	-	75,000	3,185,347
General obligation bonds, current portion	2,425,000	-	2,425,000	-
Revenue bonds, current portion	4,000,000	20,565,000	24,565,000	-
Forgivable loan	-	90,094	90,094	-
Obligation under capital leases, current portion	4,588,569	-	4,588,569	-
Total current liabilities	55,303,305	63,377,193	118,680,498	5,036,733
Noncurrent liabilities				
Compensated absences, net of current portion	7,475,140	1,834,268	9,309,408	232,926
Net pension liability	184,630,087	62,604,382	247,234,469	-
Total OPEB liability	180,408,858	60,779,455	241,188,313	-
Notes payable, net of current portion	300,000	-	300,000	1,318,277
General obligation bonds, net of current portion	14,713,365	-	14,713,365	-
Revenue bonds, net of current portion	98,291,267	798,003,076	896,294,343	-
Obligation under capital leases, net of current portion	13,441,116	-	13,441,116	-
Paycheck Protection Program loan	-	-	-	812,835
Derivative instrument liability, interest rate swap	-	31,778,139	31,778,139	-
Due to grantor agency	-	-	-	6,501
Total noncurrent liabilities	499,259,833	954,999,320	1,454,259,153	2,370,539
TOTAL LIABILITIES	554,563,138	1,018,376,513	1,572,939,651	7,407,272
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to net pension liability	3,468,528	1,175,792	4,644,320	-
Deferred inflows related to other postemployment benefits liability	3,354,278	1,130,051	4,484,329	-
Deferred inflow - property sale	354,000	-	354,000	-
Deferred inflow - property tax credit	3,157,083	-	3,157,083	-
TOTAL DEFERRED INFLOWS OF RESOURCES	10,333,889	2,305,843	12,639,732	-
NET POSITION				
Net investment in capital assets	160,830,895	431,093,455	591,924,350	5,833,031
Restricted for				
Capital projects	42,358,238	-	42,358,238	-
Debt service	3,527,356	4,091,220	7,618,576	-
Tourism	8,477,418	-	8,477,418	9,611,315
Public safety	614,223	-	614,223	-
Community development				
Expendable	1,060,650	-	1,060,650	67,045
Nonexpendable	5,048	-	5,048	-
Unrestricted	(168,788,848)	148,886,083	(19,902,765)	15,570,103
TOTAL NET POSITION	\$ 48,084,980	\$ 584,070,758	\$ 632,155,738	\$ 31,081,494

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

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

FUNCTIONS/PROGRAMS	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Operating Grants and Contributions		Capital Grants and Contributions	Primary Government			Component Units
		Charges for Services			Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities								
General government	\$ 24,216,858	\$ 44,824,660	432,671	\$ 1,006,965	\$ 22,047,438	\$ -	\$ 22,047,438	\$ -
Judicial	3,500,993	-	-	-	(3,500,993)	-	(3,500,993)	-
Finance department	2,085,404	-	-	-	(2,085,404)	-	(2,085,404)	-
Community promotions	55,255	-	-	-	(55,255)	-	(55,255)	-
Planning and development	4,256,319	-	-	-	(4,256,319)	-	(4,256,319)	-
Public safety	109,125,861	52,690,415	4,692,577	-	(51,742,869)	-	(51,742,869)	-
Parks and recreation	14,836,783	225,924	-	-	(14,610,859)	-	(14,610,859)	-
Public services	19,696,659	556,079	-	-	(19,140,580)	-	(19,140,580)	-
General services	2,843,703	144,378	-	-	(2,699,325)	-	(2,699,325)	-
Tourism and community development	16,731,313	357,718	4,746,537	178,711	(11,448,347)	-	(11,448,347)	-
Interest and other fiscal charges	4,817,145	-	-	-	(4,817,145)	-	(4,817,145)	-
Unallocated depreciation	1,531,898	-	-	-	(1,531,898)	-	(1,531,898)	-
Total governmental activities	<u>203,698,191</u>	<u>98,799,174</u>	<u>9,871,785</u>	<u>1,185,676</u>	<u>(93,841,556)</u>	<u>-</u>	<u>(93,841,556)</u>	<u>-</u>
Business-type activities								
Water/sewer facilities	174,296,353	158,205,156	1,930,701	10,901,680	-	(3,258,816)	(3,258,816)	-
Hydro-electric plant	1,275,708	-	-	-	-	(1,275,708)	(1,275,708)	-
Stormwater facilities	12,934,746	15,593,201	92,670	-	-	2,751,125	2,751,125	-
Parking facilities	7,853,666	6,681,542	-	-	-	(1,172,124)	(1,172,124)	-
Redevelopment programs	707,797	618,613	2,172,985	-	-	2,083,801	2,083,801	-
Parks and recreation camps	209,286	13,063	-	-	-	(196,223)	(196,223)	-
Total business-type activities	<u>197,277,556</u>	<u>181,111,575</u>	<u>4,196,356</u>	<u>10,901,680</u>	<u>-</u>	<u>(1,067,945)</u>	<u>(1,067,945)</u>	<u>-</u>
Total Primary Government	<u>\$ 400,975,747</u>	<u>\$ 279,910,749</u>	<u>\$ 14,068,141</u>	<u>\$ 12,087,356</u>	<u>(93,841,556)</u>	<u>(1,067,945)</u>	<u>(94,909,501)</u>	<u>-</u>
COMPONENT UNITS	<u>\$ 11,727,832</u>	<u>\$ 8,887,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,840,327)</u>
General revenues:								
General property taxes					39,946,275	-	39,946,275	-
Local option sales tax					23,900,908	-	23,900,908	-
Hospitality and admission taxes					11,733,436	-	11,733,436	-
Accommodations tax					1,950,190	-	1,950,190	-
Tourism development revenue					2,604,061	-	2,604,061	-
Liquor permit revenue					323,055	-	323,055	-
State shared revenue					3,123,717	-	3,123,717	-
Appropriations - City of Columbia					-	-	-	1,265,068
Unrestricted investment earnings					213,778	800,707	1,014,485	20,374
Gain on disposal of capital assets					267,285	124,325	391,610	846
Donation of capital assets					907,360	-	907,360	-
Insurance recoveries					177,040	-	177,040	-
Other revenues					272,947	-	272,947	12,275
Transfers					<u>11,335,508</u>	<u>(11,335,508)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers					<u>96,755,560</u>	<u>(10,410,476)</u>	<u>86,345,084</u>	<u>1,298,563</u>
Change in net position					2,914,004	(11,478,421)	(8,564,417)	(1,541,764)
Net position - beginning of period					<u>45,170,976</u>	<u>595,549,179</u>	<u>640,720,155</u>	<u>32,623,258</u>
Net position - end of period					<u>\$ 48,084,980</u>	<u>\$ 584,070,758</u>	<u>\$ 632,155,738</u>	<u>\$ 31,081,494</u>

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

CITY OF COLUMBIA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	County Services	General Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 45,793,568	\$ -	\$ 2,787,899	\$ 9,177,129	\$ 57,758,596
Restricted cash	2,531,473		-	17,084,307	19,615,780
Investments	10,954,943	33,063	55,569	16,030,367	27,073,942
Restricted investments	-	-	-	36,422,105	36,422,105
Receivables					
Property taxes, net	1,794,981	-	-	-	1,794,981
Federal government	-	-	-	4,397,386	4,397,386
State government	1,084,057	-	-	152,792	1,236,849
Accounts, net	663,331	4,655,591	57,582	372	5,376,876
Accrued interest	39,208	119	200	23,728	63,255
Due from grantee agency	-	-	-	6	6
Prepaid charges	858,471	103,533	-	-	962,004
TOTAL ASSETS	<u>\$ 63,720,032</u>	<u>\$ 4,792,306</u>	<u>\$ 2,901,250</u>	<u>\$ 83,288,192</u>	<u>\$ 154,701,780</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 2,653,370	\$ 676,686	\$ 93,826	\$ 1,707,140	\$ 5,131,022
Accrued salaries and benefits	3,081,546	1,052,628	-	53,813	4,187,987
Retainage payable	-	-	2,525	-	2,525
Refundable advances	-	-	-	14,085,827	14,085,827
Due to other funds	1,240,107	4,035,712	-	5,737,169	11,012,988
Due to others	56,143	-	-	-	56,143
Customer deposits	8,729	-	-	-	8,729
Advances from other funds	1,150,042	-	-	-	1,150,042
Total liabilities	<u>8,189,937</u>	<u>5,765,026</u>	<u>96,351</u>	<u>21,583,949</u>	<u>35,635,263</u>
Deferred inflows of resources					
Deferred revenue - deferred property tax credit	3,157,083	-	-	-	3,157,083
Deferred revenue - property sale	354,000	-	-	-	354,000
Unavailable revenue - property taxes	1,794,981	-	-	-	1,794,981
Total deferred inflows of resources	<u>5,306,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,306,064</u>
Fund balances					
Nonspendable	858,471	103,533	-	5,048	967,052
Restricted	2,531,473	-	-	53,506,412	56,037,885
Committed	4,854,449	-	-	-	4,854,449
Assigned	124,308	-	2,804,899	9,483,508	12,412,715
Unassigned	41,855,330	(1,076,253)	-	(1,290,725)	39,488,352
Total fund balances (deficits)	<u>50,224,031</u>	<u>(972,720)</u>	<u>2,804,899</u>	<u>61,704,243</u>	<u>113,760,453</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 63,720,032</u>	<u>\$ 4,792,306</u>	<u>\$ 2,901,250</u>	<u>\$ 83,288,192</u>	<u>\$ 154,701,780</u>

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

CITY OF COLUMBIA, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2021

Total fund balance, governmental funds \$ 113,760,453

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	\$ 39,537,608	
Construction in progress	32,365,697	
Buildings and improvements, net	159,638,920	
Infrastructure, net	18,025,648	
Machinery and equipment, net	18,090,082	
Less: Net capital assets reported in the Internal Service Funds	(183,050)	267,474,905

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

Unamortized deferred change on refunding	\$ 585,679	
Pension related deferred outflows	34,479,539	
Less: Pension related deferred outflows reported in the Internal Service Funds	(1,062,630)	34,002,588

Certain property tax revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

1,794,981

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

(706,291)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

(76,652,138)

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.

37,933,045

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

Accrued compensated absences	\$ (9,343,925)	
Less: Compensated absences reported in the Internal Service Funds	360,734	
Accrued interest payable	(916,369)	
Net pension liability	(184,630,087)	
Less: Net pension liability reported in the Internal Service Funds	6,194,437	
Bonds and notes payable	(115,740,000)	
Capital lease payable	(18,029,685)	
Unamortized discount	200,000	
Unamortized premium	(4,264,632)	(326,169,527)

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

Pension related deferred inflows	\$ (3,468,528)	
Less: Pension related deferred inflows reported in the Internal Service Funds	115,492	(3,353,036)

Net position of governmental activities in the statement of net position

\$ 48,084,980

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

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2021

	General Fund	County Services	General Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
General property taxes	\$ 37,415,705	\$ -	\$ -	\$ 1,056,652	\$ 38,472,357
Local option sales tax	23,900,908	-	-	-	23,900,908
Hospitality and admission taxes	678,353	-	-	11,055,083	11,733,436
Accommodations tax	-	-	-	1,950,190	1,950,190
Tourism development fee	-	-	-	2,604,061	2,604,061
Liquor permit fee	-	-	-	323,055	323,055
Licenses and permits	30,183,111	-	-	-	30,183,111
Franchise fees	10,924,209	-	-	-	10,924,209
Intergovernmental revenue	17,828,494	-	-	144,998	17,973,492
Charges for services	15,537,968	-	-	1,988	15,539,956
Fines and forfeitures	714,035	-	-	93,585	807,620
Federal government	352,680	-	-	7,441,670	7,794,350
State government	79,991	-	163,361	-	243,352
County government	-	24,622,269	-	2,186,516	26,808,785
Private grants	100	-	15,350	817,793	833,243
Interest	45,219	244	582	53,915	99,960
Rental income	1,661,502	-	210,732	-	1,872,234
Other revenues	24,178	-	-	248,769	272,947
Total revenues	139,346,453	24,622,513	390,025	27,978,275	192,337,266
EXPENDITURES					
Current					
General government	12,459,109	-	158	22,744	12,482,011
Judicial	3,127,814	-	-	-	3,127,814
Finance department	1,899,630	-	-	-	1,899,630
Planning and development	3,877,154	-	-	-	3,877,154
Public safety	70,371,223	24,345,140	-	1,017,375	95,733,738
Parks and recreation	11,422,399	-	-	158,534	11,580,933
Public services	15,180,963	-	-	2,542,398	17,723,361
General services	2,564,284	-	-	-	2,564,284
Tourism and community development	3,692,981	-	143,454	11,400,423	15,236,858
Community promotions	50,333	-	-	-	50,333
Debt service					
Principal payment on bonds	5,221,778	-	-	10,870,000	16,091,778
Interest on bonds	429,290	-	-	2,542,853	2,972,143
Debt issuance costs	-	-	-	1,800,616	1,800,616
Fiscal agent charges	-	-	-	16,442	16,442
Capital outlay					
Capital outlay	10,076,163	-	24,564,131	1,145,783	35,786,077
Total expenditures	140,373,121	24,345,140	24,707,743	31,517,168	220,943,172
Excess (deficiency) of revenues over (under) expenditures	(1,026,668)	277,373	(24,317,718)	(3,538,893)	(28,605,906)
OTHER FINANCING SOURCES (USES)					
Transfers in	9,256,337	75,971	24,876,020	15,433,882	49,642,210
Transfers (out)	(6,422,727)	-	-	(39,852,895)	(46,275,622)
Proceeds from sale of general capital assets	334,563	-	-	-	334,563
Issuance of bonds	-	-	-	64,425,000	64,425,000
Insurance recoveries	177,040	-	-	-	177,040
Total other financing sources	3,345,213	75,971	24,876,020	40,005,987	68,303,191
Net change in fund balance	2,318,545	353,344	558,302	36,467,094	39,697,285
Beginning fund balances (deficit)	47,905,486	(1,326,064)	2,246,597	25,237,149	74,063,168
Ending fund balances (deficit)	\$ 50,224,031	\$ (972,720)	\$ 2,804,899	\$ 61,704,243	\$ 113,760,453

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

CITY OF COLUMBIA, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

Net change in fund balances - total governmental funds \$ 39,697,285

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	\$ 35,786,077	
Capital assets donated	907,360	
Depreciation expense	(17,043,655)	
Less: depreciation expense reported in the Internal Service Funds	19,171	19,668,953

In the Statement of Activities, the gain or loss on disposal of capital assets is reported. Conversely, governmental funds do not report gain or loss on the disposal of capital assets.

Net book value of disposed capital assets		(76,528)
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Internal service funds are used by management to charge costs of certain activities to individual funds. The change in net income of the internal service funds is included in governmental activities in the statement of activities.

(7,347,644)

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

Property tax		1,473,917
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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 issued	\$ (64,425,000)	
Principal retirement of long-term debt	16,091,778	
Amortization of premium	423,299	
Amortization of bond refunding deferred charge	(264,855)	(48,174,778)

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	\$ (299,785)	
Pension expense	(9,534,402)	
Accrued interest payable	(186,388)	(10,020,575)

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.

7,693,374

Change in net position of governmental activities

\$ 2,914,004

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

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 148,946,661	\$ 7,776,505	\$ 20,353,775	\$ 177,076,941	\$ 91,023,609
Investments	81,753,542	1,789,752	18,247,609	101,790,903	-
Accounts receivable, net	12,422,161	88,511	750	12,511,422	486,011
Accrued interest receivable	283,938	6,457	62,093	352,488	-
Due from federal government	60	-	-	60	-
Due from state government	69,482	-	-	69,482	-
Due from other funds	21,183,219	-	-	21,183,219	-
Due from component units	200,000	-	-	200,000	-
Inventory	2,704,441	58,744	-	2,763,185	916,194
Prepaid expenses	217,002	41,197	8,043	266,242	2,044,530
Real estate held for resale	-	-	688,335	688,335	-
Total current assets	267,780,506	9,761,166	39,360,605	316,902,277	94,470,344
Noncurrent assets					
Mortgage notes receivable, net	99,655	-	23,233,254	23,332,909	-
Investments	68,176,449	-	34,548,995	102,725,444	-
Prepaid bond insurance costs	-	194,772	-	194,772	-
Advances to other funds	1,150,042	-	-	1,150,042	-
Capital assets					
Land	14,890,063	16,806,856	582,854	32,279,773	-
Buildings, improvements and utility plant	1,245,943,679	57,850,251	53,677,610	1,357,471,540	914,576
Machinery and equipment	82,156,600	1,891,604	5,234,258	89,282,462	1,587,337
Less accumulated depreciation	(604,889,261)	(26,257,336)	(16,988,951)	(648,135,548)	(2,318,863)
Construction in progress	249,216,097	3,994,341	13,026,249	266,236,687	-
Net capital assets	987,317,178	54,285,716	55,532,020	1,097,134,914	183,050
Total noncurrent assets	1,056,743,324	54,480,488	113,314,269	1,224,538,081	183,050
TOTAL ASSETS	1,324,523,830	64,241,654	152,674,874	1,541,440,358	94,653,394
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	54,794,707	-	-	54,794,707	-
Deferred outflows related to other postemployment benefits liability	10,528,385	683,473	1,003,396	12,215,254	36,257,974
Deferred outflows related to net pension liability	10,044,296	715,020	927,337	11,686,653	1,062,630
Accumulated decrease in fair value of hedging derivatives	31,778,139	-	-	31,778,139	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	107,145,527	1,398,493	1,930,733	110,474,753	37,320,604

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS (CONTINUED)
June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental
	Water/Sewer	Parking	Nonmajor	Total	Internal
	Facilities Fund	Facilities Fund	Enterprise Funds		Service Funds
LIABILITIES					
Current liabilities					
Accounts payable	\$ 19,206,853	\$ 2,048,840	\$ 2,502,714	\$ 23,758,407	\$ 1,696,408
Accrued salaries and benefits	1,603,037	100,260	114,950	1,818,247	234,676
Compensated absences, current portion	411,123	27,668	19,776	458,567	72,147
Retainage payable	4,517,505	-	476,028	4,993,533	-
Accrued interest payable	9,969,026	599,597	751,604	11,320,227	-
Revenue bonds payable, current portion	18,505,000	1,375,000	685,000	20,565,000	-
Forgivable loan	90,094	-	-	90,094	-
Due to other funds	-	-	9,228,952	9,228,952	941,279
Unearned revenue	225,018	22,031	102,469	349,518	29,735
Accrued liability for claims	23,600	-	-	23,600	15,290,239
Total current liabilities	54,551,256	4,173,396	13,881,493	72,606,145	18,264,484
Noncurrent liabilities					
Compensated absences, net of current portion	1,644,493	110,670	79,105	1,834,268	288,587
Net pension liability	53,871,910	3,982,172	4,750,300	62,604,382	6,194,437
Total OPEB liability	52,386,102	3,400,755	4,992,598	60,779,455	180,408,858
Revenue bonds payable, net of current portion	723,706,021	33,500,000	40,797,055	798,003,076	-
Derivative instrument liability - interest rate swap	31,778,139	-	-	31,778,139	-
Total noncurrent liabilities	863,386,665	40,993,597	50,619,058	954,999,320	186,891,882
TOTAL LIABILITIES	917,937,921	45,166,993	64,500,551	1,027,605,465	205,156,366
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to other postemployment benefits liability	973,996	63,229	92,826	1,130,051	3,354,278
Deferred inflows related to net pension liability	1,011,903	74,561	89,328	1,175,792	115,492
TOTAL DEFERRED INFLOWS OF RESOURCES	1,985,899	137,790	182,154	2,305,843	3,469,770
FUND NET POSITION					
Net investment in capital assets	363,559,807	19,410,716	48,122,932	431,093,455	183,050
Restricted for debt service	3,054,086	-	1,037,134	4,091,220	-
Unrestricted	145,131,644	924,648	40,762,836	186,819,128	(76,835,188)
TOTAL FUND NET POSITION	\$ 511,745,537	\$ 20,335,364	\$ 89,922,902	622,003,803	\$ (76,652,138)
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				(37,933,045)	
Net position of business-type activities				<u>\$ 584,070,758</u>	

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

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues					
Charges for service	\$ 157,941,466	\$ 4,875,861	\$ 16,137,921	\$ 178,955,248	\$ 49,363,896
Intergovernmental revenue	1,200	-	16,653	17,853	29,735
Other operating revenue	-	1,680,183	-	1,680,183	-
Total operating revenues	157,942,666	6,556,044	16,154,574	180,653,284	49,393,631
Operating expenses					
Personnel services	46,687,801	3,116,886	3,752,921	53,557,608	20,885,480
Materials and supplies	13,062,687	104,611	199,794	13,367,092	8,238,636
Other services and charges	34,113,948	874,860	6,749,324	41,738,132	4,596,564
Heat, light and power	5,961,557	309,549	-	6,271,106	3,813
Depreciation	39,492,667	1,662,027	2,018,250	43,172,944	19,171
Claims and premiums	23,484	-	-	23,484	31,089,599
Loan bad debt expense	-	-	216,143	216,143	-
Total operating expenses	139,342,144	6,067,933	12,936,432	158,346,509	64,833,263
Operating income (loss)	18,600,522	488,111	3,218,142	22,306,775	(15,439,632)
Nonoperating revenues (expenses)					
Investment income	611,346	13,655	175,706	800,707	113,818
Rental income	220,181	110,940	-	331,121	-
Other nonoperating revenue	42,309	14,558	70,303	127,170	-
Federal grant revenue	1,481,643	-	2,265,655	3,747,298	-
State grant revenue	449,058	-	-	449,058	-
Gain (loss) from sale of assets	(965,903)	4,095	120,230	(841,578)	9,250
Interest expense	(22,973,323)	(1,463,966)	(1,643,499)	(26,080,788)	-
Bond related costs	(1,815,409)	(1,000)	(3,900)	(1,820,309)	-
Amortization of deferred charges	(2,358,174)	(12,499)	-	(2,370,673)	-
Total nonoperating revenues (expenses)	(25,308,272)	(1,334,217)	984,495	(25,657,994)	123,068
Income (loss) before contributions and transfers	(6,707,750)	(846,106)	4,202,637	(3,351,219)	(15,316,564)
Capital contributions and transfers					
Transfers in	259,166	9,302	314,058	582,526	9,798,686
Transfers out	(10,158,252)	(910,201)	(849,581)	(11,918,034)	(1,829,766)
Capital contributions	10,901,680	-	-	10,901,680	-
Total capital contributions and transfers	1,002,594	(900,899)	(535,523)	(433,828)	7,968,920
Change in net position	(5,705,156)	(1,747,005)	3,667,114	(3,785,047)	(7,347,644)
Net position - beginning of period	517,450,693	22,082,369	86,255,788		(69,304,494)
Net position - ending	\$ 511,745,537	\$ 20,335,364	\$ 89,922,902		\$ (76,652,138)
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				(7,693,374)	
Change in net position of business-type activities				<u>\$ (11,478,421)</u>	

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

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental
	Water/Sewer	Parking	Nonmajor	Total	Internal
	Facilities Fund	Facilities Fund	Enterprise Funds		Service Funds
Cash flows from operating activities					
Receipts from customers and users	\$ 157,505,695	\$ 6,544,838	\$ 16,371,222	\$ 180,421,755	\$ 244,478
Internal activity - receipts from other funds	-	-	-	-	49,030,749
Internal activity - payments to other funds	(2,388,255)	(70,750)	(288,020)	(2,747,025)	-
Payments to suppliers	(65,839,602)	(520,323)	(6,744,398)	(73,104,323)	(18,175,250)
Claims paid	(23,484)	-	-	(23,484)	(31,237,712)
Payments to employees	(24,269,654)	(1,596,871)	(1,712,624)	(27,579,149)	(3,523,711)
Net cash provided by (used in) operating activities	64,984,700	4,356,894	7,626,180	76,967,774	(3,661,446)
Cash flows from noncapital financing activities					
Advances from other funds	-	-	1,045,018	1,045,018	247,769
Advances to other funds	(2,128,159)	-	(451,096)	(2,579,255)	-
Nonoperating grants	1,936,668	-	2,265,655	4,202,323	-
Transfers in	259,166	9,302	314,058	582,526	9,798,686
Transfers out	(10,158,252)	(910,201)	(849,581)	(11,918,034)	(1,829,766)
Net cash (used in) provided by noncapital financing activities	(10,090,577)	(900,899)	2,324,054	(8,667,422)	8,216,689
Cash flows from capital and related financing activities					
Principal paid on bonds and notes	(106,445,000)	(1,230,000)	(660,000)	(108,335,000)	-
Proceeds from revenue bonds	136,997,936	-	-	136,997,936	-
Interest paid on debt	(26,483,088)	(1,481,777)	(1,830,250)	(29,795,115)	-
Payments for bond related costs	(25,574,113)	(1,000)	(3,900)	(25,579,013)	-
Purchase of capital assets	(78,027,678)	(3,124,097)	(5,091,381)	(86,243,156)	-
Proceeds from sale of capital assets	305,287	3,680,590	120,230	4,106,107	9,250
Net cash (used in) provided by capital and related financing activities	(99,226,656)	(2,156,284)	(7,465,301)	(108,848,241)	9,250
Cash flows from investing activities					
Purchase of investments	-	(361,128)	(472,690)	(833,818)	-
Sale of investments	61,214,606	-	70,303	61,284,909	-
Purchase of real estate held for resale	-	-	(91,994)	(91,994)	-
Receipts of property rentals	220,181	110,940	-	331,121	-
Advances of mortgage notes receivable	-	-	(193,770)	(193,770)	-
Collections of mortgage notes receivable	4,367	-	-	4,367	-
Interest received	682,100	27,212	162,378	871,690	113,818
Net cash provided by (used in) investing activities	62,121,254	(222,976)	(525,773)	61,372,505	113,818
Net increase in cash and cash equivalents	17,788,721	1,076,735	1,959,160	20,824,616	4,678,311
Cash and cash equivalents, July 1, 2020	131,157,940	6,699,770	18,394,615	156,252,325	86,345,298
Cash and cash equivalents, June 30, 2021	\$ 148,946,661	\$ 7,776,505	\$ 20,353,775	\$ 177,076,941	\$ 91,023,609

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Enterprise Funds	Total	Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 18,600,522	\$ 488,111	\$ 3,218,142	\$ 22,306,775	\$ (15,439,632)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	39,492,667	1,662,027	2,018,250	43,172,944	19,171
Accrued benefits related to net pension liability	2,836,423	184,133	270,324	3,290,880	226,758
Bad debt expense	-	-	216,143	216,143	-
Change in operating assets and liabilities					
Accounts receivable	(439,971)	(18,769)	506	(458,234)	(118,404)
Inventory	107,564	797	-	108,361	(214,869)
Prepaid expenses	(66,837)	(1,022)	6,103	(61,756)	(1,952,339)
Accounts payable	(696,659)	1,712,050	1,425,795	2,441,186	(1,227,744)
Accrued salaries	718,942	42,132	50,658	811,732	114,124
Accrued compensated absences	59,240	(3,803)	3,800	59,237	30,723
OPEB liability	4,369,809	283,675	416,460	5,069,944	15,048,879
Unearned revenue	3,000	7,563	(1)	10,562	-
Accrued liability for claims	-	-	-	-	(148,113)
Total adjustments	<u>46,384,178</u>	<u>3,868,783</u>	<u>4,408,038</u>	<u>54,660,999</u>	<u>11,778,186</u>
Net cash provided by (used in) operating activities	<u>\$ 64,984,700</u>	<u>\$ 4,356,894</u>	<u>\$ 7,626,180</u>	<u>\$ 76,967,774</u>	<u>\$ (3,661,446)</u>

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

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

June 30, 2021

	<u>Private- Purpose Trust Funds</u>	<u>Custodial Fund</u>
ASSETS		
Cash and cash equivalents	\$ 4,935	\$ 85,965
Total assets	<u>4,935</u>	<u><u>85,965</u></u>
LIABILITIES		
Accounts payable	-	\$ 85,965
Total liabilities	<u>-</u>	<u><u>85,965</u></u>
NET POSITION		
Held in trust - other purposes	<u><u>\$ 4,935</u></u>	

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

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

Year Ended June 30, 2021

	<u>Private- Purpose Trust Funds</u>
ADDITIONS	
Contributions:	
Private donations	\$ 27
Total additions	<u>27</u>
DEDUCTIONS	
Program expenses	3
Total deductions	<u>3</u>
Change in net position	24
Net position - beginning	<u>4,911</u>
Net position - ending	<u><u>\$ 4,935</u></u>

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

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

June 30, 2021

	Columbia Housing Development Corporation	Eau Claire Development Corporation	Experience Columbia SC	TN Development Corporation	Columbia Empowerment Zone, Inc.	Total
ASSETS						
Current assets						
Cash and cash equivalents	\$ 880,976	\$ 563,156	\$ 10,522,983	\$ 779,566	\$ 976,029	\$ 13,722,710
Certificates of deposit	100,000	-	-	100,000	1,012,926	1,212,926
Cash on deposit with escrow agent	-	-	4,513,306	-	-	4,513,306
Accounts receivable, net	1,557	304	193,765	117,524	16,413	329,563
Accrued interest receivable	-	-	-	-	801	801
Mortgage notes receivable, current portion	24,014	-	-	-	80,012	104,026
Prepaid expenses	3,626	3,179	439,140	32,743	7,751	486,439
Restricted assets						
Restricted cash	-	-	-	-	24,201	24,201
Real estate held for sale and development	28,800	-	-	-	-	28,800
Total current assets	1,038,973	566,639	15,669,194	1,029,833	2,118,133	20,422,772
Capital assets						
Capital assets, not being depreciated	77,398	58,000	-	710,731	1,285,430	2,131,559
Capital assets, net of accumulated depreciation	419,345	307,320	2,710,342	2,112,739	1,950,286	7,500,032
Net capital assets	496,743	365,320	2,710,342	2,823,470	3,235,716	9,631,591
Other assets						
Mortgage note receivable, net of allowance	413,462	-	-	-	1,452,934	1,866,396
Real estate held for sale and development	497,854	488,307	-	554,791	-	1,540,952
Organizational costs	-	-	-	-	1,454	1,454
Security deposits	-	-	2,500	2,175	-	4,675
Cash on deposit with escrow agent	-	-	5,020,926	-	-	5,020,926
Total other assets	911,316	488,307	5,023,426	556,966	1,454,388	8,434,403
Total noncurrent assets	1,408,059	853,627	7,733,768	3,380,436	4,690,104	18,065,994
TOTAL ASSETS	2,447,032	1,420,266	23,402,962	4,410,269	6,808,237	38,488,766

(Continued)

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

June 30, 2021

	Columbia Housing Development Corporation	Eau Claire Development Corporation	Experience Columbia SC	TN Development Corporation	Columbia Empowerment Zone, Inc.	Total
LIABILITIES						
Current liabilities						
Accounts payable	\$ 3,857	\$ 3,611	\$ 284,215	\$ 41,041	\$ 13,309	\$ 346,033
Accrued expenses	8,756	3,796	206,726	15,327	13,628	248,233
Customer deposits	4,000	1,100	-	40,804	24,201	70,105
Due to primary government	100,000	-	-	100,000	-	200,000
Compensated absences	2,310	-	-	2,813	6,240	11,363
Mortgage/bonds/notes payable/ lines of credit - current portion	-	577,981	-	2,607,366	-	3,185,347
Unearned revenue	140,278	-	791,121	44,253	-	975,652
Total current liabilities	259,201	586,488	1,282,062	2,851,604	57,378	5,036,733
Noncurrent liabilities						
Compensated absences	9,238	-	187,395	11,327	24,966	232,926
Mortgage/bonds/lines of credit payable	621,723	-	-	696,554	-	1,318,277
Paycheck Protection Program loan	-	-	812,835	-	-	812,835
Due to grantor agency	-	6,501	-	-	-	6,501
Total noncurrent liabilities	630,961	6,501	1,000,230	707,881	24,966	2,370,539
TOTAL LIABILITIES	890,162	592,989	2,282,292	3,559,485	82,344	7,407,272
NET POSITION						
Net investment in capital assets	(124,980)	365,320	2,710,342	(480,450)	3,362,799	5,833,031
Restricted						
Community development	28,800	38,245	-	-	-	67,045
Tourism	-	-	9,611,315	-	-	9,611,315
Unrestricted	1,653,050	423,712	8,799,013	1,331,234	3,363,094	15,570,103
TOTAL NET POSITION	\$ 1,556,870	\$ 827,277	\$ 21,120,670	\$ 850,784	\$ 6,725,893	\$ 31,081,494

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

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES -
BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS
Year Ended June 30, 2021

	Program Revenue				Net (Expense) Revenues and Changes in Net Position					Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Columbia Housing Development Corporation	Eau Claire Development Corporation	Experience Columbia SC	TN Development Corporation	Columbia Empowerment Zone, Inc.	
Columbia Housing Development Corporation Community Development	291,403	46,428	-	-	(244,975)	-	-	-	-	(244,975)
Eau Claire Development Corporation Community Development	119,033	13,864	-	-	-	(105,169)	-	-	-	(105,169)
Experience Columbia SC Community Promotions	9,299,587	7,565,568	-	-	-	(1,734,019)	-	-	-	(1,734,019)
TN Development Corporation Community Development	1,435,296	969,239	-	-	-	-	(466,057)	-	-	(466,057)
Columbia Empowerment Zone, Inc. Community Development	582,513	292,406	-	-	-	-	-	(290,107)	-	(290,107)
Total component units	<u>\$ 11,727,832</u>	<u>\$ 8,887,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(244,975)</u>	<u>(105,169)</u>	<u>(1,734,019)</u>	<u>(466,057)</u>	<u>(290,107)</u>	<u>(2,840,327)</u>
General revenues:										
Appropriations - City of Columbia					180,294	231,816	-	557,792	295,166	1,265,068
Investment earnings					2,055	132	18,187	-	-	20,374
Gain on disposal of capital assets					846	-	-	-	-	846
Other revenues					1,927	-	-	-	10,348	12,275
Total general revenues					<u>185,122</u>	<u>231,948</u>	<u>18,187</u>	<u>557,792</u>	<u>305,514</u>	<u>1,298,563</u>
Change in net position					<u>(59,853)</u>	<u>126,779</u>	<u>(1,715,832)</u>	<u>91,735</u>	<u>15,407</u>	<u>(1,541,764)</u>
Net position - beginning of period					<u>1,616,723</u>	<u>700,498</u>	<u>22,836,502</u>	<u>759,049</u>	<u>6,710,486</u>	<u>32,623,258</u>
Net position - ending					<u>\$ 1,556,870</u>	<u>\$ 827,277</u>	<u>\$ 21,120,670</u>	<u>\$ 850,784</u>	<u>\$ 6,725,893</u>	<u>31,081,494</u>

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

INDEX TO NOTES TO FINANCIAL STATEMENTS

CITY OF COLUMBIA, SOUTH CAROLINA
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Year Ended June 30, 2021

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CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Columbia (the City), a political subdivision of the State of South Carolina, incorporated in 1854, is located in the central part of South Carolina. Columbia is the state capital as well as the county seat of Richland County. The City has an estimated population of approximately 133,100 living within an area of approximately 135 square miles. The Greater Columbia Metropolitan Area consists of Lexington and Richland Counties and has an estimated population of 817,500. The City's economy is driven by education, government, military, finance, and industry. In 1950, the City approved a charter adopting a Council-Manager form of government and is governed by a six member council and Mayor.

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

A. REPORTING ENTITY

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

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the City having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the City; and (c) issue bonded debt without approval by the City. An entity has a financial benefit or burden relationship with the City if, for example, any of the following conditions exists: (a) the City is legally entitled to or can otherwise access the entity's resources; (b) the City is legally obligated or has otherwise assumed the obligation to finance the deficits or, provide financial support to, the entity; or (c) the City is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the City's financial statements to be misleading.

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

Blended Component Units

Public Facilities Corporation

This is a single-purpose corporate entity that was formed in 2002 as a non-profit corporation to undertake certain obligations with respect to the acquisition of real and personal property and the design, construction, operation, and financing of a multipurpose conference/convention center and other improvements. Its board is comprised of the City Manager of Columbia, the Assistant City Manager for Operations, and the Assistant City Manager for Finance and Economic Services or the equivalent thereof. For details of the outstanding debt see Note III. 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, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Blended Component Units (Continued)

Municipal Complex

The Municipal Complex represents the building located at 1401 Main St., Columbia, SC, which is owned by the City. The Municipal Complex houses City offices and tenants for which the City takes in rent. Eventually, this building will be occupied completely by the City. The Municipal Complex is reported within the General Fund and does not issue separate financial statements.

Discretely Presented Component Units

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.

Experience Columbia SC

Experience Columbia SC is comprised of the Columbia Metropolitan Convention and Visitors Bureau (the "Bureau") and Midlands Authority for Conventions, Sports and Tourism (the "Authority"). The Bureau is a not-for-profit organization established to enhance the economic growth of Lexington and Richland counties. The Authority is a not-for-profit organization consisting of the Convention Center Authority, which was incorporated in July 2001 and was formed to oversee the development of a regional convention center and operate the convention center for the mutual benefit of the City and Richland and Lexington counties (the "Governmental Entities") and the Bureau. Experience Columbia SC has a nine member board of directors appointed by the Governmental Entities. Lexington and Richland counties appoint two directors each and the remaining directors are appointed by the City. The Governmental Entities have pledged their tourism development fees to support this project. The City also issued debt to fund this project and is responsible for the debt payments. The City is also required to fund any operating deficits incurred. The City owns the building where Experience Columbia SC is located.

TN Development Corporation (TNDC)

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Discretely Presented Component Units (Continued)

Columbia Empowerment Zone, Inc. (CEZ)

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

Columbia Development Corporation (CDC) was previously a discretely presented component of the City. As CDC no longer receives support from the City, it is no longer a discretely presented component unit within the City's financial statements as of and for the year ended June 30, 2021.

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

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Governmental Fund Types:

General Fund

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

Special Revenue Funds

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

- County Services (a major fund) – Revenues received in this fund must be used to provide fire services and 911 emergency communications to Richland County citizens residing outside the City limits.
- General Capital Projects (a major fund) – accounts for various capital projects funded by various 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. Expenditures from this fund must be used for the promotion of tourism or youth mentoring programs.
- Business Improvement District – accounts for the Business Improvement District taxes assessed on the businesses in the downtown area of the City to promote downtown beautification.
- Accommodations Tax – accounts for State Hotel Accommodations Tax receipts to promote tourism-related activities of City organizations. Expenditures from this fund must be used for the promotion of tourism.
- Confiscated Drug Program – accounts for the disposition of forfeited property and money seized in Columbia by law enforcement agencies. Expenditures from this fund must be used to enhance public safety.
- Hospitality Tax – accounts for a local 2% gross sales tax on prepared food and beverages sold in establishments to promote tourism-related activities of the City. Expenditures from this fund must be used to promote tourism.
- Community Development – accounts for the Community Development Block Grants and other community development type grants. Expenditures from this fund must be used on activities that enhance the community.
- Federal Grants – accounts for federal grant funds received except for Community Development Block Grants.
- Other Programs – provides for miscellaneous programs for park improvements and special events.
- Tourism Development Convention Center – accounts for the Tourism Development Fee imposed upon the rental of hotels, motels, and other lodging establishments in the City. This fee is dedicated to the attraction of and improving the services provided to tourists. This fund also accounts for the activities of the Public Facilities Corporation, a blended component unit.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Governmental Fund Types (Continued):

Debt Service Fund

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

Capital Projects Funds

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

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

Permanent Funds

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

- Anna 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, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Proprietary Fund Types (Continued):

Internal Service Funds

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

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

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

Transactions related to assets held by the City as a custodian 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:

Custodial Fund

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

Private-Purpose Trust Funds

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

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

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

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

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

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

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

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

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

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

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

Deposits

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

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

Investments

In accordance with GASB 31 and GASB 72, investments in all funds are stated at fair value. State statutes authorize the City to invest in certificates of deposit, United States Treasury and United States Agency obligations, South Carolina and related political subdivision general obligation bonds, and repurchase agreements collateralized by these obligations.

Inventory and Prepaid Assets

In both the government-wide and the fund financial statements, all inventories are recorded in the respective fund at cost or estimated historical cost on a first-in, first-out (FIFO) basis. The related expenditures or expenses are recognized when inventories are consumed. Changes in the year-end inventory are reflected in expenses.

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Real Estate

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

Mortgage Notes and Notes Receivable and Allowance for Loan Losses

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

Accounts Receivable and Allowance for Bad Debt

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

Interfund Balances

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

Capital Assets

In the government-wide financial statements, capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to June 15, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015, are recorded at acquisition value.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

Infrastructure assets acquired prior to 1986 would have been fully depreciated and were not considered in this calculation. For those assets acquired between fiscal years 1986 and 2006, the acquisition date is assumed to have been on the last day of the fiscal year. For assets acquired after 2006, the acquisition date is the actual date of purchase. Infrastructure assets acquired during fiscal year 2006 to the present are depreciated from the date of acquisition.

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

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

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

Restricted Assets

Restricted assets consist of real estate that is held for sale and development, restricted cash, and restricted investments.

Compensated Absences

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

The liability for compensated absences in the government-wide, proprietary, and fiduciary fund financial statements is calculated based upon recorded balances of unused leave for which the City would compensate employees if employment ended June 30, 2021. The change in this calculated amount from the previous year is expensed in current operations. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Refundable Advances

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Unearned Revenues

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

Long-Term Obligations

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

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

Deferred Outflows of Resources

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category. One type, unavailable revenue, arises only under a modified accrual basis of accounting. Accordingly, this type is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the periods the amounts become available. The second type is revenue received before time requirements are met, but after all other requirements have been met. In 2006, City residents approved a Local Option Sales Tax referendum. This tax is detailed further in Note I. E. Under state law, the City is required to give the taxpayers a credit on their property tax bill once the referendum is passed. The City recognizes revenue, on both the entity-wide statements and the fund financial statements, in the period in which the credit is given on the property tax bills and for the dollar amount of credit taxpayers are given on their property tax bills. Deferred inflows result when funds are received from the State of South Carolina prior to the time requirements being met, but after all other eligibility requirements are met. During 2021, 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 lives of all participants. The fourth type is deferred inflows relating to other postemployment benefit liability and is the result of assumption changes related to plan benefits and is amortized into other postemployment benefit expense over a closed period of approximately eight years.

E. REVENUES, EXPENDITURES, AND EXPENSES

Property Tax Revenues

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

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

The City does not receive any penalty amount or costs on delinquent taxes collected by Richland County. Assessed values are established by the Richland County Tax Assessor, the Lexington County Tax Assessor, and the South Carolina Department of Revenue. The City's operating tax rate is currently 98.1 mills. Amounts received by Richland County and Lexington County, but not remitted to the City at year end, are included in Property Taxes Receivable on the Statement of Net Position and the Balance Sheet.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES, EXPENDITURES AND EXPENSES (Continued)

Pensions and Other Post Employment Benefits Liability

The net pension liability and related deferred outflows and inflows and expense are measured using information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS). Additions to/deductions from SCRS's and PORS's fiduciary net position have been determined on the same basis as they are reported by SCRS and PORS. The OPEB liability and related deferred outflows and inflows and expense are actuarially determined for the City's defined benefit OPEB plan. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Interfund transfers

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

F. NET POSITION

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

G. FUND BALANCE

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

Nonspendable fund balance

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

Restricted fund balance

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

Committed fund balance

The committed fund balance classification includes amounts that can only be used for specific purposes imposed by ordinance approved by the City Council, the highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND BALANCE (Continued)

Committed fund balance (Continued)

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

Assigned fund balance

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

Unassigned fund balance

The unassigned fund balance classification includes amounts that have not been assigned to other funds and has not been restricted, committed, or assigned for specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Based on the City's policies regarding fund balance classifications as noted above, the City considers amounts that are restricted, committed, or assigned to be spent when the corresponding expenditure that has been designated by City Council or donors has been made. It is the City's policy to consider restricted fund balances to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. After these fund balances have been depleted, unassigned fund balance will be considered to have been spent.

Classification / Fund	Purpose	Amount
Nonspendable		
General Fund	Prepaid charges	\$ 858,471
County Services	Prepaid charges	103,533
Anna Dickson Trust	Nonspendable principal	5,048
Total nonspendable		967,052
Restricted		
General Fund	Capital projects	1,885,765
General Fund	Community development	645,708
Liquor Permit Fee	Tourism	1,586,656
Tourism Development Convention Center	Tourism	1,855,259
Accommodations Tax	Tourism	411,807
Hospitality Tax	Tourism	4,623,696
Confiscated Drug Program	Law enforcement	355,190
Federal grants	Public safety	259,033
Other Programs	Community development	414,942
Debt Service Fund	Debt Service	3,527,356
Congaree Vista District	Construction of parks in the Congaree Vista District	5,566,207
Miscellaneous Projects	General Fund capital projects	34,906,266
Total restricted		56,037,885

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND BALANCE (Continued)

Committed		
General Fund	Community development	\$ 484,765
General Fund	Public safety	<u>4,369,684</u>
Total committed		<u>4,854,449</u>
Assigned		
General Fund	Subsequent year expenditures	124,308
General Capital Projects	Capital projects	2,804,899
Streetscaping	Streetscaping capital projects	<u>9,483,508</u>
Total assigned		<u>12,412,715</u>
Unassigned		
General Fund		41,855,330
County Services		(1,076,253)
Other Governmental Funds		<u>(1,290,725)</u>
Total unassigned		<u>39,488,352</u>
Total fund balances		<u>\$ 113,760,453</u>

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. DEFICIT FUND EQUITY

At June 30, 2021, the County Services Fund had a deficit fund balance of \$972,720. The Community Development Fund had a deficit fund balance of \$1,290,725. The Parks and Recreation Camp Fund had a deficit net position of \$899,262. The Fleet Management Internal Service Fund had a deficit net position of \$7,555,480. The Support Services Internal Service Fund had a deficit net position of \$1,834,873. The Risk Management Internal Service Fund had a deficit net position of \$67,261,785. Revenues and transfers from other funds in subsequent years are expected to fund these deficits.

C. RISK MANAGEMENT

Prior to January 1, 2019, the City was self-insured for medical and dental coverage. Effective January 1, 2019, the City became a member of the State of South Carolina State Health Plan administered by PEBA. The impact of this change is that the City went from a claims based system of managing medical and dental costs to a premium based system. The City feels the change will better enable them to manage and budget their medical and dental costs. The City is obligated to remain a member of the State Health Plan for four years. After two years, the City will be subject to a potential increase in premiums due to a risk rating to be performed. Refer to Note III. G for further details.

The City self-insures worker's compensation and general liability programs. The City accounts for the Worker's Compensation program in the Risk Management Fund (an internal service fund) by charging premiums to user departments. The stop-loss provision for Worker's Compensation is \$1,250,000. The limits of liability for tort actions not specifically exempt by the South Carolina Government Tort Claims Act are \$300,000 per person and \$600,000 per occurrence.

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

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

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

Fiscal Year	Liability	Estimates	Payments	Liability
2020	\$16,331,823	\$31,416,021	(\$32,285,892)	\$15,461,952
2021	\$15,461,952	\$31,113,083	(\$31,261,196)	\$15,313,839

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. RISK MANAGEMENT (Continued)

This liability is reported in both the Risk Management Fund of the internal services funds (\$15,290,239) and the Water and Sewer Facilities Fund (\$23,600). The liability at June 30, 2021 includes \$6,189,896 for legal claims. See also Note VI. C. Property and Boiler Coverage policies are accounted for in the Risk Management Fund as well as other small insurance policies such as surety bond coverage and miscellaneous floaters. Funds are charged expenditures based on premium amounts and administrative charges. The City has had no significant reductions in insurance coverage during the year, and settlements have not exceeded insurance coverage for each of the past three fiscal years.

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. DEPOSITS AND INVESTMENTS

As of June 30, 2021, the City, excluding component units, had the following investments:

Investment Type	Investment Maturities (in Years)		
	Fair Value	Less Than 1	Greater Than 1
Money Market	\$ 165,998,006	\$ 165,998,006	\$ -
Treasuries	70,406,623	23,517,922	46,888,701
Agencies	31,607,765	8,307,603	23,300,162
Total	<u>\$ 268,012,394</u>	<u>\$ 197,823,531</u>	<u>\$ 70,188,863</u>

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

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

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

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

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

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

A. DEPOSITS AND INVESTMENTS (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The City believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value. At June 30, 2021, all investments, including derivatives discussed further in Note V, are reported using the Level 1 fair value hierarchy.

Interest Rate Risk

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

Credit Risk for Investments

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

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

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

A. DEPOSITS AND INVESTMENTS (Continued)

Credit Risk for Investments (continued)

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

Concentration of Credit Risk

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

Custodial Credit Risk - Deposits

The City's cash deposit policy requires that United States Treasury or Agency securities of a fair value equal to the bank deposits be held by a third-party custodian in the City's name. At June 30, 2021, the City, excluding component units, was in full compliance with its collateral policy.

At June 30, 2021, CHDC had approximately \$401,000 in deposits that were uninsured and uncollateralized. At June 30, 2021, CEZ had approximately \$729,000 in deposits that was uninsured and uncollateralized.

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, 2021, none of the City's security investments were exposed to custodial credit risk.

The balance of collateralized securities was approximately \$70,488,000 at June 30, 2021.

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	\$ 345,565,826
Fair Value of Investments	268,012,394
Total Deposits and Investments	\$ 613,578,220
Statement of Net Position	
Cash and Equivalents	\$ 345,474,926
Investments - Current	135,942,847
Investments - Noncurrent	132,069,547
Statement of Net Position - Fiduciary Funds	
Cash and Equivalents - Trust Funds	4,935
Cash and Equivalents - Agency Funds	85,965
Total Cash and Investments	\$ 613,578,220

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

B. RECEIVABLES

Receivables for the primary government as of year-end are shown net of allowances for uncollectible accounts. Management's estimates of uncollectible accounts at June 30, 2021, are as follows:

General Fund	\$ 1,256,628
Water/Sewer Facilities	\$ 16,478,417
Parking Facilities	\$ 4,081,780
Nonmajor Business-type activities	\$ 9,250
Internal Service Funds	\$ 9,222

Receivables for the component units consist of items totaling approximately \$2,106,000 at June 30, 2021, which are net of allowances for doubtful accounts. As of June 30, 2021, the allowance for doubtful accounts was approximately \$132,000 for the component units.

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

C. MORTGAGE NOTES RECEIVABLE AND REVOLVING LOAN POOLS

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

Primary government

Mortgage notes receivable in the various Community Development revolving loan programs are evaluated annually, and loan loss allowances are applied where appropriate. All mortgages are secured by the property. Total net mortgage notes receivable were approximately \$23,333,000 as of June 30, 2021. An allowance of approximately \$5,229,000 was recorded as of June 30, 2021.

Component units

The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of \$437,476 as of June 30, 2021, which is net of an allowance for uncollectible loans of \$118,938. 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 \$1,532,946 as of June 30, 2021, which is the net of allowance for uncollectible loans of \$12,661. Mortgage notes receivable consist of loans to businesses within the Columbia Empowerment Zone and have various interest rates and maturity dates. CEZ, Inc. is a non-profit corporation, and revenue recognition is applied under the accrual method.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The interfund receivables and payables (including advances) at June 30, 2021, are as follows:

Funds:	Interfund Receivables	Interfund Payables
General	\$ -	\$ 2,390,149
County services	-	4,035,712
Water/sewer	22,333,261	-
Nonmajor governmental	-	5,737,169
Nonmajor proprietary	-	9,228,952
Internal service funds	-	941,279
Total	\$ 22,333,261	\$ 22,333,261

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

The interfund transfers for the year ended June 30, 2021, are as follows:

	Transfers In	Transfers Out
General	\$ 9,256,337	\$ 6,422,727
County services	75,971	-
Nonmajor governmental	40,309,902	39,852,895
Water/sewer	259,166	10,158,252
Parking	9,302	910,201
Nonmajor proprietary	314,058	849,581
Internal service	9,798,686	1,829,766
	\$ 60,023,422	\$ 60,023,422

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

E. OPERATING LEASES

The City is committed under various operating leases for real estate, office, and copier equipment. Operating lease expenditures for the year ended June 30, 2021, were approximately \$1,081,000. Future minimum lease payments for these leases are as follows:

Year Ending June 30,	Amount
2022	\$ 213,470
2023	215,137
2024	157,900
2025	157,900
2026	165,962
2027 - 2031	838,477
2032 - 2036	800,678
2037 - 2041	163,800
Total	\$ 2,713,324

F. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Increases	Transfers	Decreases	Balance June 30, 2021
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 37,104,644	\$ 2,432,964	\$ -	\$ -	\$ 39,537,608
Construction in progress	28,788,881	3,864,317	(287,501)	-	32,365,697
Total capital assets not being depreciated	65,893,525	6,297,281	(287,501)	-	71,903,305
Capital assets, being depreciated:					
Buildings and improvements	248,758,386	24,294,401	287,501	(47,205)	273,293,083
Machinery and equipment	78,963,172	5,194,395	-	(3,465,005)	80,692,562
Infrastructure	39,548,223	907,360	-	-	40,455,583
Total capital assets, being depreciated	367,269,781	30,396,156	287,501	(3,512,210)	394,441,228
Less accumulated depreciation:					
Buildings and improvements	(105,126,601)	(8,574,767)	-	47,205	(113,654,163)
Machinery and equipment	(59,182,083)	(6,808,874)	-	3,388,477	(62,602,480)
Infrastructure	(20,769,921)	(1,660,014)	-	-	(22,429,935)
Total accumulated depreciation	(185,078,605)	(17,043,655)	-	3,435,682	(198,686,578)
Total capital assets, being depreciated, net	182,191,176	13,352,501	287,501	(76,528)	195,754,650
Governmental activities capital assets, net	\$ 248,084,701	\$ 19,649,782	\$ -	\$ (76,528)	\$ 267,657,955

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

F. CAPITAL ASSETS (Continued)

	Balance June 30, 2020	Increases	Transfers	Decreases	Balance June 30, 2021
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 33,719,656	\$ 26,903	\$ -	\$ (1,466,786)	\$ 32,279,773
Construction in progress	240,949,261	29,282,763	(3,995,337)	-	266,236,687
Total capital assets not being depreciated	274,668,917	29,309,666	(3,995,337)	(1,466,786)	298,516,460
Capital assets, being depreciated:					
Buildings and improvements	1,298,134,794	60,599,631	3,995,337	(5,258,222)	1,357,471,540
Machinery and equipment	86,041,552	5,680,029	-	(2,439,119)	89,282,462
Total capital assets, being depreciated	1,384,176,346	66,279,660	3,995,337	(7,697,341)	1,446,754,002
Less accumulated depreciation:					
Buildings and improvements	(536,926,237)	(38,658,839)	-	1,818,445	(573,766,631)
Machinery and equipment	(72,252,809)	(4,514,105)	-	2,397,997	(74,368,917)
Total accumulated depreciation	(609,179,046)	(43,172,944)	-	4,216,442	(648,135,548)
Total capital assets, being depreciated, net	774,997,300	23,106,716	3,995,337	(3,480,899)	798,618,454
Business-type activities capital assets, net	\$ 1,049,666,217	\$ 52,416,382	\$ -	\$ (4,947,685)	\$ 1,097,134,914

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

Governmental Activities:	
General government	\$ 9,577,536
Public safety	3,670,869
Parks and recreation	1,934,145
Public services	218,662
Judicial	61,301
Community development	3,980
General services	26,093
Nondepartmental	1,531,898
Internal service funds	19,171
Total depreciation expense - governmental activities	<u>\$ 17,043,655</u>
Business-type Activities:	
Water/Sewer facilities	\$ 39,492,667
Stormwater facilities	1,624,959
Parking facilities	1,662,027
Hydro-electric plant	393,291
Total depreciation expense - business-type activities	<u>\$ 43,172,944</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

III. DETAIL NOTES ON ACTIVITIES AND FUNDS (Continued)

G. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events well into the future, thus reflecting a long-term perspective. Examples would include assumptions about future employment, rates of retirement, mortality, and health care cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation.

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

Employees covered by benefit terms – At June 30, 2021, the following employees were covered by the benefit terms:

Active plan members	2,397
Inactive participants currently receiving benefit payments	665
Covered spouses currently receiving benefits	<u>211</u>
	<u>3,273</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

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

Total OPEB Liability

The City's total OPEB liability of \$241,188,313 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019.

Actuarial assumptions and other inputs – The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

The discount rate used was 2.16% and was based on the 20 Year Municipal Bond Rate, using the basis of the Bond Buyer GO 20-Bond Municipal Bond Index. Mortality rates were based PUB-2010 Public Plans, Amounts-Weighted, Above-Medium Income, Healthy Annuitant Mortality Table with Generational Improvements by Scale MP2019 .

The actuarial assumptions used in the July 1, 2019 valuation were based on personnel, plan design, health care claim cost, and other information.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2020	<u>\$ 229,909,006</u>
Changes for the year:	
Service cost	11,726,172
Interest cost	5,296,956
Changes in assumptions	(1,814,558)
Benefit payments	<u>(3,929,263)</u>
Net change in total OPEB liability	<u>11,279,307</u>
Balance at June 30, 2021	<u>\$ 241,188,313</u>

Changes in assumptions include:

- The discount rate decreased from 2.21% to 2.16%.
- The mortality assumption was updated to PUB-2010 Public Plans, Amounts-Weighted, Above-Medium Income, Healthy Annuitant Mortality Table with Generational Improvements by Scale MP2020.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

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

Changes in the Total OPEB Liability (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$ 296,536,422	\$ 241,188,313	\$ 201,069,998

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate – The following presents the total OPEB liability of the City as well as what the City’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current trend rate:

	1% Decrease	Trend Rate	1% Increase
Total OPEB liability	\$ 194,988,081	\$ 241,188,313	\$ 305,816,318

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$20,118,823. At June 30, 2021, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in actual and expected experience	\$ 4,460,325	\$ -
Change in assumptions	44,012,903	(4,484,329)
	<u>\$ 48,473,228</u>	<u>\$ (4,484,329)</u>

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

Year Ended June 30,	
2022	\$ (7,024,958)
2023	(7,024,958)
2024	(7,024,958)
2025	(7,217,479)
2026	(7,547,487)
Total thereafter	(8,149,059)
Total	<u><u>\$(43,988,899)</u></u>

As of June 30, 2021, there were no payables due to the OPEB Plan.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

H. LONG-TERM OBLIGATIONS

Activity related to long-term obligations during 2021 was as follows:

	Balance 6/30/2020	Additions	Reductions	Balance 6/30/2021	Amount Due in 2022
Governmental Activities					
Notes payable	\$ 450,000	\$ -	\$ (75,000)	\$ 375,000	\$ 75,000
GO bonds	18,445,000	-	(2,685,000)	15,760,000	2,425,000
Revenue bonds	43,090,000	64,625,000	(8,110,000)	99,605,000	4,000,000
Unamortized bond premiums	4,687,931	-	(423,299)	4,264,632	-
Unamortized bond discounts	-	(200,000)	-	(200,000)	-
Capital lease payable	23,251,463	-	(5,221,778)	18,029,685	4,588,569
Compensated absences	9,013,417	9,343,925	(9,013,417)	9,343,925	1,868,785
Net pension liability	165,296,181	19,333,906	-	184,630,087	-
Total OPEB liability	171,971,937	8,436,921	-	180,408,858	-
Total governmental activities	436,205,929	101,539,752	(25,528,494)	512,217,187	12,957,354
Business-Type Activities					
Revenue bonds	738,965,000	135,535,000	(108,335,000)	766,165,000	20,565,000
Unamortized bond premiums	53,568,382	1,462,936	(2,628,242)	52,403,076	-
Compensated absences	2,233,598	2,292,835	(2,233,598)	2,292,835	458,567
Net pension liability	56,090,819	6,513,563	-	62,604,382	-
Total OPEB liability	57,937,069	2,842,386	-	60,779,455	-
Derivative instrument liability	40,749,908	-	(8,971,769)	31,778,139	-
Total business-type activities	949,544,776	148,646,720	(122,168,609)	976,022,887	21,023,567
Total all long-term obligations	\$ 1,385,750,705	\$ 250,186,472	\$ (147,697,103)	\$ 1,488,240,074	\$ 33,980,921

Debt Service

Long-term liabilities for the internal service funds are allocated between government and business-type activities. At the year ended June 30, 2021, \$360,734 of Internal Service Funds compensated absences is included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the General Fund. The Series 2012 Certificates of Participation are liquidated by the Tourism Development Convention Center Fund. The governmental debt secured by hospitality revenues are liquidated by the Debt Service Fund. The notes payable and capital lease obligations are liquidated by the General Fund. The remaining governmental debt is liquidated by the Debt Service Fund. The pension and other post-employment benefit liabilities are liquidated by the General Fund, Water and Sewer Fund, Parking Fund, Nonmajor Enterprise Funds, and Internal Service Funds.

Terms of Default

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

**CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

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, 2021, including interest payments, but excluding accrued compensated absences payable and amortization of bond premiums, are as follows:

Governmental Activities:

Year Ending June 30,	General Obligation Bonds	Interest	Revenue Bonds	Interest	Note Payable	Interest	Capital Lease Payable	Interest	Total Principal	Total Interest
2022	\$ 2,425,000	\$ 549,700	\$ 4,000,000	\$ 3,532,034	\$ 75,000	\$ -	\$ 4,588,569	\$ 331,275	\$ 11,088,569	\$ 4,413,009
2023	1,095,000	462,650	1,855,000	3,361,784	75,000	-	4,150,342	245,625	7,175,342	4,070,059
2024	910,000	424,700	2,115,000	3,323,165	75,000	-	3,466,914	163,822	6,566,914	3,911,687
2025	955,000	392,100	2,145,000	3,280,762	75,000	-	2,906,135	93,613	6,081,135	3,766,475
2026	990,000	357,850	1,740,000	3,235,085	75,000	-	2,101,596	34,885	4,906,596	3,627,820
2027-2031	2,365,000	1,361,250	22,355,000	14,081,436	-	-	816,129	4,904	25,536,129	15,447,590
2032-2036	1,965,000	1,000,250	14,685,000	10,789,011	-	-	-	-	16,650,000	11,789,261
2037-2041	2,340,000	621,900	17,610,000	7,852,313	-	-	-	-	19,950,000	8,474,213
2042-2046	2,715,000	249,300	16,965,000	4,197,355	-	-	-	-	19,680,000	4,446,655
2047-2051	-	-	16,135,000	1,551,811	-	-	-	-	16,135,000	1,551,811
	<u>\$ 15,760,000</u>	<u>\$ 5,419,700</u>	<u>\$ 99,605,000</u>	<u>\$ 55,204,756</u>	<u>\$ 375,000</u>	<u>\$ -</u>	<u>\$ 18,029,685</u>	<u>\$ 874,124</u>	<u>\$ 133,769,685</u>	<u>\$ 61,498,580</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

H. LONG-TERM OBLIGATIONS (Continued)

Business-Type Activities:

Year Ending June 30,	Revenue Bonds	Interest
2022	\$ 20,565,000	\$ 28,162,638
2023	23,050,000	27,860,727
2024	23,830,000	27,087,468
2025	24,600,000	26,310,584
2026	25,460,000	25,456,693
2027-2031	142,595,000	111,964,360
2032-2036	173,215,000	81,358,036
2037-2041	196,325,000	45,974,283
2042-2046	94,660,000	16,442,044
2047-2051	41,865,000	2,506,399
	\$ 766,165,000	\$ 393,123,232

General Obligation Bonds

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

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

General Obligation Bonds outstanding as of June 30, 2021, are as follows:

Governmental Activities:

<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: 2.0 to 3.0%</p>	<p>\$ 1,160,000</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: 2.0 to 3.0%</p>	<p>210,000</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: 2.0 to 3.5%</p>	<p>425,000</p>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

H. LONG-TERM OBLIGATIONS (Continued)

General Obligation Bonds (Continued)

Governmental Activities (Continued):

\$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: 2.0 to 4.0% \$ 3,980,000

\$10,645,000 City of Columbia General Obligation Bonds, Series 2016
 Proceeds for: Acquisition of capital assets
 Annual principal installments of \$210,000 to \$575,000 through June 1, 2046
 Interest rate: 3.0 to 5.0% 9,985,000

Total Governmental Activities General Obligation Bonds \$ 15,760,000

Revenue Bonds, Notes Payable and Certificates of Participation

Revenue bonds, notes, and certificates of participation are special obligations of the City payable from revenues derived from certain operations. The City's revenue bond ordinances stipulate that the City maintain certain debt service, operations, and renewal and replacement funds.

Notes Payable

Governmental Activities:

\$1,500,000 Note issued 2006 secured for development costs for Drew Wellness Center.
 Annual principal installments of \$75,000 through Dec. 31, 2025.
 Interest rate 0.0%. \$ 375,000

Total Governmental Activities Note Payable \$ 375,000

Revenue Bonds

The governmental activities revenue bonds are backed by hospitality tax revenue. The Water and Sewer Fund revenue bonds are backed by the Water and Sewer System. Revenue bonds outstanding as of June 30, 2021, are as follows:

Governmental Activities:

\$14,825,000 Revenue Bond - Hospitality Fee Pledge, Series 2012
 Payable from revenues derived by the City from hospitality taxes.
 Annual principal installments of \$1,000,000 to \$1,315,000 through Feb. 1, 2025
 Interest rate: 2.5% \$ 5,065,000

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

H. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds, Notes and Certificates of Participation (Continued)

Governmental Activities (Continued):

<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: 4.0 to 5.0%</p>	<p>\$ 26,175,000</p>
<p>\$1,460,000 Special Obligation Revenue Bond - Hospitality Fee Pledge, Series 2017 Payable from revenues derived by the City from hospitality taxes. Annual principal installments of \$50,000 to \$155,000 through Feb. 1, 2029 Interest rate: 4.29%</p>	<p>1,080,000</p>
<p>\$10,000,000 2020A Economic development Revenue Bonds (Recover SC Program) Payable from revenues derived by the City from hospitality taxes. Annual principal installments of \$1,820,000 to \$2,190,000 through Oct. 1, 2030 Interest rate: 4.75%</p>	<p>10,000,000</p>
<p>\$54,625,000 IPRB, Series 2021 (Taxable) Payable from revenues derived by the City from hospitality taxes. Annual principal installments of \$485,000 to \$3,430,000 through Jun. 1, 2051 Interest rate: 0.455 to 3.141%</p>	<p>54,625,000</p>
<p><i>Total Governmental Activities Revenue Bonds</i></p>	<p><u>\$ 99,605,000</u></p>

Business-Type Activities:

Parking Facilities Fund:

<p>\$39,255,000 Parking Facilities Refunding Revenue Bonds, Series 2018 Payable from revenues derived by the City from operation of parking facilities. Proceeds for: Refunding the Series 2005A and 2014 bonds Annual principal installments of \$1,185,000 to \$2,935,000 through Feb. 1, 2037 Interest rate: 2.96 to 4.34%</p>	<p>\$ 34,875,000</p>
<p><i>Total Parking Facilities Revenue Bonds</i></p>	<p><u>\$ 34,875,000</u></p>

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>\$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>4,560,000</p>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

H. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds, Notes and Certificates of Participation (Continued)

Business-Type Activities (Continued):

Water and Sewer Fund (Continued):

<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>\$ 3,385,000</p>
<p>\$63,325,000 Waterworks and Sewer System Revenue Bonds, Series 2016A Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$1,000,000 to \$3,640,000 through Feb. 1, 2046 Interest rate: 2.0 to 5.0%</p>	<p>31,875,000</p>
<p>\$146,710,000 Waterworks and Sewer System Revenue Bonds, Series 2016B Payable from revenues from the City's water and sewer system Proceeds for: Refunding portion of Series 2011A Bond (\$57,615,000) and refunding portion of Series 2010 Bond (\$89,085,000) Annual principal installments of \$135,000 to \$23,620,000 through Feb. 1, 2041 Interest rate: 2.0 to 5.0%</p>	<p>144,370,000</p>
<p>\$87,340,000 Waterworks and Sewer System Revenue Bonds, Series 2018 Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$915,000 to \$5,180,000 through Feb. 1, 2048 Interest rate: 2.5 to 5.0%</p>	<p>52,160,000</p>
<p>\$131,085,000 Waterworks and Sewer System Revenue Bonds, Series 2019A Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$2,770,000 to \$7,745,000 through Feb. 1, 2049 Interest rate: 3.5 to 5.0%</p>	<p>95,880,000</p>
<p>\$143,855,000 Waterworks and Sewer System Revenue Bonds, Series 2019B Payable from revenues from the City's water and sewer system Proceeds for: refunding of Series 2011A, 2012, 2013 Revenue Bonds Annual principal installments of \$1,560,000 to \$10,350,000 through Feb. 1, 2049 Interest rate: 1.76% to 3.26%</p>	<p>139,875,000</p>
<p>\$6,875,000 Waterworks and Sewer System Revenue Bonds, Series 2019C Payable from revenues from the City's water and sewer system Proceeds for: Partial refunding of Series 2010 Bonds Annual principal installments of \$940,000 to \$4,040,000 through Feb. 1, 2034 Interest rate: 4.0% to 5.0%</p>	<p>4,980,000</p>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

H. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds, Notes and Certificates of Participation (Continued)

Business-Type Activities (Continued):

Water and Sewer Fund (Continued):

\$18,935,000 Waterworks and Sewer System Revenue Bonds, Series 2021A
 Payable from revenues from the City's water and sewer system
 Proceeds for: Cost of improvements to the System
 Annual principal installments of \$370,000 to \$930,000 through Feb. 1, 2051
 Interest rate: 4.0% to 5.0% \$ 18,935,000

\$116,600,000 Waterworks and Sewer System Revenue Bonds, Series 2021B
 Payable from revenues from the City's water and sewer system
 Proceeds for: refunding of Series 2016A, 2018, 2019A Revenue Bonds
 Annual principal installments of \$1,095,000 to \$12,705,000 through Aug. 1, 2049
 Interest rate: .29% to 3.01% 116,600,000

Total Water and Sewer Revenue Bonds \$ 694,480,000

Stormwater Facilities Fund

\$37,900,000 Stormwater System Bond, Series 2018
 Payable from revenues from the City's water and sewer system
 Proceeds for: Cost of improvements to the System
 Annual principal installments of \$430,000 to \$2,370,000 through Feb. 1, 2048
 Interest rate: 4.0 to 5.0% 36,810,000

Total Stormwater Revenue Bonds 36,810,000

Total Business-Type Activities Revenue Bonds \$ 766,165,000

Obligations Under Capital Leases

During fiscal year 2017, the City entered into a lease agreement as lessee for financing the acquisition of certain capital assets. The estimated useful lives of the assets acquired range from five to 12 years. During the current year, approximately \$4,970,000 was included in depreciation expense on assets acquired with capital lease proceeds. These assets had a balance of approximately \$14,305,000 net of accumulated depreciation at June 30, 2021. The City had approximately \$1,886,000 in unspent lease funds at June 30, 2021. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

Governmental Activities:

\$7,000,000 Capital Lease Payable Bank of America issued December 2014
 Proceeds for: Acquisition of capital assets
 Monthly principal and interest installments of \$88,388 through December 1, 2021
 Interest rate: 1.59% \$ 521,488

\$8,100,000 Capital Lease Payable Bank of America issued September 2016
 Proceeds for: Acquisition of capital assets
 Monthly principal and interest installments of \$97,940 through October 1, 2023
 Interest rate: 1.47% 2,631,450

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

H. LONG-TERM OBLIGATIONS (Continued)

Obligations Under Capital Leases (Continued)

Governmental Activities (Continued):

\$4,000,000 Capital Lease Payable to Regions Bank issued December 2017 Proceeds for: Acquisition of capital assets Monthly principal and interest installments of \$50,042 through January 1, 2025 Interest rate: 2.17%	\$ 2,033,506
\$8,000,000 Capital Lease Payable to Regions Bank issued December 2018 Proceeds for: Acquisition of capital assets Monthly principal and interest installments of \$105,004 through January 1, 2026 Interest rate: 2.78%	5,372,087
\$9,250,000 Capital Lease Payable to Bank of America issued December 2019 Proceeds for: Acquisition of capital assets Monthly principal and interest installments of \$117,291 through January 1, 2027 Interest rate: 2.3%	7,471,154 <hr style="width: 100%;"/>
<i>Total Governmental Activities Capital Leases Payable</i>	\$ 18,029,685 <hr style="width: 100%;"/>

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, 2021, the balance of this conduit debt was approximately \$1,507,000.

Defeasance Debt

During the year ended June 30, 2017, the City defeased a portion of its Series 2010 and Series 2011A Water and Sewer Revenue Bonds. On June 30, 2021, the amount considered defeased related to these bonds is approximately \$143,160,000. During the year ended June 30, 2019, the City defeased its Series 2005A and Series 2014 Parking Facilities Revenue Bonds with proceeds from the new Series 2018 Revenue Bonds totaling \$39,255,000. On June 30, 2021, the amount considered defeased related to these bonds is approximately \$38,340,000. During the year ended June 30, 2020, the City defeased its Water and Sewer Fund series 2010, 2011A, 2012, and 2013 bonds in the amounts of \$8,770,000, \$26,130,000, \$43,560,000, and \$60,165,000, respectively. On June 30, 2021, the amount considered defeased related to these bonds is approximately \$138,625,000.

Proceeds from the Series 2019B and 2019C Revenue Bonds were placed in an irrevocable trust to provide for future debt service payments of the old bonds. The trust account assets and the liability of the defeased bonds are not included in the City's financial statements.

During the year ended June 30, 2021, the City partially defeased its Water and Sewer Fund series 2016A, 2018, and 2019A revenue bonds in the amounts of \$25,085,000, 31,155,000, and 35,205,000, respectively. On June 30, 2021, the amount considered defeased related to these bonds is approximately \$91,445,000. The remaining balance of these bonds totaled \$179,915,000 at June 30, 2021. Approximately \$1,815,000 was recorded in expense for bond costs related to the new Water and Sewer bonds in 2021. Approximately \$934,000 was recognized as an accounting gain in 2021 related to the refunding. The aggregate difference in debt service between the refunding debt and the refunded debt was an economic gain of approximately \$10,495,000.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

H. LONG-TERM OBLIGATIONS (Continued)

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, 2021, the City did not have any arbitrage profits due to the federal government.

I. TAX ABATEMENTS

While the City of Columbia does not have any of its own tax abatement agreements as of June 30, 2021, Richland County, South Carolina (“the County”) provides tax abatements under two programs (the Fee-in-Lieu of *Ad Valorem* Property Tax (“FILOT”) program and the Special Source Revenue Credit (“SSRC”) program) that impact the City’s tax revenues. Additionally, the County uses multicounty industrial or business parks (“MCIP”) in connection with the FILOT and SSRC programs which further abate the City’s property tax revenues from certain taxpayers. These two programs and their impact on the City are described below.

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

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

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

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

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

Property taxes are abated under the FILOT program through an agreement, executed by the County and the taxpayer, pursuant to which a fee-in-lieu of *ad valorem* property tax payment for the economic development property associated with the property is calculated using (1) a reduced assessment ratio, which may be reduced from 10.5% to a floor of 6% (or 4% in the case of certain enhanced investments as defined by state law); and (2) a locked millage rate (or a millage rate that is allowed to increase or decrease every fifth year), for a term not more than 30 years (or 40 years in the case of certain enhanced investments as defined by state law). The FILOT program also permits certain qualifying taxpayers and the County to negotiate for equalized fee-in-lieu of *ad valorem* property tax payments over the term of the agreement.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

I. TAX ABATEMENTS (Continued)

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

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

In addition to the minimum eligibility requirements to receive a property tax reduction under the FILOT program described above, the taxpayer may also make certain commitments to (i) invest certain amounts in taxable real and personal property at a project in an amount greater than the minimum investment, and (ii) create a certain number of new, full-time jobs at a project. For property tax year 2020, City property taxes abated resulting from the FILOT program totaled approximately \$347,314. The City received approximately \$828,195 in fee-in-lieu of *ad valorem* property tax payments from taxpayers with active agreements under the FILOT program in property tax year 2020.

Special Source Revenue Credit Program

The County also abates property taxes through the Special Source Revenue Credit (“SSRC”) program. The SSRC program is authorized by South Carolina state law, specifically, Section 4-1-175 of the Code of Laws of South Carolina 1976, as amended. The purpose of the SSRC program is to enhance the economic development of the County. A taxpayer is eligible to receive a credit under the SSRC program, thereby reducing its property taxes, if (i) the taxpayer’s property is located in a multicounty industrial or business park, and (ii) the taxpayer uses the credit to pay the cost of designing, acquiring, constructing, improving, or expanding (a) infrastructure serving the County or the taxpayer’s property, or (b) improved or unimproved real estate and personal property, including machinery and equipment used in the operation of a manufacturing or commercial enterprise.

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

The County may also use the SSRC program in connection with the FILOT program. In those instances, following the calculation of a taxpayer’s fee-in-lieu program, the County may also apply a credit pursuant to the SSRC program to further abate the taxpayer’s property tax liability. To receive property tax abatements under the SSRC program and the FILOT program, the taxpayer must meet the eligibility requirements for both programs. For property tax year 2020, City property taxes abated resulting from the SSRC program totaled approximately \$478,486 – which included property taxes abated solely under the SSRC program and property taxes abated under the SSRC program in connection with the FILOT program. The City received approximately \$469,870 in fees-in-lieu of standard *ad valorem* taxes from taxpayers solely receiving property tax abatements under the SSRC program. Fees-in-lieu of standard *ad valorem* taxes received by the City from taxpayers receiving property tax abatements under both the SSRC program and the FILOT program are reflected in the fees-in-lieu of *ad valorem* tax payments collected from taxpayers with active agreements under the FILOT program described above.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

I. TAX ABATEMENTS (Continued)

Multicounty Industrial or Business Park

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

For the property tax year 2020, of the total payments made by taxpayers who were subject to the County's multicounty industrial park agreements, \$107,712 would have been received by the City but for the taxpayers' location within its multicounty industrial park. For the property tax year 2020, fee-in-lieu of standard *ad valorem* tax payments from taxpayers within the multicounty industrial park totaled \$299,383.

IV. PENSION PLANS

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

By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems ("Systems") and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense information about the fiduciary net positions of the Systems and additions to/deductions from the Systems' fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). 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 an Annual Comprehensive Financial Report ("ACFR") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina, and therefore, retirement trust fund financial information is also included in the annual comprehensive financial report of the state.

Plan description

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

IV. PENSION PLANS (Continued)

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

Membership

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

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

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

Benefits

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

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

IV. PENSION PLANS (Continued)

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

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

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85%. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85%, then the board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85%, then effective on the following July 1, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85%.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

IV. PENSION PLANS (Continued)

Required <u>employee</u> contribution rates are as follows:		
SCRS	Fiscal Year 2021	Fiscal Year 2020
Employee Class Two	9.00% of earnable compensation	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation	9.00% of earnable compensation
PORS		
Employee Class Two	9.75% of earnable compensation	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation	9.75% of earnable compensation
Required <u>employer</u> contribution rates are as follows:		
SCRS		
Employer Class Two	15.41% of earnable compensation	15.41% of earnable compensation
Employer Class Three	15.41% of earnable compensation	15.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation	0.15% of earnable compensation
PORS		
Employer Class Two	17.84% of earnable compensation	17.84% of earnable compensation
Employer Class Three	17.84% of earnable compensation	17.84% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation	0.20% of earnable compensation

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

Year Ended June 30, 2021	SCRS	PORS
Required contributions	\$ 9,894,590	\$ 8,537,277
Actual contributions	\$ 9,894,590	\$ 8,537,277

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations, and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued as of July 1, 2020.

The June 30, 2019, total pension liability (TPL), net pension liability (NPL), and sensitivity information were determined by the Systems consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2020, using generally accepted actuarial principles. The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total liability for this assumption change as of the measurement date of June 30, 2020. The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2020.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

IV. PENSION PLANS (Continued)

Actuarial Assumptions and Methods (Continued)

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

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

Assumptions used in the determination of the June 30, 2020, TPL are as follows.

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67 less that system's fiduciary net position. NPL totals, as of June 30, 2020 for SCRS and PORS are presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
SCRS	\$ 51,844,187,763	\$ 26,292,418,682	\$ 25,551,769,081	50.7%
PORS	8,046,386,629	4,730,174,642	3,316,211,987	58.8%
Total	\$ 59,890,574,392	\$ 31,022,593,324	\$ 28,867,981,068	

The City's proportional share of the NPL amounts for SCRS and PORS are presented below:

Measurement Period Ended June 30,	Fiscal Year Ended June 30,	SCRS	PORS
2019	2020	\$135,070,450	\$86,316,550
2020	2021	\$148,118,430	\$99,116,039

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

IV. PENSION PLANS (Continued)

Net Pension Liability (Continued)

The net pension liabilities were measured as of June 30, 2020, and the total pension liabilities for the Plans used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report of July 1, 2018, that was projected forward to the measurement date. The City's proportion of the net pension liabilities was based on a projection of the City's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2020 measurement date, the City's percentage of the SCRS and PORS net pension liability was 0.579680% and 2.988833%, respectively. This is a decrease of 0.011848% for SCRS and a decrease of 0.022972% for PORS from its proportion measured as of June 30, 2019.

Long-term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00% real rate of return and a 2.25% inflation component.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

IV. PENSION PLANS (Continued)

Net Pension Liability (Continued)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Option Strategies	7.0%	5.09%	0.36%
Real Assets	12.0%		
Real Estate (Private)	8.0%	5.55%	0.44%
Real Estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (Private)	2.0%	4.88%	0.10%
Infrastructure (Public)	1.0%	7.05%	0.07%
Opportunistic	8.0%		
Global Tactical Asset Allocation	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
Credit	15.0%		
High Yield Bonds/ Bank Loans	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
Rate Sensitive	14.0%		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
Total Expected Real Return	<u>100.0%</u>		5.80%
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>8.05%</u>

Sensitivity Analysis

The following table presents the collective net pension liability of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.25%) or 1.00% higher (8.25%) than the current rate.

Sensitivity of the City's Proportional Share of Net Pension Liability To Changes in the Discount Rate			
<u>System</u>	<u>1.00% Decrease</u>	<u>Current Discount Rate</u>	<u>1.00% Increase</u>
SCRS	\$ 183,574,712	\$ 148,118,430	\$ 118,512,126
PORS	\$ 131,212,949	\$ 99,116,039	\$ 73,344,283

Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2020 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2020.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

IV. PENSION PLANS (Continued)

Pension Expense and Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2021, the City recognized pension expense of \$16,731,398 to SCRS and pension expense of \$13,745,233 to PORS for a total of \$30,476,631 in pension expense.

At June 30, 2021, the City reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>SCRS</u>		
Pension contributions subsequent to the measurement date	\$ 9,894,590	\$ -
Differences in actual and expected experience	1,709,091	560,099
Change in assumptions	181,469	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,483,196	2,658,048
Net differences between projected and actual earnings on plan investments	10,895,352	-
	<u>\$ 24,163,698</u>	<u>\$ 3,218,147</u>
<u>PORS</u>		
Pension contributions subsequent to the measurement date	\$ 8,537,277	\$ -
Differences in actual and expected experience	2,106,420	436,286
Change in assumptions	1,209,542	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	-	989,887
Net differences between projected and actual earnings on plan investments	10,149,255	-
	<u>\$ 22,002,494</u>	<u>\$ 1,426,173</u>
Total all plans	\$ 46,166,192	\$ 4,644,320

The City reported \$18,431,867 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, 2022. The difference between projected and actual earnings on pension plan investments are reported as deferred outflows (inflows) of resources and will be amortized over a closed five-year period and recognized in pension expense in future years. The differences between expected and actual experience and the change in proportionate share of contributions are reported as deferred outflows (inflows) of resources and will be amortized over the average remaining service lives of all plan participants. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2020, measurement date was 3.984 years for SCRS and 4.176 years for PORS. The following schedule reflects the amortization of the City's proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2021.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

IV. PENSION PLANS (Continued)

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

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS	PORS
2021	2022	\$ 1,916,461	\$ 3,665,625
2022	2023	3,149,937	2,977,207
2023	2024	3,498,018	3,022,263
2024	2025	2,486,545	2,373,949
Net Balance of Deferred Outflows/ (Inflows) of Resources		<u>\$ 11,050,961</u>	<u>\$ 12,039,044</u>

Payables to the Pension Plans

As of June 30, 2021, there were no payables due to the pension plans.

Component Units

Significantly all of the personnel of the City's component units, with the exception of Experience Columbia SC, are employed by the City of Columbia. As a result, the City reports the amount of the proportional net pension liability and the related deferred inflows and outflows related to the service of these individuals in its financial statements.

V. INTEREST RATE SWAP AGREEMENTS

Waterworks and Sewer Revenue Bond Series 2009 Swap – The City maintains this variable-to-fixed interest rate swap to hedge exposure to rising interest rates. The City entered into an interest rate swap agreement related to the 2009 Waterworks and Sewer Bonds on September 20, 2009, with an effective date of September 15, 2009. The counterparty is J.P. Morgan Chase. The City agreed to pay a fixed rate to J.P. Morgan Chase and receive a variable rate while paying a variable rate to bond holders. Semi-annually the City pays a fixed rate of 4.354% to J.P. Morgan Chase and monthly receives a variable rate based on the average Securities Industry and Financial Markets Association ("SIFMA") index rate. Interest payments to the bond holders are offset by the amount received by the City from J. P. Morgan Chase under the swap. The purpose of the swap was to effectively change the variable rate bonds to fixed rate bonds. The bonds and related swap agreement mature February 2038. The notional amount of the swap equals the principal amount of the associated bonds and decreases simultaneously with the reduction in the principal amount of the associated bonds. As of June 30, 2021, the notional amount was \$81,860,000.

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

V. INTEREST RATE SWAP AGREEMENTS (Continued)

Waterworks and Sewer Revenue Bond Series 2009 Swap (Continued) – During the year ended June 30, 2021, the City made variable bond interest payments in the amount of \$66,413 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 \$75,490. The net of variable payments on the bonds and receipts on the swap was \$9,077.

The fair value balances and notional amounts of derivative instrument outstanding at June 30, 2021, classified by type, and the changes in fair value of such derivative for the year then ended is as follows:

	Changes in Fair Value		Fair Value at June 30		Notional
	Classification	Amount	Classification	Amount	
Business-type activity					
Cash flow hedges:					
Pay-fixed interest rate swap	Water and Sewer Revenue Bond Series 2009 Swap	Deferred outflow	Debt	<u>\$31,778,139</u>	\$ 81,860,000
		\$ 8,971,769			

The following table displays the objectives and terms of the City's hedging derivative instrument outstanding at June 30, 2021, along with the credit rating of the associated counterparty:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating*
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 2009 Water and Sewer Revenue Bonds	\$ 81,860,000	9/15/2009	2/1/2038	Receive monthly average SIFMA rate and pay fixed rate of 4.354%	A2 / A- / AA
	* Moody's, S&P, and Fitch, senior unsecured respectively.					

Future Debt Service Requirements

The following schedule details the debt service requirements to maturity for the underlying debt instrument related to the interest rate swap. The interest rate in effect at June 30, 2021, has been used for all future periods. These amounts assume the current interest rates on variable-rate bonds will remain the same for their terms. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instrument will vary.

Waterworks and Sewer Bonds
Series 2009

Year Ending June 30,	Variable Rate Bonds		Hedging	Total
	Principal	Interest	Derivatives, Net	
2022	\$ 525,000	\$ -	\$ 1,285,351	\$ 1,810,351
2023	550,000	-	1,277,017	1,827,017
2024	570,000	-	1,269,138	1,839,138
2025	600,000	-	1,258,385	1,858,385
2026	625,000	-	1,249,733	1,874,733
2027-2031	20,485,000	-	7,048,647	27,533,647
2032-2036	47,665,000	-	3,011,554	50,676,554
2037-2038	10,840,000	-	135,598	10,975,598
	<u>\$81,860,000</u>	<u>\$ -</u>	<u>\$ 16,535,423</u>	<u>\$ 98,395,423</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

V. INTEREST RATE SWAP AGREEMENTS (Continued)

Risks

Credit Risk – Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2021, the swap was in a liability position; therefore, the City is not exposed to credit risks. However, should interest rates change and the fair market value of the swap becomes an asset position, the City would be exposed to credit risks. The credit rating of the counterparty is summarized in the table above.

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

Basis Risk – Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedge item are based on different reference rates. The City is exposed to basis risk on the interest rate swap hedging instrument related to the Waterworks and Sewer bonds because the variable-rate payments received by the City on this hedging derivative instrument are based on a rate or index other than interest rates the City pays on its hedge variable-rate debt. As of June 30, 2021, the interest rate on the City's hedged variable rate debt was 0.08%, while the SIFMA swap index rate was 0.30%.

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

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

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

VI. COMMITMENTS AND CONTINGENCIES

A. FEDERAL GRANTS

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

B. CONSENT DECREE

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

VI. COMMITMENTS AND CONTINGENCIES (Continued)

B. CONSENT DECREE (Continued)

The City expects to pay for the cost of these improvements through revenues generated by the system and future and current bond proceeds. City management feels the City is meeting the requirements and deadlines imposed by the Consent Decree.

C. LITIGATION

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

D. DEVELOPMENT AGREEMENT AND CONSTRUCTION

On July 9, 2013, the City executed a development agreement with a private developer to develop approximately 165 acres of land within the City of Columbia. During the year ended June 30, 2017, the original agreement was amended. The amendment required that the City add an additional 16 acres of property to the development site. The City's commitments are to occur in four phases. The first phase occurred during the year ended June 30, 2014. This phase required the City to make \$5,250 in public improvements. Phase two, achieved during the year ended June 30, 2015, required the City to make \$7,965,842 in public improvements. Phase three, achieved during the year ended June 30, 2016, required the City to make \$2,179,342 in public improvements. Phase four is subdivided into four subphases. The first subphase requires the City to make \$5,000,000 in public improvements once the developer makes \$25,000,000 in taxable improvements. This subphase was accomplished during the year ended June 30, 2017. The second subphase, which was achieved during the year ended June 30, 2018, requires the City to make an additional \$5,000,000 in public improvements upon completion of an additional \$25,000,000 in taxable improvements by the developer. The third subphase requires an additional \$5,000,000 in public improvements by the City upon the completion of an additional \$25,000,000 in taxable investments by the developer. The fourth subphase requires the City make \$840,816 in public improvements upon the completion of \$6,250,000 in taxable investments by the developer. If the requirements for all four subphases are met, the City will be required to make \$15,840,816 in public improvements, and \$81,250,000 in taxable investments will have been made by the developer.

Also as part of the fourth phase, the City is required to construct two parking facilities with a combined total of at least 1,600 parking spaces if certain conditions are met by the developer. The garages are expected to cost between \$16,000,00 and \$18,000,000. The City will be required to construct the first parking facility if the developer either constructs 120,000 square feet of office, retail, or 6% assessed space that is subject to property tax or rehabilitates the Babcock Building, a historical structure located within the development area. The second parking facility is required to be constructed upon the developer purchasing or causing to be purchased 90 acres of the development or obtains commitments to construct \$75,000,000 in private investment. The developer has met the requirements to have both parking facilities constructed. However, the developer has requested that the parking facilities not be constructed until such time as the developer requests. This request was granted by the City. The City has not identified a definite funding source for the construction of the parking facilities at this time. The construction starting date has not yet been determined.

As of June 30, 2021, the City had total encumbrances for construction projects in the amounts of approximately \$2,007,000, \$137,154,000, and \$12,663,000 for the Parking Facilities Fund, Water/Sewer Facilities Fund, and Stormwater Facilities Fund, respectively.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

VII. OTHER INFORMATION

A. SUBSEQUENT EVENTS

The City entered into a capital lease agreement for \$9,000,000 with Bank of America in November 2021. This was for the acquisition of the City's rolling stock and certain information technology equipment.

The city refunded its Hospitality Bond, Series 2014 through a private placement with Sterling National Bank in September 2021. The par amount of the new bond was \$29,900,000. The bond will have an interest rate of 3.19% and will mature in February 2044.

The City purchased the property located at 715 Bluff Road, Columbia, South Carolina for \$2,508,015 in July 2021. This is a facility that the police department has leased in prior years. This purchase was paid with funds from the Installment Purchase Revenue Bond, Series 2021.

The City purchased the property located at 3000 Harden Street, Columbia, South Carolina for \$1,705,023 in July 2021. This purchase was paid from funds from the Water and Sewer Fund.

The City purchased the property located at 1213 Flora Drive, Columbia, South Carolina for \$1,184,766 in July 2021. This purchase was paid with funds from the Installment Purchase Revenue Bond, Series 2021.

B. IMPLEMENTATION OF GASB STATEMENTS

Recently Implemented GASB Standards

GASB Statement No. 84, Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City implemented the new guidance with the 2021 financial statements with no significant impact.

GASB Statement No. 90, Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61. This statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City implemented the new guidance with the 2021 financial statements with no significant impact.

Recent GASB Standards Not Yet Implemented

GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

VII. OTHER INFORMATION (Continued)

B. IMPLEMENTATION OF GASB STATEMENTS (Continued)

Recent GASB Standards Not Yet Implemented (Continued)

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The City will implement the new guidance with the 2022 financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to increase the usefulness of financial statements by improving conduit debt obligation reporting. The Statement provides a single method of reporting conduit debt obligations for issuers and improves consistency of commitments extended by issuers, conduit debt arrangements, and related disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The City will implement the new guidance with the 2023 financial statements.

GASB Statement No. 92, *Omnibus 20*. The objective of this Statement is to enhance comparability in accounting and financial reporting and to address practice issues identified during application of specific previous GASB Statements to improve consistency. The City will implement the new guidance with the 2022 financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the impact of replacing LIBOR with other reference rates on accounting and financial reporting in order to maintain consistency and reliability of this information. The requirements of this Statement are effective for reporting periods ending after December 31, 2021. The City will implement the new guidance with the 2022 financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to provide guidance for issues related to public-private and public-public partnership arrangements (“PPPs”) and availability payment arrangements (“APAs”) in order to improve financial reporting. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The City will implement the new guidance with the 2023 financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to address subscription-based information technology arrangements (“SBITAs”) for governments. This Statement provides that a SBITA results in a right-to-use subscription asset and related subscription liability, defines capitalization criteria, and requires additional related disclosures for SBITAs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The City will implement the new guidance with the 2023 financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to address issues related to fiduciary component units in which a potential component unit does not have a governing board and the primary government performs board duties; mitigate costs associated with the reporting of certain pension plans, other postemployment benefit plans, and other employee benefit plans as fiduciary component units in fiduciary fund financial statements; and enhance the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The City will implement the new guidance with the 2022 financial statements.

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

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

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

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

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 11,726,172	\$ 4,987,631	\$ 4,303,230	\$ 4,441,132
Interest	5,296,956	6,390,325	6,419,751	6,050,483
Changes of benefit terms	-	(10,752,440)	-	-
Difference between expected and actual experience	-	5,871,821	-	-
Changes in assumptions or other inputs	(1,814,558)	48,681,157	11,402,855	(5,968,255)
Benefit payments	(3,929,263)	(5,676,306)	(6,539,599)	(8,464,680)
Net change in total OPEB liability	11,279,307	49,502,188	15,586,237	(3,941,320)
Total OPEB liability - beginning	229,909,006	180,406,818	164,820,581	168,761,901
Total OPEB liability - ending	<u>\$ 241,188,313</u>	<u>\$ 229,909,006</u>	<u>\$ 180,406,818</u>	<u>\$ 164,820,581</u>
Covered-employee payroll	\$ 111,900,512	\$ 111,900,512	\$ 104,186,841	\$ 102,133,193
Total OPEB liability as a percentage of covered-employee payroll	215.54%	205.46%	173.16%	161.38%

Notes to Schedule:

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

- The discount rate decreased from 2.21% to 2.16%.
- The mortality assumption was updated to
PUB-2010 Public Plans, Amounts-Weighted, Above-Medium Income, Healthy Annuitant
Mortality Table with Generational Improvements by Scale MP2020.

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

The City implemented GASB 75 during fiscal year 2018; as such only the last four years of data are available.
Each year the City will add an additional year of data until a total of ten years is presented.

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (UNAUDITED)
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property and local option sales taxes	\$ 57,333,994	\$ 57,333,994	\$ 61,316,613	\$ 3,982,619
Hospitality and admission taxes	79,971	79,971	678,353	598,382
Licenses and permits	26,404,652	26,404,652	30,183,111	3,778,459
Franchise fees	11,974,635	11,974,635	10,924,209	(1,050,426)
Intergovernmental revenue	16,017,801	16,017,801	17,828,494	1,810,693
Charges for services	15,088,203	15,088,203	15,537,968	449,765
Fines and forfeitures	677,587	677,587	714,035	36,448
Federal government	-	-	352,680	352,680
State government	-	-	79,991	79,991
Private grants	-	-	100	100
Interest	289,662	289,662	45,219	(244,443)
Rental income	99,943	99,943	1,661,502	1,561,559
Other revenues	151,441	151,441	24,178	(127,263)
	<u>128,117,889</u>	<u>128,117,889</u>	<u>139,346,453</u>	<u>11,228,564</u>
Total revenues				
EXPENDITURES				
Current				
General government	8,146,618	8,159,566	12,459,109	(4,299,543)
Judicial	2,447,480	2,454,480	3,127,814	(673,334)
Finance department	2,106,842	2,129,376	1,899,630	229,746
Planning and development	3,392,227	3,473,448	3,877,154	(403,706)
Public safety	71,241,149	71,950,889	70,371,223	1,579,666
Parks and recreation	12,487,454	12,472,099	11,422,399	1,049,700
Public services	18,966,832	18,949,934	15,180,963	3,768,971
General services	1,406,433	1,412,747	2,564,284	(1,151,537)
Tourism and community development	1,155,117	1,155,117	3,692,981	(2,537,864)
Community promotions	91,430	91,430	50,333	41,097
Nondepartmental	2,595,512	2,993,238	-	2,993,238
Debt service				
Principal payment on bonds	5,508,754	5,508,754	5,221,778	286,976
Interest on bonds	-	-	429,290	(429,290)
Capital outlay				
Capital outlay	265,000	5,119,418	10,076,163	(4,956,745)
	<u>129,810,848</u>	<u>135,870,496</u>	<u>140,373,121</u>	<u>(4,502,625)</u>
Total expenditures				
(Deficiency) excess of revenues over (under) expenditures	<u>(1,692,959)</u>	<u>(7,752,607)</u>	<u>(1,026,668)</u>	<u>6,725,939</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,814,680	13,906,261	9,256,337	(4,649,924)
Transfers (out)	(7,293,993)	(7,526,979)	(6,422,727)	1,104,252
Sale of general capital assets	172,272	172,272	334,563	162,291
Insurance recoveries	-	-	177,040	177,040
Unappropriated surplus	-	1,201,053	-	(1,201,053)
	<u>1,692,959</u>	<u>7,752,607</u>	<u>3,345,213</u>	<u>(4,407,394)</u>
Total other financing sources				
Excess of revenues and other financing sources over expenditures, other financing sources and special items	-	-	2,318,545	2,318,545
Beginning fund balances	47,905,486	47,905,486	47,905,486	-
Ending fund balances	<u>\$ 47,905,486</u>	<u>\$ 47,905,486</u>	<u>\$ 50,224,031</u>	<u>\$ 2,318,545</u>

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO BUDGETARY COMPARISON SCHEDULE (UNAUDITED)
June 30, 2021

Budget and Budgetary Accounting

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

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

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

The final budget amendments presented are necessary based on the operating activities of the City. The budget was amended to reflect the increase of budgeted amount of unappropriated surplus, decreases in the amount of transfers out and judicial expenses, and increases in general, planning and development, and public safety expenses. These amendments have been approved by City Council authorizations.

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULES OF THE CITY'S CONTRIBUTIONS - PENSION
YEAR ENDED JUNE 30, 2021
(UNAUDITED)**

**SOUTH CAROLINA RETIREMENT SYSTEM
LAST 8 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually required contributions	\$ 9,894,590	\$ 11,071,936	\$ 9,117,950	\$ 8,119,349	\$ 6,888,470	\$ 6,155,138	\$ 5,815,863	\$ 5,669,535
Contributions made to the pension plan	<u>9,894,590</u>	<u>11,071,936</u>	<u>9,117,950</u>	<u>8,119,349</u>	<u>6,888,470</u>	<u>6,155,138</u>	<u>5,815,863</u>	<u>5,669,535</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 63,589,910	\$ 71,156,401	\$ 62,623,283	\$ 59,877,207	\$ 59,588,839	\$ 55,652,247	\$ 53,480,622	\$ 52,411,010
Contributions as a percentage of covered payroll	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.87%	10.82%

**POLICE OFFICER'S RETIREMENT SYSTEM
LAST 8 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually required contributions	\$ 8,537,277	\$ 8,233,662	\$ 7,519,937	\$ 6,777,860	\$ 5,784,601	\$ 5,548,189	\$ 5,031,606	\$ 4,736,002
Contributions made to the pension plan	<u>8,537,277</u>	<u>8,233,662</u>	<u>7,519,937</u>	<u>6,777,860</u>	<u>5,784,601</u>	<u>5,548,189</u>	<u>5,031,606</u>	<u>4,736,002</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 47,324,152	\$ 45,641,142	\$ 44,131,086	\$ 42,255,986	\$ 41,200,865	\$ 40,976,282	\$ 37,437,424	\$ 36,688,676
Contributions as a percentage of covered payroll	18.04%	18.04%	17.04%	16.04%	14.04%	13.54%	13.44%	12.91%

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

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULES OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2021
(UNAUDITED)

SOUTH CAROLINA RETIREMENT SYSTEM
LAST 8 FISCAL YEARS
(UNAUDITED)

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
The City's percentage of the net pension liability	0.579680%	0.591528%	0.578106%	0.590550%	0.575439%	0.570267%	0.589139%	0.589139%
The City's proportionate share of the net pension liability	\$ 148,118,430	\$ 135,070,450	\$ 129,535,220	\$ 132,942,302	\$ 122,912,706	\$ 108,153,887	\$ 101,430,204	\$ 105,670,520
The City's covered payroll	\$ 71,156,401	\$ 62,623,283	\$ 59,877,207	\$ 59,588,839	\$ 55,652,247	\$ 53,480,622	\$ 52,411,010	\$ 51,204,018
The City's proportionate share of the net pension liability as a percentage of its covered payroll	208.16%	215.69%	216.33%	223.10%	220.86%	202.23%	193.53%	206.37%
The Plan's fiduciary net position as a percentage of the total pension liability	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.92%	59.92%

POLICE OFFICER'S RETIREMENT SYSTEM
LAST 8 FISCAL YEARS
(UNAUDITED)

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
The City's percentage of the net pension liability	2.988833%	3.011805%	3.01677%	3.02172%	3.17559%	3.03491%	3.06671%	3.06671%
The City's proportionate share of the net pension liability	\$ 99,116,039	\$ 86,316,550	\$ 85,481,582	\$ 82,781,885	\$ 80,547,962	\$ 66,145,819	\$ 58,710,014	\$ 63,572,138
The City's covered payroll	\$ 45,641,142	\$ 44,131,086	\$ 42,255,986	\$ 41,200,865	\$ 40,976,282	\$ 37,437,424	\$ 36,688,676	\$ 35,432,581
The City's proportionate share of the net pension liability as a percentage of its covered payroll	217.16%	195.59%	202.29%	200.92%	196.57%	176.68%	160.02%	179.42%
The Plan's fiduciary net position as a percentage of the total pension liability	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%	67.55%	67.55%

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

See accompanying independent auditor's report.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

Debt Service Funds

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

Capital Project Funds

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

Streetscaping accounts for capital improvements to street landscaping.

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

Permanent Trust

Anna Dickson Trust 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, 2021**

Special Revenue										
	Liquor Permit Fee	Business Improvement District	Accommoda- tions Tax	Confiscated Drug Program	Hospitality Tax	Community Development	Federal Grants	Other Programs	Tourism Development Convention Center	Total Nonmajor Special Revenue Funds
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 358,770	\$ 206,981	\$ -	\$ -	\$ 555,976	\$ 20,053	\$ 1,141,780
Restricted cash and cash equivalents	1,208,940	-	351,398	23,952	3,783,967	-	113,559	247,403	1,855,259	7,584,478
Investments	-	-	-	-	-	-	13,589,663	-	-	13,589,663
Restricted investments	376,358	-	60,192	331,238	839,729	-	-	317,885	-	1,925,402
Receivables										
Federal government	-	-	-	2,043	-	2,642,759	1,752,584	-	-	4,397,386
State government	-	-	-	-	-	-	-	152,792	-	152,792
Accounts, net	-	-	-	-	-	-	-	372	-	372
Accrued interest receivable	1,358	-	217	-	3,030	-	-	1,175	-	5,780
Due from grantee agencies	-	-	-	-	-	-	6	-	-	6
TOTAL ASSETS	\$ 1,586,656	\$ -	\$ 411,807	\$ 716,003	\$ 4,833,707	\$ 2,642,759	\$ 15,455,812	\$ 1,275,603	\$ 1,875,312	\$ 28,797,659
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ 29,575	\$ 84,678	\$ 660,805	\$ 217,604	\$ 162,864	\$ 20,053	\$ 1,175,579
Accrued salaries and benefits	-	-	-	-	-	15,710	28,755	9,348	-	53,813
Refundable advances	-	-	-	331,238	125,333	-	13,589,942	39,290	-	14,085,803
Due to other funds	-	-	-	-	-	3,256,969	1,360,478	649,159	-	5,266,606
Total liabilities	-	-	-	360,813	210,011	3,933,484	15,196,779	860,661	20,053	20,581,801
Fund balances										
Restricted	1,586,656	-	411,807	355,190	4,623,696	-	259,033	414,942	1,855,259	9,506,583
Unassigned	-	-	-	-	-	(1,290,725)	-	-	-	(1,290,725)
Total fund balances	1,586,656	-	411,807	355,190	4,623,696	(1,290,725)	259,033	414,942	1,855,259	8,215,858
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,586,656	\$ -	\$ 411,807	\$ 716,003	\$ 4,833,707	\$ 2,642,759	\$ 15,455,812	\$ 1,275,603	\$ 1,875,312	\$ 28,797,659

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
June 30, 2021**

	<u>Capital Projects</u>				Total Nonmajor Capital Projects Funds	<u>Permanent Trust</u>	Total Nonmajor Governmental Funds
	Debt Service Fund	Congaree Vista District	Streetscaping	Miscellaneous Projects		Anna Dickson Trust	
ASSETS							
Cash and cash equivalents	\$ -	\$ 26,073	\$ 7,523,648	\$ 480,580	\$ 8,030,301	\$ 5,048	\$ 9,177,129
Restricted cash and cash equivalents	-	4,097,901	-	5,401,928	9,499,829	-	17,084,307
Investments	-	-	2,440,704	-	2,440,704	-	16,030,367
Restricted investments	3,524,059	1,468,306	-	29,504,338	30,972,644	-	36,422,105
Receivables							
Federal government	-	-	-	-	-	-	4,397,386
State government	-	-	-	-	-	-	152,792
Accounts, net	-	-	-	-	-	-	372
Accrued interest receivable	3,297	5,297	8,806	548	14,651	-	23,728
Due from grantee agencies	-	-	-	-	-	-	6
TOTAL ASSETS	<u>\$ 3,527,356</u>	<u>\$ 5,597,577</u>	<u>\$ 9,973,158</u>	<u>\$ 35,387,394</u>	<u>\$ 50,958,129</u>	<u>\$ 5,048</u>	<u>\$ 83,288,192</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ 31,370	\$ 489,650	\$ 10,541	\$ 531,561	\$ -	\$ 1,707,140
Accrued salaries and benefits	-	-	-	-	-	-	53,813
Refundable advances	-	-	-	24	24	-	14,085,827
Due to other funds	-	-	-	470,563	470,563	-	5,737,169
Total liabilities	<u>-</u>	<u>31,370</u>	<u>489,650</u>	<u>481,128</u>	<u>1,002,148</u>	<u>-</u>	<u>21,583,949</u>
Fund balances							
Nonspendable	-	-	-	-	-	5,048	5,048
Restricted	3,527,356	5,566,207	-	34,906,266	40,472,473	-	53,506,412
Assigned	-	-	9,483,508	-	9,483,508	-	9,483,508
Unassigned	-	-	-	-	-	-	(1,290,725)
Total fund balances	<u>3,527,356</u>	<u>5,566,207</u>	<u>9,483,508</u>	<u>34,906,266</u>	<u>49,955,981</u>	<u>5,048</u>	<u>61,704,243</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,527,356</u>	<u>\$ 5,597,577</u>	<u>\$ 9,973,158</u>	<u>\$ 35,387,394</u>	<u>\$ 50,958,129</u>	<u>\$ 5,048</u>	<u>\$ 83,288,192</u>

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2021

	Special Revenue								Total	
	Liquor Permit Fee	Business Improvement District	Accommo- dations Tax	Confiscated Drug Program	Hospitality Tax	Community Development	Federal Grants	Other Programs	Tourism Development Convention Center	Nonmajor Special Revenue Funds
REVENUES										
General property taxes	\$ -	\$ 1,056,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,056,652
Hospitality and admission taxes	-	-	-	-	11,055,083	-	-	-	-	11,055,083
Accommodations tax	-	-	1,950,190	-	-	-	-	-	-	1,950,190
Tourism development fee	-	-	-	-	-	-	-	2,604,061	-	2,604,061
Liquor permit fee	323,055	-	-	-	-	-	-	-	-	323,055
Intergovernmental revenue	-	-	-	-	-	2,473	10,137	132,388	-	144,998
Charges for services	-	-	-	-	-	-	-	1,988	-	1,988
Fines and forfeitures	-	-	-	41,745	-	-	-	51,840	-	93,585
Federal government	-	-	-	-	-	2,749,093	4,692,577	-	-	7,441,670
County government	-	-	-	-	-	-	-	22,244	1,975,200	1,997,444
Interest income	2,844	-	465	24	6,427	-	484	2,445	1	12,690
Other revenues	-	-	-	-	-	1,265	-	247,504	-	248,769
Total revenues	325,899	1,056,652	1,950,655	41,769	11,061,510	2,752,831	4,703,198	458,409	4,579,262	26,930,185
EXPENDITURES										
Current										
General government	1,059	-	-	-	2,369	-	-	8,304	-	11,732
Public safety	-	-	-	60,251	-	-	769,218	187,906	-	1,017,375
Parks and recreation	-	-	-	-	-	-	-	158,534	-	158,534
Public services	-	-	-	-	-	-	2,542,398	-	-	2,542,398
Tourism and community development	-	1,056,652	1,446,421	-	2,829,053	2,321,901	1,179	543,913	3,201,304	11,400,423
Debt service										
Principal payment on bonds	-	-	-	-	-	-	-	-	2,605,000	2,605,000
Interest on bonds	-	-	-	-	-	-	-	-	120,569	120,569
Fiscal agent charges	-	-	-	-	-	-	-	-	1,815	1,815
Capital outlay										
Capital outlay	-	-	-	-	-	-	69,213	13,013	-	82,226
Total expenditures	1,059	1,056,652	1,446,421	60,251	2,831,422	2,321,901	3,382,008	911,670	5,928,688	17,940,072
Excess (deficiency) of revenues over (under) expenditures	324,840	-	504,234	(18,482)	8,230,088	430,930	1,321,190	(453,261)	(1,349,426)	8,990,113
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	4,223,828	144,774	346,752	31,244	-	4,746,598
Transfers (out)	-	-	(25,000)	-	(8,639,357)	(776,491)	(1,625,521)	(181,797)	-	(11,248,166)
Total other financing (uses) sources	-	-	(25,000)	-	(4,415,529)	(631,717)	(1,278,769)	(150,553)	-	(6,501,568)
Net change in fund balances	324,840	-	479,234	(18,482)	3,814,559	(200,787)	42,421	(603,814)	(1,349,426)	2,488,545
Beginning fund balances	1,261,816	-	(67,427)	373,672	809,137	(1,089,938)	216,612	1,018,756	3,204,685	5,727,313
Ending fund balances (deficits)	<u>\$ 1,586,656</u>	<u>\$ -</u>	<u>\$ 411,807</u>	<u>\$ 355,190</u>	<u>\$ 4,623,696</u>	<u>\$ (1,290,725)</u>	<u>\$ 259,033</u>	<u>\$ 414,942</u>	<u>\$ 1,855,259</u>	<u>\$ 8,215,858</u>

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
Year Ended June 30, 2021

	Capital Projects				Total Nonmajor Capital Projects Funds	Permanent Trust	Total Nonmajor Governmental Funds
	Debt Service Fund	Congaree Vista District	Streetscaping	Miscellaneous Projects		Anna Dickson Trust	
REVENUES							
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,056,652
Hospitality and admission taxes	-	-	-	-	-	-	11,055,083
Accommodations tax	-	-	-	-	-	-	1,950,190
Tourism development fee	-	-	-	-	-	-	2,604,061
Liquor permit fee	-	-	-	-	-	-	323,055
Intergovernmental revenue	-	-	-	-	-	-	144,998
Charges for services	-	-	-	-	-	-	1,988
Fines and forfeitures	-	-	-	-	-	-	93,585
Federal government	-	-	-	-	-	-	7,441,670
County government	-	-	189,072	-	189,072	-	2,186,516
Private grants	-	-	817,793	-	817,793	-	817,793
Interest income	6,875	11,060	18,426	4,854	34,340	10	53,915
Other revenues	-	-	-	-	-	-	248,769
Total revenues	6,875	11,060	1,025,291	4,854	1,041,205	10	27,978,275
EXPENDITURES							
Current							
General government	-	4,137	6,875	-	11,012	-	22,744
Public safety	-	-	-	-	-	-	1,017,375
Parks and recreation	-	-	-	-	-	-	158,534
Public services	-	-	-	-	-	-	2,542,398
Tourism and community development	-	-	-	-	-	-	11,400,423
Debt service							
Principal payment on bonds	8,265,000	-	-	-	-	-	10,870,000
Interest on bonds	2,422,284	-	-	-	-	-	2,542,853
Issuance costs	-	-	-	1,800,616	1,800,616	-	1,800,616
Fiscal agent charges	11,525	-	-	3,102	3,102	-	16,442
Capital outlay							
Capital outlay	-	29,500	961,156	72,901	1,063,557	-	1,145,783
Total expenditures	10,698,809	33,637	968,031	1,876,619	2,878,287	-	31,517,168
Excess (deficiency) of revenues (under) over expenditures	(10,691,934)	(22,577)	57,260	(1,871,765)	(1,837,082)	10	(3,538,893)
OTHER FINANCING SOURCES (USES)							
Transfers in	10,687,284	-	-	-	-	-	15,433,882
Transfers (out)	-	-	-	(28,604,729)	(28,604,729)	-	(39,852,895)
Issuance of bonds	-	-	-	64,425,000	64,425,000	-	64,425,000
Total other financing sources (uses)	10,687,284	-	-	35,820,271	35,820,271	-	40,005,987
Net change in fund balances	(4,650)	(22,577)	57,260	33,948,506	33,983,189	10	36,467,094
Beginning fund balances	3,532,006	5,588,784	9,426,248	957,760	15,972,792	5,038	25,237,149
Ending fund balances	<u>\$ 3,527,356</u>	<u>\$ 5,566,207</u>	<u>\$ 9,483,508</u>	<u>\$ 34,906,266</u>	<u>\$ 49,955,981</u>	<u>\$ 5,048</u>	<u>\$ 61,704,243</u>

See accompanying independent auditor's report.

NONMAJOR ENTERPRISE FUNDS

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

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

Stormwater Facilities Fund accounts for stormwater utility activities.

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2021

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ -	\$ 13,284,658	\$ 7,069,117	\$ -	\$ 20,353,775
Investments	-	18,247,609	-	-	18,247,609
Accounts receivable, net	-	750	-	-	750
Accrued interest receivable	-	62,093	-	-	62,093
Prepaid expenses	-	8,043	-	-	8,043
Real estate held for resale	-	-	688,335	-	688,335
Total current assets	-	31,603,153	7,757,452	-	39,360,605
Noncurrent assets					
Mortgage notes receivable, net	-	-	23,233,254	-	23,233,254
Investments	-	34,548,995	-	-	34,548,995
Capital assets					
Land	327,169	255,685	-	-	582,854
Buildings, improvements and utility plant	18,155,310	35,522,300	-	-	53,677,610
Machinery and equipment	-	5,234,258	-	-	5,234,258
Less accumulated depreciation	(6,321,012)	(10,667,939)	-	-	(16,988,951)
Construction in progress	-	13,026,249	-	-	13,026,249
Net capital assets	12,161,467	43,370,553	-	-	55,532,020
Total noncurrent assets	12,161,467	77,919,548	23,233,254	-	113,314,269
TOTAL ASSETS	12,161,467	109,522,701	30,990,706	-	152,674,874
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to the net pension liability	-	786,875	76,191	64,271	927,337
Deferred outflows related to OPEB liability	-	853,129	53,321	96,946	1,003,396
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	1,640,004	129,512	161,217	1,930,733

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
June 30, 2021

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION					
Current liabilities					
Accounts payable	\$ 23,272	\$ 2,465,653	\$ 12,036	\$ 1,753	\$ 2,502,714
Accrued salaries and benefits	-	107,940	1,481	5,529	114,950
Compensated absences	-	19,776	-	-	19,776
Retainage payable	-	476,028	-	-	476,028
Accrued interest payable	-	751,604	-	-	751,604
Revenue bonds payable	-	685,000	-	-	685,000
Due to other funds	8,747,608	-	204,612	276,732	9,228,952
Unearned revenue	-	15,052	86,386	1,031	102,469
Total current liabilities	8,770,880	4,521,053	304,515	285,045	13,881,493
Noncurrent liabilities					
Compensated absences	-	79,105	-	-	79,105
Net pension liability	-	4,157,175	314,380	278,745	4,750,300
Total OPEB liability	-	4,244,914	265,307	482,377	4,992,598
Revenue bonds payable - net	-	40,797,055	-	-	40,797,055
Total noncurrent liabilities	-	49,278,249	579,687	761,122	50,619,058
Total liabilities	8,770,880	53,799,302	884,202	1,046,167	64,500,551
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to the net pension liability	-	78,188	5,797	5,343	89,328
Deferred inflows related to the net OPEB liability	-	78,924	4,933	8,969	92,826
TOTAL DEFERRED INFLOWS OF RESOURCES	-	157,112	10,730	14,312	182,154
FUND NET POSITION					
Net investment in capital assets	12,161,467	35,961,465	-	-	48,122,932
Restricted for debt service	-	1,037,134	-	-	1,037,134
Unrestricted	(8,770,880)	20,207,692	30,225,286	(899,262)	40,762,836
Total fund net position	\$ 3,390,587	\$ 57,206,291	\$ 30,225,286	\$ (899,262)	\$ 89,922,902

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
Year Ended June 30, 2021

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
Operating revenues					
Charges for service	\$ -	\$ 15,578,149	\$ 547,740	\$ 12,032	\$ 16,137,921
Intergovernmental revenue	-	15,052	570	1,031	16,653
Total operating revenues	<u>-</u>	<u>15,593,201</u>	<u>548,310</u>	<u>13,063</u>	<u>16,154,574</u>
Operating expenses					
Personnel services	-	3,467,786	113,106	172,029	3,752,921
Materials and supplies	-	175,658	8,735	15,401	199,794
Other services and charges	882,417	5,511,235	342,031	13,641	6,749,324
Depreciation	393,291	1,624,959	-	-	2,018,250
Bad debt expense	-	-	216,143	-	216,143
Total operating expenses	<u>1,275,708</u>	<u>10,779,638</u>	<u>680,015</u>	<u>201,071</u>	<u>12,936,432</u>
Operating income (loss)	<u>(1,275,708)</u>	<u>4,813,563</u>	<u>(131,705)</u>	<u>(188,008)</u>	<u>3,218,142</u>
Nonoperating revenues (expenses)					
Investment income (loss)	-	139,441	36,265	-	175,706
Other nonoperating revenue	-	-	70,303	-	70,303
Federal grant revenue	-	92,670	2,172,985	-	2,265,655
Gain (loss) from sale of assets	-	120,230	-	-	120,230
Interest expense	-	(1,643,499)	-	-	(1,643,499)
Bond related costs	-	(3,900)	-	-	(3,900)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(1,295,058)</u>	<u>2,279,553</u>	<u>-</u>	<u>984,495</u>
Income (loss) before contributions and transfers	<u>(1,275,708)</u>	<u>3,518,505</u>	<u>2,147,848</u>	<u>(188,008)</u>	<u>4,202,637</u>
Transfers					
Transfers in	-	32,248	281,810	-	314,058
Transfers out	-	(560,000)	(289,581)	-	(849,581)
Total transfers	<u>-</u>	<u>(527,752)</u>	<u>(7,771)</u>	<u>-</u>	<u>(535,523)</u>
Change in net position	<u>(1,275,708)</u>	<u>2,990,753</u>	<u>2,140,077</u>	<u>(188,008)</u>	<u>3,667,114</u>
Net position - beginning of period	<u>4,666,295</u>	<u>54,215,538</u>	<u>28,085,209</u>	<u>(711,254)</u>	<u>86,255,788</u>
Net position - ending	<u>\$ 3,390,587</u>	<u>\$ 57,206,291</u>	<u>\$ 30,225,286</u>	<u>\$ (899,262)</u>	<u>\$ 89,922,902</u>

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
Year Ended June 30, 2021

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
Cash flows from operating activities					
Receipts from customers and users	\$ -	\$ 15,592,551	\$ 765,608	\$ 13,063	\$ 16,371,222
Internal activity - payments to other funds	-	(288,020)	-	-	(288,020)
Payments to suppliers	(916,158)	(5,153,958)	(610,825)	(63,457)	(6,744,398)
Payments to employees	-	(1,572,517)	(61,640)	(78,467)	(1,712,624)
Net cash (used in) provided by operating activities	(916,158)	8,578,056	93,143	(128,861)	7,626,180
Cash flows from noncapital financing activities					
Advances from other funds	916,157	-	-	128,861	1,045,018
Advances to other funds	-	-	(451,096)	-	(451,096)
Operating grants	-	92,670	2,172,985	-	2,265,655
Transfers in	-	32,248	281,810	-	314,058
Transfers out	-	(560,000)	(289,581)	-	(849,581)
Net cash provided by (used in) noncapital financing activities	916,157	(435,082)	1,714,118	128,861	2,324,054
Cash flows from capital and related financing activities					
Principal paid on bonds and notes	-	(660,000)	-	-	(660,000)
Interest paid on debt	-	(1,830,250)	-	-	(1,830,250)
Payments for bond related costs	-	(3,900)	-	-	(3,900)
Purchase of capital assets	-	(5,091,381)	-	-	(5,091,381)
Proceeds from sale of capital assets	-	120,230	-	-	120,230
Net cash used in capital and related financing activities	-	(7,465,301)	-	-	(7,465,301)
Cash flows from investing activities					
Purchase of investments	-	(472,690)	-	-	(472,690)
Sale of investments	-	-	70,303	-	70,303
Purchase of real estate held for resale	-	-	(91,994)	-	(91,994)
Advances of mortgage notes receivable	-	-	(193,770)	-	(193,770)
Interest received	-	126,113	36,265	-	162,378
Net cash used in investing activities	-	(346,577)	(179,196)	-	(525,773)
Net (decrease) increase in cash and cash equivalents	(1)	331,096	1,628,065	-	1,959,160
Cash and cash equivalents, July 1, 2020	1	12,953,562	5,441,052	-	18,394,615
Cash and cash equivalents, June 30, 2021	\$ -	\$ 13,284,658	\$ 7,069,117	\$ -	\$ 20,353,775

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
Year Ended June 30, 2021

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Program Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
Reconciliation of operating (loss) income to net cash provided by operating activities					
Operating (loss) income	<u>\$ (1,275,708)</u>	<u>\$ 4,813,563</u>	<u>\$ (131,705)</u>	<u>\$ (188,008)</u>	<u>\$ 3,218,142</u>
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:					
Depreciation	393,291	1,624,959	-	-	2,018,250
Bad debt expense	-	-	216,143	-	216,143
Accrued benefits related to net pension liability	-	229,839	14,365	26,120	270,324
Change in operating assets and liabilities					
Accounts receivable	-	(650)	1,156	-	506
Prepaid expenses	-	-	6,103	-	6,103
Accounts payable	(33,741)	1,501,547	(34,737)	(7,274)	1,425,795
Accrued salaries	-	50,907	(311)	62	50,658
Accrued compensated absences	-	3,800	-	-	3,800
OPEB liability	-	354,091	22,130	40,239	416,460
Unearned revenue	-	-	(1)	-	(1)
Total adjustments	<u>359,550</u>	<u>3,764,493</u>	<u>224,848</u>	<u>59,147</u>	<u>4,408,038</u>
Net cash (used in) provided by operating activities	<u>\$ (916,158)</u>	<u>\$ 8,578,056</u>	<u>\$ 93,143</u>	<u>\$ (128,861)</u>	<u>\$ 7,626,180</u>

See accompanying independent auditor's report.

INTERNAL SERVICE FUNDS

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

Fleet Management accounts for the maintenance and repair of vehicles.

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2021

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 14,765	\$ 219,994	\$ 90,788,850	\$ 91,023,609
Accounts receivable, net	44,074	-	441,937	486,011
Inventory	-	916,194	-	916,194
Prepaid expenses	2,140	92,261	1,950,129	2,044,530
Total current assets	60,979	1,228,449	93,180,916	94,470,344
Noncurrent assets				
Capital assets				
Buildings, improvements and utility plant	903,586	10,990	-	914,576
Machinery and equipment	316,696	1,270,641	-	1,587,337
Less accumulated depreciation	(1,039,430)	(1,279,433)	-	(2,318,863)
Net capital assets	180,852	2,198	-	183,050
Total noncurrent assets	180,852	2,198	-	183,050
TOTAL ASSETS	241,831	1,230,647	93,180,916	94,653,394
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to other postemployment benefits liability	741,640	19,389	35,496,945	36,257,974
Deferred outflows related to the net pension liability	745,179	238,350	79,101	1,062,630
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,486,819	257,739	35,576,046	37,320,604

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)
June 30, 2021

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION				
Current liabilities				
Accounts payable	\$ 1,123,692	\$ 270,781	\$ 301,935	\$ 1,696,408
Accrued salaries and benefits	106,020	90,112	38,544	234,676
Compensated absences	24,345	30,281	17,521	72,147
Due to other funds	-	929,707	11,572	941,279
Unearned revenue	12,619	12,740	4,376	29,735
Accrued liability for claims	-	-	15,290,239	15,290,239
Total current liabilities	<u>1,266,676</u>	<u>1,333,621</u>	<u>15,664,187</u>	<u>18,264,484</u>
Noncurrent liabilities				
Compensated absences	97,378	121,123	70,086	288,587
Net pension liability	4,084,702	1,738,398	371,337	6,194,437
Total OPEB liability	<u>3,690,181</u>	<u>96,475</u>	<u>176,622,202</u>	<u>180,408,858</u>
Total noncurrent liabilities	<u>7,872,261</u>	<u>1,955,996</u>	<u>177,063,625</u>	<u>186,891,882</u>
Total liabilities	<u>9,138,937</u>	<u>3,289,617</u>	<u>192,727,812</u>	<u>205,156,366</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to other postemployment benefits liability	68,610	1,794	3,283,874	3,354,278
Deferred inflows related to the net pension liability	<u>76,583</u>	<u>31,848</u>	<u>7,061</u>	<u>115,492</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>145,193</u>	<u>33,642</u>	<u>3,290,935</u>	<u>3,469,770</u>
FUND NET POSITION				
Net investment in capital assets	180,852	2,198	-	183,050
Unrestricted	<u>(7,736,332)</u>	<u>(1,837,071)</u>	<u>(67,261,785)</u>	<u>(76,835,188)</u>
Total fund net position	<u>\$ (7,555,480)</u>	<u>\$ (1,834,873)</u>	<u>\$ (67,261,785)</u>	<u>\$ (76,652,138)</u>

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2021

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
Operating revenues				
Charges for service	\$ 8,948,759	\$ 866,712	\$ 39,548,425	\$ 49,363,896
Intergovernmental revenues	12,619	12,740	4,376	29,735
Total operating revenues	8,961,378	879,452	39,552,801	49,393,631
Operating expenses				
Personnel services	3,025,368	2,253,956	15,606,156	20,885,480
Materials and supplies	6,970,990	1,136,999	130,647	8,238,636
Other services and charges	127,506	2,576,901	1,892,157	4,596,564
Heat, light and power	-	-	3,813	3,813
Depreciation	18,072	1,099	-	19,171
Claims and premiums	-	-	31,089,599	31,089,599
Total operating expenses	10,141,936	5,968,955	48,722,372	64,833,263
Operating income (loss)	(1,180,558)	(5,089,503)	(9,169,571)	(15,439,632)
Nonoperating revenues				
Investment income	-	-	113,818	113,818
Gain (loss) from sale of assets	9,250	-	-	9,250
Total nonoperating revenues	9,250	-	113,818	123,068
Income (loss) before contributions and transfers	(1,171,308)	(5,089,503)	(9,055,753)	(15,316,564)
Transfers				
Transfers in	3,139	5,303,900	4,491,647	9,798,686
Transfers out	(783,627)	(259,340)	(786,799)	(1,829,766)
Total transfers	(780,488)	5,044,560	3,704,848	7,968,920
Change in net position	(1,951,796)	(44,943)	(5,350,905)	(7,347,644)
Net position - beginning of period	(5,603,684)	(1,789,930)	(61,910,880)	(69,304,494)
Net position - ending	\$ (7,555,480)	\$ (1,834,873)	\$ (67,261,785)	\$ (76,652,138)

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2021

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 244,478	\$ -	\$ -	\$ 244,478
Internal activity - receipts from other funds	8,678,431	879,452	39,472,866	49,030,749
Payments to suppliers	(9,303,961)	(4,640,747)	(4,230,542)	(18,175,250)
Claims paid	-	-	(31,237,712)	(31,237,712)
Payments to employees	(1,443,601)	(1,505,789)	(574,321)	(3,523,711)
Net cash (used in) provided by operating activities	<u>(1,824,653)</u>	<u>(5,267,084)</u>	<u>3,430,291</u>	<u>(3,661,446)</u>
Cash flows from noncapital financing Activities				
Advances from other funds	-	244,884	2,885	247,769
Transfers in	3,139	5,303,900	4,491,647	9,798,686
Transfers out	(783,627)	(259,340)	(786,799)	(1,829,766)
Net cash (used in) provided by noncapital financing activities	<u>(780,488)</u>	<u>5,289,444</u>	<u>3,707,733</u>	<u>8,216,689</u>
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	9,250	-	-	9,250
Net cash provided by capital and related financing activities	<u>9,250</u>	<u>-</u>	<u>-</u>	<u>9,250</u>
Cash flows from investing activities				
Interest received	-	-	113,818	113,818
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>113,818</u>	<u>113,818</u>
Net (decrease) increase in cash and cash equivalents	(2,595,891)	22,360	7,251,842	4,678,311
Cash and cash equivalents, July 1, 2020	2,610,656	197,634	83,537,008	86,345,298
Cash and cash equivalents, June 30, 2021	<u>\$ 14,765</u>	<u>\$ 219,994</u>	<u>\$ 90,788,850</u>	<u>\$ 91,023,609</u>

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)
Year Ended June 30, 2021

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
Reconciliation of operating loss to net cash (used in) provided by operating activities				
Operating loss	<u>\$ (1,180,558)</u>	<u>\$ (5,089,503)</u>	<u>\$ (9,169,571)</u>	<u>\$ (15,439,632)</u>
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:				
Depreciation	18,072	1,099	-	19,171
Accrued benefits related to net pension liability	199,804	(1,777)	28,731	226,758
Change in operating assets and liabilities				
Accounts receivable	(38,469)	-	(79,935)	(118,404)
Inventory	-	(214,869)	-	(214,869)
Prepaid expenses	4	(2,214)	(1,950,129)	(1,952,339)
Accounts payable	(1,190,394)	(23,962)	(13,388)	(1,227,744)
Accrued salaries and benefits	54,246	40,822	19,056	114,124
Accrued compensated absences	4,823	15,272	10,628	30,723
OPEB liability	307,819	8,048	14,733,012	15,048,879
Accrued liability for claims	-	-	(148,113)	(148,113)
Total adjustments	<u>(644,095)</u>	<u>(177,581)</u>	<u>12,599,862</u>	<u>11,778,186</u>
Net cash (used in) provided by operating activities	<u><u>\$ (1,824,653)</u></u>	<u><u>\$ (5,267,084)</u></u>	<u><u>\$ 3,430,291</u></u>	<u><u>\$ (3,661,446)</u></u>

See accompanying independent auditor's report.

FIDUCIARY FUNDS

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

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

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

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

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

Custodial 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, 2021

	Private-Purpose Trust Funds			
	Breast Cancer Awareness Fund	Employee Special Activity Fund	Mayor's Commission Employ People with Disabilities Fund	Total Private-Purpose Trust Funds
ASSETS				
Cash and cash equivalents	\$ 1,839	\$ 510	\$ 2,586	\$ 4,935
Total assets	<u>1,839</u>	<u>510</u>	<u>2,586</u>	<u>4,935</u>
NET POSITION				
Held in trust - other purposes	<u>\$ 1,839</u>	<u>\$ 510</u>	<u>\$ 2,586</u>	<u>\$ 4,935</u>

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
Year Ended June 30, 2021

	Private-Purpose Trust Funds			
	Breast Cancer Awareness Fund	Employee Special Activity Fund	Mayor's Commission Employ People with Disabilities Fund	Total Private-Purpose Trust Funds
ADDITIONS				
Contributions:				
Private donations	\$ 10	\$ 2	\$ 15	\$ 27
Total contributions	10	2	15	27
DEDUCTIONS				
Program expenses	1	-	2	3
Total deductions	1	-	2	3
Change in net position	9	2	13	24
Net position - beginning	1,830	508	2,573	4,911
Net position - ending	\$ 1,839	\$ 510	\$ 2,586	\$ 4,935

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUND
 Year Ended June 30, 2021

	Balance	Additions	Deductions	Balance
	June 30, 2020	June 30, 2021	June 30, 2021	June 30, 2021
ASSETS				
Cash and cash equivalents	\$ 43,362	\$ 42,378	\$ 225	\$ 85,965
Total assets	\$ 43,362	\$ 42,378	\$ 225	\$ 85,965
LIABILITIES				
Accounts payable	\$ 43,362	\$ 49	\$ 42,554	\$ 85,965
Total liabilities	\$ 43,362	\$ 49	\$ 42,554	\$ 85,965

See accompanying independent auditor's report.

OTHER SCHEDULE

**CITY OF COLUMBIA, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
YEAR ENDED JUNE 30, 2021**

For the State Treasurer's Office	Municipal Court
COUNTY/MUNICIPAL FUNDS COLLECTED by the CLERK OF COURT	
Court Fines and Assessments:	
Court fines and assessments collected	\$ 944,152
Court fines and assessments remitted to the State Treasurer	(473,569)
Total Court Fines and Assessments Retained	\$ 470,583
 Surcharges and Assessments Retained for Victim Services:	
Surcharges Collected and Retained	\$ 9,035
Assessments Retained	42,805
Total Surcharges and Assessments Retained for Victim Services	\$ 51,840
 <u>For the Department of Crime Victim Compensation (DCVC)</u>	
Victim Service Funds Collected	
Carryforward From Previous Year - Beginning Balance	\$ -
<u>Victim Service Revenue</u>	
Victim Service Assessments Retained by City/County Treasurer	9,035
Victim Service Surcharges Retained by City/County Treasurer	42,805
Total Funds Allocated to Victim Service Fund plus Beginning Balance	51,840
 <u>Expenditures for Victim Service Program:</u>	
Operating Expenditures	155,085
Total Expenditures from Victim Services Fund	155,085
Total Victim Service Funds Retained by Municipal County Treasurer	(103,245)
Carryforward Funds - End of Year	\$ (103,245)

See accompanying independent auditor's report.

STATISTICAL SECTION
(UNAUDITED)

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

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

Contents

Financial Trends (Schedule 1 through 4)

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

Revenue Capacity (Schedule 5 through 8)

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

Debt Capacity (Schedule 9 through 16)

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

Demographic and Economic Information (Schedule 17 through 19)

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

Operating Information (Schedule 20 through 21)

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

Sources

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

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

Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018 ⁵	2019	2020	2021
Governmental activities										
Net investment in capital assets ¹	\$ 155,989,971	\$ 155,118,428	\$ 156,454,488	\$ 162,102,481	\$ 163,832,021	\$ 172,110,861	\$ 173,383,176	\$ 164,314,702	\$ 160,452,270	\$ 160,830,895
Restricted for:										
Public safety	386,158	2,294,259	4,233,960	231,622	353,801	617,492	707,867	669,477	590,284	614,223
Community development	-	209,030	107,259	1,051,042	628,926	1,069,540	1,326,957	1,312,617	1,575,961	1,065,698
Tourism	5,187,200	5,149,465	3,155,058	6,127,487	6,551,888	7,646,425	5,599,829	5,715,193	5,275,638	8,477,418
Debt service	3,480,333	3,512,035	3,339,548	3,978,932	4,213,150	3,965,407	3,261,555	3,491,801	3,532,006	3,527,356
Capital projects	17,701,662	15,264,573	19,833,612	42,264,148	13,276,860	11,246,571	11,685,189	14,649,565	16,641,752	42,358,238
Unrestricted ^{2,4,5}	18,967,653	25,840,430	26,906,641	(109,340,207)	(81,441,812)	(192,244,224)	(154,202,089)	(149,355,025)	(142,896,935)	(168,788,848)
Total governmental activities net position	\$ 201,712,977	\$ 207,388,220	\$ 214,030,566	\$ 106,415,505	\$ 107,414,834	\$ 4,412,072	\$ 41,762,484	\$ 40,798,330	\$ 45,170,976	\$ 48,084,980
Business-type activities										
Net investment in capital assets ¹	\$ 389,423,595	\$ 373,649,773	\$ 375,763,776	\$ 368,742,602	\$ 401,468,909	\$ 443,267,179	\$ 434,302,299	\$ 430,555,601	\$ 436,753,431	\$ 431,093,455
Restricted for debt service	9,292,810	9,315,421	9,330,640	9,352,281	9,404,442	1,252,137	1,270,897	1,302,306	-	4,091,220
Unrestricted ⁵	195,789,983	237,703,681	252,831,152	224,972,741	208,565,893	182,771,075	140,727,380	140,945,824	158,795,748	148,886,083
Total business-type activities net position	\$ 594,506,388	\$ 620,668,875	\$ 637,925,568	\$ 603,067,624	\$ 619,439,244	\$ 627,290,391	\$ 576,300,576	\$ 572,803,731	\$ 595,549,179	\$ 584,070,758
Primary government										
Net investment in capital assets ¹	\$ 545,413,566	\$ 528,768,201	\$ 532,218,264	\$ 530,845,083	\$ 565,300,930	\$ 615,378,040	\$ 607,685,475	\$ 594,870,303	\$ 597,205,701	\$ 591,924,350
Restricted for:										
Public safety	386,158	2,294,259	4,233,960	231,622	353,801	617,492	707,867	669,477	590,284	614,223
Community development	-	209,030	107,259	1,051,042	628,926	1,069,540	1,326,957	1,312,617	1,575,961	1,065,698
Tourism related expenditures	5,187,200	5,149,465	3,155,058	6,127,487	6,551,888	7,646,425	5,599,829	5,715,193	5,275,638	8,477,418
Debt service	12,773,143	12,827,456	12,670,188	13,331,213	13,617,592	5,217,544	4,532,452	4,794,107	3,532,006	7,618,576
Capital projects	17,701,662	15,264,573	19,833,612	42,264,148	13,276,860	11,246,571	11,685,189	14,649,565	16,641,752	42,358,238
Unrestricted ^{2,3,4,5}	214,757,636	263,544,111	279,737,793	115,632,534	127,124,081	(9,473,149)	(13,474,709)	(8,409,201)	15,898,813	(19,902,765)
Total primary government net position	\$ 796,219,365	\$ 828,057,095	\$ 851,956,134	\$ 709,483,129	\$ 726,854,078	\$ 631,702,463	\$ 618,063,060	\$ 613,602,061	\$ 640,720,155	\$ 632,155,738

¹ Net of related liabilities.

² Years 2012 through 2013 have been restated to reflect the adoption of GASB Statement 65.

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

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

⁵ Year 2018 has been restated to correctly allocate OPEB expense and to correct errors in federal revenue

See accompanying independent auditor's report.

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

Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017 **	2018 * **	2019	2020	2021
Expenses										
Governmental Activities: *										
General government	\$ 10,877,738	\$ 17,577,215	\$ 8,049,816	\$ 8,050,355	\$ 16,584,496	\$ 21,967,466	\$ 23,203,693	\$ 24,646,183	\$ 23,829,739	\$ 24,216,858
Judicial	2,447,105	2,601,919	2,615,194	2,749,136	2,821,703	3,515,045	3,594,550	3,243,546	3,388,992	3,500,993
Finance department	2,348,922	2,051,555	1,726,481	1,886,778	1,872,071	1,857,440	1,906,543	1,873,596	2,055,884	2,085,404
Community promotions	11,899,487	11,915,733	12,872,657	10,660,364	14,374,726	8,847,034	347,449	259,673	343,746	55,255
Planning and development	-	-	-	-	-	4,267,580	4,314,300	4,495,177	4,708,218	4,256,319
Public safety	75,783,788	73,682,870	84,053,096	87,251,472	93,500,619	92,143,229	97,240,671	100,864,885	105,007,457	109,125,861
Parks and recreation	9,912,910	11,329,817	12,290,401	13,081,872	13,936,365	13,884,956	14,862,563	15,452,425	14,941,915	14,836,783
Public services	24,168,009	23,483,659	21,960,858	24,282,518	23,134,424	16,558,862	18,569,541	19,565,757	21,844,507	19,696,659
General services	4,193,394	4,540,814	4,933,285	5,269,511	5,423,712	2,539,388	2,585,254	2,680,538	2,758,595	2,843,703
Tourism and community development	4,760,642	5,855,023	5,787,850	5,791,062	5,523,831	14,411,919	22,250,372	21,965,449	20,324,371	16,731,313
Interest and other charges	2,366,916	3,027,411	2,955,994	4,491,254	4,289,910	3,732,649	3,814,060	2,719,188	2,743,988	4,817,145
Non departmental	2,401,408	2,455,260	2,515,184	2,141,310	3,656,099	4,984,358	3,365,104	-	-	-
Unallocated depreciation	-	-	-	-	-	-	-	1,529,083	1,531,898	1,531,898
Total governmental activities expense	151,160,319	158,521,276	159,760,816	165,655,632	185,117,956	188,709,926	196,054,100	199,295,500	203,479,310	203,698,191
Business-type Activities: *										
Water and sewer facilities	106,594,059	107,410,948	100,389,819	113,273,814	133,177,028	138,965,008	148,618,415	163,192,833	142,242,080	174,296,353
Hydro-electric plant	1,547,093	1,544,804	3,012,376	2,422,544	525,056	2,116,008	3,941,247	1,308,062	1,444,795	1,275,708
Stormwater	4,595,847	4,692,223	5,668,819	4,814,419	6,371,047	6,755,544	6,211,028	9,029,891	10,513,908	12,934,746
Parking facilities	6,336,721	6,330,524	6,162,449	7,678,876	7,300,521	7,424,017	8,138,572	8,886,953	7,750,072	7,853,666
Redevelopment programs	1,966,452	734,283	848,141	835,812	811,683	1,092,578	1,043,347	1,206,148	2,330,965	707,797
Parks and recreation camps	305,939	271,271	324,209	306,219	325,053	362,485	406,390	476,156	353,720	209,286
Total business-type expenses	121,346,111	120,984,053	116,405,813	129,331,684	148,510,388	156,715,640	168,358,999	184,100,043	164,635,540	197,277,556
Total primary government expenses	\$ 272,506,430	\$ 279,505,329	\$ 276,166,629	\$ 294,987,316	\$ 333,628,344	\$ 345,425,566	\$ 364,413,099	\$ 383,395,543	\$ 368,114,850	\$ 400,975,747
Program revenues										
Governmental Activities * **										
Charges for services										
General government	\$ 771,459	\$ 940,028	\$ 758,177	\$ 726,487	\$ 810,592	\$ 40,714,948	\$ 41,914,647	\$ 42,512,489	\$ 42,932,789	\$ 44,824,660
Finance	28,328,937	30,505,679	31,467,056	37,837,666	38,659,299	-	-	-	-	-
Community promotions	-	-	-	-	-	-	165,358	-	-	-
Tourism and community development	721,425	793,431	832,159	799,663	908,359	619,541	71,225	85,626	200,780	357,718
Public safety	16,154,103	21,387,115	22,040,936	22,811,461	23,078,568	47,392,478	48,314,997	47,734,678	56,722,229	52,690,415
Parks and recreation	583,471	728,247	818,304	822,319	779,008	833,501	876,137	880,984	608,012	225,924
Public services	350,100	247,570	344,718	258,211	169,512	615,441	596,340	728,323	839,825	556,079
General services	-	-	-	-	-	888,200	212,115	229,196	263,793	144,378
Operating grants and contributions	33,702,068	33,701,772	34,448,202	34,980,295	38,004,041	9,680,648	9,918,979	13,591,723	11,275,019	9,871,785
Capital grants and contributions	4,112,450	1,295,665	766,837	3,069,436	6,399,622	10,004,812	4,926,131	1,402,970	2,051,383	1,185,676
Total Governmental Activities Program Revenue	84,724,013	89,599,507	91,476,389	101,305,538	108,809,001	110,749,569	106,995,929	107,165,989	114,893,830	109,856,635
Business-type Activities *										
Charges for services										
Water and sewer facilities	112,750,717	121,723,711	116,644,423	119,716,789	133,482,271	137,198,161	133,114,566	147,913,149	158,583,218	158,205,156
Hydro-electric plant	2,622,234	2,731,475	4,843,922	3,037,971	54,435	151,890	993,569	-	-	-
Stormwater facilities	4,861,153	6,685,838	6,958,281	7,521,149	7,316,201	7,432,103	12,708,897	14,260,785	15,491,908	15,593,201
Parking facilities	6,520,866	6,864,323	6,495,064	7,145,520	7,365,470	8,250,439	8,450,211	8,719,441	7,280,010	6,681,542
Redevelopment programs	599,950	921,759	564,456	680,111	543,626	574,908	561,668	620,775	595,981	618,613
Parks and recreation camps	262,582	253,150	275,182	300,931	320,265	335,505	319,316	353,166	236,878	13,063
Operating grants and contributions	-	-	-	-	-	6,029,439	127,343	1,289,286	2,495,143	4,196,356
Capital grants and contributions	4,066,060	5,831,240	5,431,910	3,872,664	16,229,517	10,159,405	6,089,880	5,894,028	6,976,485	10,901,680
Total Business-type Activities Revenues	131,683,562	145,011,496	141,213,238	142,275,135	171,559,900	170,131,850	162,365,450	179,050,630	191,659,623	196,209,611
Total Primary Government Revenues	\$ 216,407,575	\$ 234,611,003	\$ 232,689,627	\$ 243,580,673	\$ 280,368,901	\$ 280,881,419	\$ 269,361,379	\$ 286,216,619	\$ 306,553,453	\$ 306,066,246
Net (expense) revenue										
Governmental activities	\$ (66,436,306)	\$ (68,921,769)	\$ (68,284,427)	\$ (64,350,094)	\$ (76,308,955)	\$ (77,960,357)	\$ (89,058,171)	\$ (92,129,511)	\$ (88,585,480)	\$ (93,841,556)
Business-type activities	10,337,451	24,027,443	24,807,425	12,943,451	23,049,512	13,416,210	(5,993,549)	(5,049,413)	27,024,083	(1,067,945)
Total Primary Government Net Expense	\$ (56,098,855)	\$ (44,894,326)	\$ (43,477,002)	\$ (51,406,643)	\$ (53,259,443)	\$ (64,544,147)	\$ (95,051,720)	\$ (97,178,924)	\$ (61,561,397)	\$ (94,909,501)

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

** 2017 and 2018 utility franchise revenue and business privilege license revenue have been reclassified to charges for services in order to conform to current year presentation.

(Continued)

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

Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018 *	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
General property taxes	\$ 35,831,679	\$ 34,462,835	\$ 34,353,070	\$ 34,178,067	\$ 32,871,757	\$ 31,793,590	\$ 35,292,150	\$ 37,225,108	\$ 36,387,111	\$ 39,946,275
Local Option Sales Tax	14,874,049	15,781,749	16,465,463	16,385,254	18,152,618	20,946,748	20,811,587	20,775,337	21,070,529	23,900,908
Hospitality and admission taxes	-	-	-	-	-	11,990,432	12,287,708	12,716,579	11,175,818	11,733,436
Accommodations tax	-	-	-	-	-	2,496,308	2,753,342	2,944,112	2,456,870	1,950,190
Tourism development fee	-	-	-	-	-	3,911,428	4,080,751	3,924,883	3,481,978	2,604,061
Liquor permit fees	-	-	-	-	-	478,973	350,825	451,750	325,305	323,055
Sales tax	14,216,318	11,498,370	12,072,024	12,626,419	13,398,593	-	-	-	-	-
Motor fuel	3,436	3,566	1,381	3,348	3,054	-	-	-	-	-
State shared revenue	2,363,791	2,788,097	2,805,133	2,829,726	2,853,350	3,019,209	3,575,571	2,955,787	3,064,969	3,123,717
Investment income	537,702	26,022	89,001	163,175	227,683	(20,184)	267,877	2,289,589	1,519,336	213,778
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	134,786	77,101	267,285
Insurance recoveries	-	-	-	-	-	-	-	129,260	272,080	177,040
Other	156,323	188,511	109,361	254,447	222,106	-	-	535,077	745,452	272,947
Special items	-	-	-	-	-	2,592,856	-	-	-	-
Donation of capital assets	-	-	-	-	-	-	-	-	-	907,360
Transfers	7,826,063	9,739,875	9,031,340	8,889,857	9,566,317	6,758,489	8,036,037	7,083,089	12,381,577	11,335,508
Total Governmental Activities	<u>75,809,361</u>	<u>74,489,025</u>	<u>74,926,773</u>	<u>75,330,293</u>	<u>77,295,478</u>	<u>83,967,849</u>	<u>87,455,848</u>	<u>91,165,357</u>	<u>92,958,126</u>	<u>96,755,560</u>
Business-type Activities										
Investment income	2,899,062	231,513	1,158,475	1,226,558	2,511,346	1,193,414	1,992,506	8,496,571	8,011,044	800,707
Gain (loss) on sale of capital assets	(2,609,759)	10,922,099	322,133	103,766	377,079	-	-	139,086	17,990	124,325
Insurance recoveries	-	-	-	-	-	-	-	-	73,908	-
Transfers	(7,826,063)	(9,739,875)	(9,031,340)	(8,889,857)	(9,566,317)	(6,758,489)	(8,036,037)	(7,083,089)	(12,381,577)	(11,335,508)
Total Business-type Activities	<u>(7,536,760)</u>	<u>1,413,737</u>	<u>(7,550,732)</u>	<u>(7,559,533)</u>	<u>(6,677,892)</u>	<u>(5,565,075)</u>	<u>(6,043,531)</u>	<u>1,552,568</u>	<u>(4,278,635)</u>	<u>(10,410,476)</u>
Total Primary Government	<u>\$ 68,272,601</u>	<u>\$ 75,902,762</u>	<u>\$ 67,376,041</u>	<u>\$ 67,770,760</u>	<u>\$ 70,617,586</u>	<u>\$ 78,402,774</u>	<u>\$ 81,412,317</u>	<u>\$ 92,717,925</u>	<u>\$ 88,679,491</u>	<u>\$ 86,345,084</u>
Change in Net Position										
Governmental activities	\$ 9,373,055	\$ 5,567,256	\$ 6,642,346	\$ 10,980,199	\$ 986,523	\$ 6,007,492	\$ (1,602,323)	\$ (964,154)	\$ 4,372,646	\$ 2,914,004
Business-type activities	2,800,691	25,441,180	17,256,693	5,383,918	16,371,620	7,851,135	(12,037,080)	(3,496,845)	22,745,448	(11,478,421)
Total Primary Government	<u>\$ 12,173,746</u>	<u>\$ 31,008,436</u>	<u>\$ 23,899,039</u>	<u>\$ 16,364,117</u>	<u>\$ 17,358,143</u>	<u>\$ 13,858,627</u>	<u>\$ (13,639,403)</u>	<u>\$ (4,460,999)</u>	<u>\$ 27,118,094</u>	<u>\$ (8,564,417)</u>

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

See accompanying independent auditor's report.

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

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017***	2018 ****	2019	2020	2021
General Fund ****										
Nonspendable	\$ 280,272	\$ 298,252	\$ 233,945	\$ 696,389	\$ 433,224	\$ 445,780	\$ 436,052	\$ 684,418	\$ 1,093,509	\$ 858,471
Restricted	-	-	-	4,880,662	1,579,244	4,837,243	4,637,457	9,259,223	10,647,375	2,531,473
Committed	-	-	72,975	4,810,356	4,876,045	5,207,060	4,874,733	4,963,776	4,751,764	4,854,449
Assigned	190,599	2,159,860	3,627,442	3,654,109	3,603,701	4,054,048	2,205,351	9,160,058	1,517,616	124,308
Unassigned	14,972,196	22,380,727	25,059,965	22,352,224	19,412,644	15,076,661	20,947,063	17,428,534	29,895,222	41,855,330
Total general fund	<u>\$ 15,443,067</u>	<u>\$ 24,838,839</u>	<u>\$ 28,994,327</u>	<u>\$ 36,393,740</u>	<u>\$ 29,904,858</u>	<u>\$ 29,620,792</u>	<u>\$ 33,100,656</u>	<u>\$ 41,496,009</u>	<u>\$ 47,905,486</u>	<u>\$ 50,224,031</u>
County Services Fund										
Nonspendable	\$ 14,536	\$ 71,775	\$ 56,905	\$ 64,376	\$ 66,437	\$ 74,580	\$ 74,677	\$ 89,329	\$ 101,271	\$ 103,533
Assigned	735,023	1,704,488	2,089,901	-	-	-	-	-	-	-
Unassigned	-	-	-	(1,016,105)	(3,197,450)	(2,562,075)	(2,733,037)	(3,514,271)	(1,427,335)	(1,076,253)
Total county services fund	<u>\$ 749,559</u>	<u>\$ 1,776,263</u>	<u>\$ 2,146,806</u>	<u>\$ (951,729)</u>	<u>\$ (3,131,013)</u>	<u>\$ (2,487,495)</u>	<u>\$ (2,658,360)</u>	<u>\$ (3,424,942)</u>	<u>\$ (1,326,064)</u>	<u>\$ (972,720)</u>
General Capital Projects Fund *****										
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,804,899
Miscellaneous Projects ***										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 5,407,629	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds ****										
Nonspendable	\$ 16,433	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,038	\$ 5,048
Restricted	26,750,353	24,724,874	28,565,017	48,767,569	18,032,753	19,703,192	18,280,050	16,574,430	16,963,228	53,506,412
Assigned	17,744,836	12,603,593	12,668,482	16,570,606	13,198,560	17,971,311	13,088,926	9,911,402	11,672,845	9,483,508
Unassigned	(225,792)	(152,559)	-	-	-	-	-	-	(1,157,365)	(1,290,725)
Total all other governmental funds	<u>\$ 44,285,830</u>	<u>\$ 37,180,908</u>	<u>\$ 41,238,499</u>	<u>\$ 65,343,175</u>	<u>\$ 31,236,313</u>	<u>\$ 37,679,503</u>	<u>\$ 31,373,976</u>	<u>\$ 26,490,832</u>	<u>\$ 27,483,746</u>	<u>\$ 61,704,243</u>

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

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

***** The General Capital Projects Fund became a major fund in fiscal year 2021 and was considered not to be a major fund in the other years presented above and was therefore included with All Other Governmental Fund:

See accompanying independent auditor's report.

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

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018 *	2019	2020	2021
Revenues: *										
General property taxes	\$ 50,496,237	\$ 50,644,107	\$ 50,884,644	\$ 50,563,321	\$ 51,024,375	\$ 31,689,159	\$ 35,322,061	\$ 36,648,599	\$ 37,503,057	\$ 38,472,357
Local option sales tax	-	-	-	-	-	20,946,748	20,811,587	20,775,337	21,070,529	23,900,908
Hospitality and admission taxes	14,216,318	11,498,370	12,072,024	12,626,419	13,398,593	11,990,432	12,287,708	12,716,579	11,175,818	11,733,436
Accommodations tax	-	-	-	-	-	2,496,308	2,753,342	2,944,112	2,456,870	1,950,190
Tourism development fee	-	-	-	-	-	3,911,428	4,080,751	3,924,883	3,481,978	2,604,061
Liquor permit fee	-	-	-	-	-	478,973	350,825	451,750	325,305	323,055
License and permits	28,329,064	30,505,429	31,466,856	37,837,446	38,659,049	26,580,332	27,889,578	28,404,652	28,997,482	30,183,111
Franchise fees	-	-	-	-	-	13,133,923	12,904,332	11,974,635	11,345,082	10,924,209
Intergovernmental revenue	12,974,392	13,540,185	14,380,520	15,682,389	15,970,472	19,529,145	19,124,990	16,623,178	21,557,013	17,973,492
Charges for services	6,915,049	11,983,172	12,692,387	12,622,954	12,579,623	13,134,829	13,179,834	13,379,462	15,714,840	15,539,956
Fines and forfeitures	1,139,209	1,230,219	1,334,420	1,237,153	941,713	1,262,355	1,477,142	1,045,043	735,862	807,620
Federal revenues	7,905,552	5,452,069	3,942,851	3,434,392	4,965,775	6,979,415	6,641,747	9,888,496	8,109,909	7,794,350
State revenues	417,851	380,553	1,010,674	3,381,680	1,074,349	35,593	291,930	1,360,090	168,045	243,352
County revenues	25,013,335	26,530,590	27,742,117	25,652,150	30,232,460	26,788,407	26,475,088	26,260,956	29,107,164	26,808,785
Promotions	392,947	89,314	78,047	121,928	109,255	733,355	35,000	33,000	30,000	-
Private grants	-	-	-	-	-	89,496	938,340	993,369	1,911,038	833,243
Confiscated funds	403,311	533,541	267,863	279,147	274,392	-	-	-	-	-
Interest	539,145	26,386	89,104	163,266	227,762	(20,184)	267,877	790,822	644,040	99,960
Rental income	-	-	-	-	-	103,343	133,873	99,943	284,818	1,872,234
Other revenues	2,970,687	1,688,232	1,415,305	1,738,208	4,241,505	2,036,909	113,725	535,077	745,452	272,947
Total revenues	151,713,097	154,102,167	157,376,812	165,340,453	173,699,323	181,899,966	185,079,730	188,849,983	195,364,302	192,337,266
Expenditures:										
Current:										
General government	6,222,202	6,644,937	7,109,837	7,184,601	8,280,304	12,306,378	12,437,453	14,234,889	13,342,402	12,482,011
Judicial	2,387,018	2,494,267	2,481,917	2,539,958	2,601,829	3,334,061	3,358,803	3,025,420	3,179,221	3,127,814
Finance department	1,978,427	1,978,474	1,668,970	1,779,283	1,756,891	1,787,470	1,807,673	1,782,499	1,965,276	1,899,630
Planning and development	3,939,862	4,041,701	4,013,337	3,228,917	3,071,520	4,106,820	4,090,523	4,276,616	4,500,715	3,877,154
Public safety	73,865,581	73,409,740	76,120,091	78,340,960	85,837,873	85,707,105	92,212,995	92,621,598	96,762,036	95,733,738
Parks and recreation	9,349,169	9,486,586	10,075,127	10,525,782	11,367,618	11,631,927	12,209,569	12,751,899	12,377,366	11,580,933
Public services	20,637,713	20,561,911	17,476,210	16,958,389	19,979,648	15,413,189	17,162,014	18,305,617	20,666,285	17,723,361
General services	4,109,575	4,476,134	4,757,553	4,680,453	5,189,301	2,416,883	2,424,484	2,524,071	2,611,303	2,564,284
Tourism and community development	-	-	-	-	-	20,154,312	20,824,343	20,892,517	19,424,706	15,236,858
Community promotion	12,745,631	14,114,668	15,149,073	13,409,862	17,175,029	748,739	245,080	247,048	328,597	50,333
Nondepartmental	2,388,824	2,475,304	2,835,449	2,279,518	3,785,304	-	-	-	-	-
Other charges	-	11,079	-	-	-	-	-	-	-	-
Debt service:										
Principal payment on bonds	7,205,000	8,260,000	8,989,992	9,326,791	10,334,259	24,947,898	11,195,130	11,146,888	11,123,406	16,091,778
Interest payments on bonds	4,069,181	2,778,884	2,909,808	3,172,846	3,832,744	3,793,816	3,084,562	2,914,946	2,876,316	2,972,143
Fiscal agent charges	8,913	4,975	4,587	5,461	5,732	15,499	15,032	14,297	15,938	16,442
Debt issuance costs	2,122,842	550,421	243,479	904,310	580,569	129,500	-	-	44,500	1,800,616
Capital outlay:										
Capital outlay:	13,338,436	11,293,853	8,425,531	20,507,125	45,467,704	15,426,860	13,315,272	10,590,294	15,597,102	35,786,077
Total expenditures	164,368,374	162,582,934	162,260,961	174,844,256	219,266,325	201,920,457	194,382,933	195,328,599	204,815,169	220,943,172
Excess of revenues over (under) expenditures	(12,655,277)	(8,480,767)	(4,884,149)	(9,503,803)	(45,567,002)	(20,020,491)	(9,303,203)	(6,478,616)	(9,450,867)	(28,605,906)

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

(Continued)

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

Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017 **	2018 *	2019	2020	2021
Other financing sources (uses):										
Transfers in	\$ 31,021,933	\$ 28,738,040	\$ 26,160,749	\$ 30,526,833	\$ 34,532,789	\$ 27,615,263	\$ 23,076,665	\$ 24,176,492	\$ 34,359,463	\$ 49,642,210
Transfers out	(27,084,972)	(24,286,578)	(21,206,734)	(29,926,951)	(38,628,587)	(31,893,386)	(21,156,513)	(23,265,656)	(29,262,923)	(46,275,622)
Issuance of bonds	5,575,000	6,375,000	7,315,000	26,175,000	10,645,000	1,460,000	-	-	4,200,000	64,425,000
Issuance of capital lease	-	-	-	7,000,000	-	8,100,000	4,000,000	8,000,000	9,250,000	-
Premium on debt issued	343,785	401,659	816,175	3,747,839	1,707,916	-	-	-	-	-
Refunding bonds issued	14,825,000	24,260,000	-	-	6,260,000	-	-	-	-	-
Payment to refunded bond escrow agent	(14,436,356)	(23,915,684)	-	-	(6,666,502)	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	92,831	149,573	129,260	272,080	177,040
Proceeds from sale of general capital assets	170,409	225,883	382,589	386,636	348,987	167,063	236,949	184,147	133,516	334,563
Total other financing sources (uses)	<u>10,414,799</u>	<u>11,798,320</u>	<u>13,467,779</u>	<u>37,909,357</u>	<u>8,199,603</u>	<u>5,541,771</u>	<u>6,306,674</u>	<u>9,224,243</u>	<u>18,952,136</u>	<u>68,303,191</u>
Special items**										
Collections on capital leases	-	-	-	-	-	13,280,875	-	-	-	-
Rental income	-	-	-	-	-	2,592,856	-	-	-	-
Total special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,873,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (2,240,478)</u>	<u>\$ 3,317,553</u>	<u>\$ 8,583,630</u>	<u>\$ 28,405,554</u>	<u>\$ (37,367,399)</u>	<u>\$ 1,395,011</u>	<u>\$ (2,996,529)</u>	<u>\$ 2,745,627</u>	<u>\$ 9,501,269</u>	<u>\$ 39,697,285</u>
Debt service as a percentage of noncapital expenditures	<u>7%</u>	<u>7%</u>	<u>8%</u>	<u>8%</u>	<u>8%</u>	<u>15%</u>	<u>8%</u>	<u>8%</u>	<u>7%</u>	<u>10%</u>

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

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

See accompanying independent auditor's report.

Schedule 5
CITY OF COLUMBIA, SOUTH CAROLINA
Assessed Value and Estimated Actual Value of Taxable Property (unaudited)

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Year	Real Property		Personal Property		Total		Assessed Value as a Percentage of Actual Value	Total Direct Rate
		Assessed Value	Estimated Actual Value	Assessed Value ¹	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2012	2011	\$ 399,357,360	\$ 8,240,197,133	\$ 105,214,744	\$ 1,241,437,184	\$ 504,572,104	\$ 9,481,634,317	5.32%	98.1
2013	2012	400,610,960	8,131,722,177	110,571,977	1,297,785,551	511,182,937	9,429,507,728	5.42%	98.1
2014	2013	404,719,630	8,212,659,856	110,356,777	1,315,979,478	515,076,407	9,528,639,334	5.41%	98.1
2015	2014	394,221,790	7,949,097,129	117,043,195	1,709,777,055	511,264,985	9,658,874,184	5.29%	98.1
2016	2015	406,028,080	8,164,834,273	123,473,420	1,480,591,620	529,501,500	9,645,425,893	5.49%	96.1
2017	2016	414,181,670	8,319,747,629	122,245,699	1,472,158,558	536,427,369	9,791,906,187	5.48%	96.1
2018	2017	436,835,680	8,704,879,877	128,818,907	1,625,411,781	565,654,587	10,330,291,658	5.48%	98.1
2019	2018	451,617,910	9,033,830,822	127,188,740	1,501,121,493	578,806,650	10,534,952,315	5.49%	93.8
2020	2019	495,302,700	9,896,806,126	126,338,803	1,494,221,800	621,641,503	11,391,027,926	5.46%	93.8
2021	2020	510,063,250	10,182,570,412	125,786,682	1,501,828,037	635,849,932	11,684,398,449	5.44%	93.8

Source: Richland County and Lexington County Auditor's office

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

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

See accompanying independent auditor's report.

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

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

Year Ended June 30,	City Direct Millage	Overlapping Rates ¹				
		Counties		School Districts		
		Richland County	Lexington County	Richland County School District Number 1	Richland County School District Number 2	Richland/Lexington School District Number 5
2012	98.1	105.3	112.7	289.7	349.4	274.4
2013	98.1	84.2	118.5	296.1	367.5	274.4
2014	98.1	111.5	122.1	301.7	385.5	281.8
2015	98.1	121.2	125.0	300.9	406.0	288.3
2016	96.1	123.1	124.0	309.0	412.0	304.0
2017	96.1	124.6	123.5	316.0	427.0	304.0
2018	98.1	128.8	125.4	332.8	439.6	309.4
2019	93.8	127.1	124.3	330.5	435.7	332.3
2020	93.8	125.9	126.0	330.5	435.7	321.5
2021	93.8	125.7	121.2	330.5	435.7	315.6

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

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

See accompanying independent auditor's report.

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

Current Year and Nine Years Ago

Taxpayer	2021			2012		
	Taxable Assessed Value ¹	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value ²	Rank	Percentage of Total Taxable Assessed Value
Dominion Energy South Carolina	\$23,803,890	1	3.74%	\$12,346,110	1	2.70%
Shaw Industries Group	7,317,490	2	1.15%	-		
GGP Columbiana Trust	3,837,900	3	0.60%	-		
ATT Mobility LLC	2,738,970	4	0.43%	-		
DDRT Columbiana Station LLC	1,709,430	5	0.27%	-		
BVA Harbison Court LLC	1,642,500	6	0.26%	-		
Northlake Drive Apts LLC	1,924,780	7	0.30%	8,022,550	2	1.75%
Midcarolina Electric Coop	1,651,480	8	0.26%	-		
Columbiana Station EA LLC	1,326,760	9	0.21%	-		
LBX Hargoson TH LLC	1,325,490	10	0.21%	-		
Unumprovident Corporation	-			3,134,952	3	0.69%
US REIF/MJW Capital Center Fee	-			2,740,240	4	0.60%
Colonial Life & Accident	-			1,949,966	5	0.43%
Time Warner	-			1,874,120	6	0.41%
SC Heritage Assoc	-			1,559,250	7	0.34%
Assembly Station Columbia LLC	-			1,484,450	8	0.32%
Parkway Properties LP	-			1,469,490	9	0.32%
Bank of America Plaza LLC	-			1,440,370	10	0.31%
	<u>\$ 47,278,690</u>		<u>7.44%</u>	<u>\$ 36,021,498</u>		<u>7.87%</u>

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

¹ Total assessed valuation was \$635,849,932.

² Total assessed valuation was \$504,502,983.

See accompanying independent auditor's report.

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

Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 50,201,476	\$ 48,564,952	96.74%	\$ 1,931,285	\$ 50,496,237	100.59%
2013	50,179,312	48,712,822	97.08%	1,058,584	49,771,406	99.19%
2014	50,554,312	49,826,060	98.56%	1,070,102	50,896,162	100.68%
2015	50,167,100	49,493,219	98.66%	1,094,527	50,587,746	100.84%
2016	50,915,070	48,401,467	95.06%	810,926	49,212,393	96.66%
2017	51,618,738	51,377,395	99.53%	730,382	52,107,777	100.95%
2018	55,511,331	56,037,355	100.95%	222,051	56,259,406	101.35%
2019	56,811,217	57,806,567	101.75%	249,109	58,055,676	102.19%
2020	58,686,301	57,530,400	98.03%	222,574	57,752,974	98.41%
2021	59,673,444	61,994,963	103.89%	-	61,994,963	103.89%

Sources: Richland County Treasurer's Office and Lexington County Treasurer's Office
Neither Richland County nor Lexington County report delinquent collections by tax year.

See accompanying independent auditor's report.

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

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds ^{1 2}	Notes Payable	Capital Lease	Revenue Bonds ^{1 2}	Total Governmental Activities Debt
2012	\$ 32,020,777	\$ 5,619,142	\$ -	\$ 50,811,284	88,451,203
2013	33,848,474	5,424,142	-	48,082,505	87,355,121
2014	37,494,897	5,229,142	-	43,580,000	86,304,039
2015	32,242,297	5,034,142	6,603,209	69,696,682	113,576,330
2016	39,021,630	4,804,142	5,630,642	65,712,446	115,168,860
2017	33,373,934	675,000	11,831,886	53,438,210	99,319,030
2018	27,678,432	600,000	13,666,757	49,718,975	91,664,164
2019	23,317,930	525,000	18,354,869	45,859,739	88,057,538
2020	20,117,428	450,000	23,251,463	46,105,503	89,924,394
2021	17,138,365	375,000	18,029,685	102,491,267	138,034,317

¹ 2012 through 2013 have been restated for the implementation of GASB 65

² Bond amounts include premiums

(Continued)

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

Last Ten Fiscal Years

Fiscal Year	Other Business-Type Activities Debt		Total Business-type Activities	Total Primary Government	Percentage of Personal Income ²	Debt Per Capita ³
	Revenue Bonds ¹⁴					
2012	\$	444,643,320	\$ 444,643,320	\$ 533,094,523	11.51%	4,082
2013		435,639,889	435,639,889	522,995,010	11.23%	3,972
2014		505,105,688	505,105,688	591,409,727	12.50%	4,435
2015		493,735,898	493,735,898	607,312,228	12.19%	4,599
2016		482,521,108	482,521,108	597,689,968	11.61%	4,467
2017		549,199,566	549,199,566	648,518,596	11.77%	4,829
2018		633,127,517	633,127,517	724,791,681	13.09%	5,445
2019		660,982,094	660,982,094	749,039,632	12.35%	5,330
2020		792,533,382	792,533,382	882,457,776	14.53%	6,633
2021		818,568,076	818,568,076	956,602,393	17.02%	7,001

¹ 2012 through 2013 have been restated for the implementation of GASB 65

² Personal income is disclosed on Schedule 17

³ Population is disclosed on Schedule 17

⁴ Bond amounts include premiums

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

See accompanying independent auditor's report.

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

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt			Percentage of Estimated Actual Taxable Value of Property ²	Per Capita ³
	Governmental Activities General Obligation Bonds ¹	Less: Amount Available in Debt Service Funds	Total		
2012	\$ 32,020,777	\$ 3,481,333	\$ 28,539,444	0.30%	218.54
2013	33,848,474	3,512,035	30,336,439	0.32%	230.37
2014	37,494,897	3,339,548	34,155,349	0.36%	256.12
2015	32,242,297	3,978,932	28,263,365	0.29%	214.01
2016	39,021,630	4,213,150	34,808,480	0.36%	260.15
2017	33,373,934	3,965,407	29,408,527	0.30%	218.96
2018	27,678,432	3,257,255	24,421,177	0.24%	183.46
2019	23,317,930	3,491,801	19,826,129	0.19%	141.07
2020	20,117,428	3,532,006	16,585,422	0.15%	124.67
2021	17,138,365	3,527,356	13,611,009	0.12%	99.62

¹ 2012 through 2013 have been restated for the implementation of GASB 65

² Estimated value of property is disclosed on Schedule 5

³ Population is disclosed on Schedule 17

See accompanying independent auditor's report.

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

June 30, 2021

Jurisdiction	Total Assessed Value	Assessed Value Within the City	Net Governmental Activities Debt Outstanding ¹	Percentage Applicable to the City	Estimated Amount Applicable to the City
Direct:					
City of Columbia	\$ 635,849,932	\$ 635,849,932	\$ 138,034,319	100.00%	<u>\$ 138,034,319</u>
Overlapping					
Counties:					
Richland County	1,795,111,528	608,007,812	93,600,000	33.87%	31,702,504
Lexington County	1,367,933,740	27,842,120	\$20,415,000	2.04%	415,515
School Districts:					
Lexington Richland SD 5	348,134,970	27,842,120	178,546,000	8.00%	14,279,230
Richland School District One	939,235,402	528,274,537	346,760,000	56.25%	195,035,747
Richland School District Two	625,907,222	56,053,685	460,045,000	8.96%	41,199,744
Special Districts:					
Airport District	1,795,111,528	608,007,812	4,765,000	33.87%	1,613,915
Riverbanks Park District	3,163,045,268	635,849,932	29,311,000	20.10%	<u>5,892,232</u>
Total Overlapping Debt					<u>290,138,887</u>
Total Direct and Overlapping Debt					<u><u>\$ 428,173,206</u></u>

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

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

See accompanying independent auditor's report.

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

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Net Debt Outstanding¹</u>	<u>Legal Debt Margin</u>	<u>Ratio of Net Debt Outstanding to the Debt Limit</u>
2012	\$ 40,899,152	\$ 31,505,000	\$ 9,394,152	77.03%
2013	41,428,018	33,515,000	7,913,018	80.90%
2014	41,564,012	35,680,000	5,884,012	85.84%
2015	41,434,582	30,665,000	10,769,582	74.01%
2016	42,893,503	36,025,000	6,868,503	83.99%
2017	43,447,573	33,710,000	9,737,573	77.59%
2018	45,785,750	25,345,000	20,440,750	55.36%
2019	46,837,915	21,315,000	25,522,915	45.51%
2020	50,264,703	18,445,000	31,819,703	36.70%
2021	51,401,378	15,760,000	35,641,378	30.66%

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

¹ Excludes debt not applicable to the limit.

Legal Debt Margin Calculation for the Year Ended June 30, 2021:

Assessed value in Richland County	\$ 608,007,812
Assessed value in Lexington County	27,842,120
Subtotal	<u>635,849,932</u>
Business inventory 1987 assessed value	6,667,290
Total assessed value	<u>642,517,222</u>
	8.00%
Debt Limit	<u>51,401,378</u>
Net debt outstanding subject to the debt limit	<u>15,760,000</u>
Legal debt margin as of June 30, 2021	<u><u>\$ 35,641,378</u></u>

See accompanying independent auditor's report.

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

Last Ten Fiscal Years

Fiscal Year	Allowable Revenues ¹	Debt Service Requirement			COPS Debt Coverage
		Principal	Interest	Total	
2012	\$ 13,760,410	\$ 2,635,000	\$ 1,976,483	\$ 4,611,483	3.0
2013	14,655,101	3,700,000	1,720,250	5,420,250	2.7
2014	15,260,239	3,225,000	848,193	4,073,193	3.7
2015	16,283,694	3,300,000	772,230	4,072,230	4.0
2016	17,432,339	3,465,000	1,701,448	5,166,448	3.4
2017	18,259,310	3,590,000	1,969,812	5,559,812	3.3
2018	18,538,153	3,730,000	1,886,578	5,616,578	3.3
2019	18,524,581	3,825,000	1,667,430	5,492,430	3.4
2020	16,882,093	3,910,000	1,820,334	5,730,334	2.9
2021	15,634,344	8,110,000	1,844,162	9,954,162	1.6

¹ Allowable revenues include hospitality fees and tourism development fees.

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

See accompanying independent auditor's report.

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

Last Ten Fiscal Years

Fiscal Year	Allowable Revenues ¹	Current Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirement			Revenue Bond Coverage	
				Principal	Interest ³	Net Swap Payments ⁴		
2012	\$ 115,271,396	\$ 80,373,777	\$ 34,897,619	\$ 12,150,000	\$ 13,873,881	\$ (29,306)	\$ 25,994,575	1.3
2013	121,878,086	74,400,785	47,477,301	6,465,000	17,047,580	(828)	23,511,752	2.0
2014	117,924,265	66,189,697	51,734,568	8,810,000	18,790,180	(1,811)	27,598,369	1.9
2015	118,178,523	67,105,722	51,072,801	8,095,000	20,219,738	(7,406)	28,307,332	1.8
2016	140,727,628	80,492,473	60,235,155	8,750,000	19,684,734	(7,125)	28,427,609	2.1
2017	144,141,119	83,406,757	60,734,362	10,545,000	18,057,893	(8,750)	28,594,143	2.1
2018	138,857,358	85,542,830	53,314,528	11,705,000	21,160,319	(9,340)	32,855,979	1.6
2019	155,445,030	93,846,955	61,598,075	11,915,000	23,485,913	(20,017)	35,380,896	1.7
2020	165,611,844	90,997,453	74,614,391	13,775,000	22,231,540	112,047	36,118,587	2.1
2021	159,781,300	99,849,477	59,931,823	15,000,000	26,804,642	9,077	41,813,719	1.4

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

² Represents total operating expenses less depreciation expense.

³ Includes interest rate swap fees.

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

See accompanying independent auditor's report.

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

Last Ten Fiscal Years

Fiscal Year	Allowable Revenues ¹	Current Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirement			Revenue Bond Coverage
				Principal	Interest	Total	
2012	\$ 4,487,992	\$ 863,010	\$ 3,624,982	\$ 310,000	\$ 2,152,618	\$ 2,462,618	1.5
2013	6,911,985	3,299,708	3,612,277	970,000	2,184,910	3,154,910	1.1
2014	6,592,455	3,073,503	3,518,952	1,030,000	2,128,167	3,158,167	1.1
2015	7,040,165	3,576,578	3,463,587	1,065,000	2,000,288	3,065,288	1.1
2016	5,602,137	1,909,118	3,693,019	1,115,000	1,698,549	2,813,549	1.3
2017	6,318,830	1,794,354	4,524,476	1,160,000	1,677,500	2,837,500	1.6
2018	7,007,449	2,910,530	4,096,919	1,160,000	1,636,240	2,796,240	1.5
2019	7,235,977	2,694,546	4,541,431	1,965,000	1,603,645	3,568,645	1.3
2020	6,437,240	3,559,717	2,877,523	1,185,000	1,521,959	2,706,959	1.1
2021	5,011,985	2,742,481	2,269,504	1,230,000	1,481,777	2,711,777	0.8

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

² Definition of current operating expenses was revised during fiscal year 2013.

See accompanying independent auditor's report.

Schedule 16
CITY OF COLUMBIA, SOUTH CAROLINA
Stormwater
Schedule of Revenue Bond Coverage (unaudited)

Last Ten Fiscal Years

Fiscal Year	Allowable Revenues ¹	Current Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirement			Revenue Bond Coverage
				Principal	Interest	Total	
2019 ³	\$ 16,445,612	\$ 5,827,782	\$ 10,617,830	\$ -	\$ -	\$ -	N/A
2020	16,863,289	7,314,110	9,549,179	430,000	2,062,986	2,492,986	3.8
2021	15,852,872	9,154,679	6,698,193	660,000	1,830,250	2,490,250	2.7

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

² Represents total operating expenses less depreciation expense.

³ The Stormwater Facilities bonds did not have a balance prior to 2019.

See accompanying independent auditor's report.

Schedule 17
CITY OF COLUMBIA, SOUTH CAROLINA
Demographic and Economic Statistics (unaudited)

Last Ten Fiscal Years

<u>Year</u>	<u>Population¹</u>	<u>Personal Income²</u>	<u>Per Capita Personal Income</u>	<u>Public School Enrollment³</u>	<u>Unemployment Rate⁴</u>
2012	130,591	\$ 4,632,454,543	\$ 35,473	22,475	8.50%
2013	131,686	4,655,100,100	35,350	24,166	8.00%
2014	133,358	4,730,608,334	35,473	24,171	5.50%
2015	132,067	4,980,378,637	37,711	24,320	6.30%
2016	133,803	5,147,267,607	38,469	24,326	6.50%
2017	134,309	5,510,026,725	41,025	23,978	4.20%
2018	133,114	5,536,344,374	41,591	24,075	3.20%
2019	140,541	6,066,873,888	43,168	23,782	3.70%
2020	131,674	6,012,629,862	45,663	23,386	7.80%
2021	136,632	5,620,493,952	41,136	22,207	3.10%

Source of data:

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

See accompanying independent auditor's report.

**Schedule 18
CITY OF COLUMBIA, SOUTH CAROLINA
Principal Employers**

Current Year and Nine Years Ago

Employer	2021 ¹			2012		
	Employees	Rank	Percentage to Total City Employment ²	Employees	Rank	Percentage to Total City Employment
Prisma Health (Palmetto Health)	15,000	1	12.24%	9,000	1	N/A
University of South Carolina	6,456	2	5.27%	8,717	2	N/A
S.C. Department of Corrections	4,478	3	3.66%			
SC Department of Social Services	4,272	4	3.49%			
Richland One School District	4,265	5	3.48%	4,036	5	N/A
SC Department of Transportation	4,004	6	3.27%	4,553	4	N/A
S.C. Department of Mental Health	4,069	7	3.32%	4,917	3	N/A
SC DHEC	3,023	8	2.47%	3,445	6	N/A
City of Columbia	2,523	9	2.06%	2,150	7	N/A
AT&T	2,100	10	1.71%			
Sisters of Charity Providence Hospital				2,075	8	N/A
Richland County, South Carolina				1,708	9	N/A
WJBD VA Medical Center				1,457	10	N/A

Source of data:

¹ Central SC Alliance

² 122,507 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 US Census Bureau

N/A Data not available

See accompanying independent auditor's report.

Schedule 19
CITY OF COLUMBIA, SOUTH CAROLINA
Full-Time Equivalent Employees By Function/Program

Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
General government	99.00	101.00	105.00	104.25	97.25	99.25	105.75	111.65	111.65	111.65
Judicial	37.00	36.00	37.00	37.00	41.00	41.00	40.00	37.00	37.00	37.00
Finance	53.50	51.50	71.50	79.50	82.50	45.50	45.50	50.50	50.50	50.50
Procurement & Contracts	N/A	N/A	N/A	N/A	N/A	19.00	24.00	22.00	22.00	22.00
Customer Care	N/A	N/A	N/A	N/A	N/A	31.00	64.00	65.00	68.00	68.00
Development services and planning	63.00	63.00	63.00	43.00	43.00	42.00	43.00	43.00	43.00	43.00
Public safety	757.50	770.00	770.50	792.50	797.50	807.00	810.00	812.00	812.00	812.00
Parks and recreation	149.00	149.00	149.00	149.00	149.00	152.00	164.00	167.00	167.00	167.00
Public works	270.00	269.00	268.00	269.00	269.00	275.00	272.00	275.00	275.00	275.00
General services	15.00	14.00	14.00	17.00	17.00	17.00	17.00	16.00	16.00	16.00
Fleet services	46.00	46.00	48.00	48.00	48.00	48.00	51.00	53.00	53.00	53.00
Risk Management	2.00	2.00	2.00	2.00	6.00	6.00	7.00	5.00	5.00	5.00
County fire	235.00	235.50	235.50	235.50	235.50	235.00	247.00	252.00	252.00	252.00
County emergency communications	38.50	45.50	45.00	45.00	45.00	48.00	48.00	48.00	48.00	48.00
Economic & Community development	39.60	36.50	41.50	44.50	44.50	44.50	48.00	47.50	47.50	47.50
Parking	41.00	42.00	43.00	44.25	41.25	45.25	50.68	40.25	40.25	40.25
Utilities & Engineering	498.90	519.00	504.00	504.50	504.50	543.50	543.50	573.00	576.00	576.00
Summer Programs	24.50	24.50	23.50	23.50	23.50	23.75	28.00	33.00	33.00	33.00
Total	2,369.50	2,404.50	2,420.50	2,438.50	2,444.50	2,522.75	2,608.43	2,650.90	2,656.90	2,656.90

Years 2012-2014 have been re-stated to reflect budgeted positions.

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

*No new positions were added due to COVID-19

See accompanying independent auditor's report.

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

Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police physical arrests	8,024	10,652	5,301	5,658	5,230	4,453	5,134	5,034	5,261	3,310
Citations written	30,996	33,111	37,307	32,497	24,288	23,436	25,655	22,952	17,556	11,013
911 call volume	1,102,640	1,317,008	1,222,436	1,096,117	1,122,002	1,205,005	1,106,060	998,183	1,033,471	1,215,917
Fire calls answered	31,265	31,240	35,785	34,500	40,374	34,926	33,529	35,394	33,209	33,383
Number of inspections	7,726	6,261	5,292	6,482	4,618	6,825	5,494	6,552	2,854	2,509
Sanitation										
Refuse collected (in tons)	N/A	43,157	51,106	43,924	47,370	45,344	33,837	42,869	43,549	52,888
Recyclables collected (in tons)	N/A	3,867	4,591	4,021	5,672	5,805	5,624	5,494	5,812	5,312
Fleet Management										
Fleet maintained	4,055	2,802	2,893	3,005	3,165	3,298	3,075	3,581	3,115	2,934
Fleet workdays	12,901	12,608	12,052	12,048	12,587	12,466	11,037	12,160	9,344	9,286
Streets and highways										
Potholes repaired	920	1,231	1,453	1,598	1,361	805	843	835	254	105
Water										
Number of service connections	136,220	137,701	140,009	139,990	140,908	143,472	145,304	145,466	151,023	159,224
Average daily consumption (in millions of gallons)	31.950	44.000	45.800	44.900	45.200	45.100	44.400	45.500	46.449	45.431
Sewer										
Number of service connections	69,508	67,698 ¹	60,239	59,677	60,777	61,352	62,117	62,280	62,558	63,383
Average daily treatment (in millions of gallons)	15.200	16.900	18.900	18.200	32.700	20.200	19.230	20.100	34.574	18.356
Economic development										
Permits issued	4,181	4,950	4,262	5,438	7,675	5,892	6,990	5,836	5,536	5,190
Building inspections	10,277	15,735	14,514	10,025	11,355	10,231	11,265	11,986	11,192	11,863

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

Source: Various City departments

See accompanying independent auditor's report.

Schedule 21
CITY OF COLUMBIA, SOUTH CAROLINA
Capital Asset Statistics By Function

Last Ten Fiscal Years

Function/Program	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Police stations	16	10	12	13	13	13	13	17	17	17
Patrol units		205	238	296	264	323	311	328	353	346
Vehicles	371	358	395	483	449	523	522	554	235	239
Fire										
Fire stations	12	12	12	12	12	12	12	12	12	12
Vehicles	236	251	270	270	283	315	299	314	331	306
Public works										
Vehicles	603	600	600	626	640	684	673	672	651	621
Streets (miles)	220.00	275.00	275.00	275.00	195.00	194.20	198.00	201.00	201.00	201.00
Sidewalks (miles)	139.56	139.46	139.46	139.50	145.00	145.50	147.00	152.00	152.00	152.00
Traffic signals	265	364	364	331	356	356	356	414	414	414
Street lights	10,325	11,724	11,363	11,483	11,669	11,805	11,833	12,065	12,369	12,369
Parks and recreation										
Parks - acreage	600	600	600	600	600	600	600	625	642	662
Park facilities	60	60	60	60	60	60	60	60	60	61
Tennis courts	54	57	55	55	55	55	55	57	57	57
Swimming pools/splash pads	4	15	16	16	17	17	17	16	16	16
Playground	31	31	31	31	31	31	31	85	85	85
Parking										
Garages	9	9	8	8	8	8	8	8	9	9
Lots	5	5	4	5	5	5	5	5	8	8
Metered spaces	4,704	4,502	4,487	4,198	4,690	4,940	4,940	4,987	5,064	3,804
Stormwater										
Storm drains (miles)	137.00	254.00	254.00	366.00	356.32	356.35	360.79	362.48	362.74	420.88
Vehicles	69	63	64	68	66	68	67	72	74	67
Wastewater										
Sanitary sewer (miles)	1,108.50	1,059.00	1,077.00	1,109.00	1,125.53	1,135.27	1,142.05	1,160.62	1,163.74	1,181.98
Vehicles	331	300	277	278	287	282	273	300	320	284
Treatment plants	1	1	1	1	1	1	1	1	1	1
Solid Waste										
Vehicles	128	130	125	127	124	137	126	130	136	133
Water										
Water lines (miles)	1,978.45	2,250.00	2,301.00	2,356.00	2,403.50	2,425.15	2,438.01	2,459.84	2,480.75	2,510.91
Vehicles	281	291	285	298	318	334	338	362	361	356
Fire hydrants	5,350	5,450	4,300	4,390	4,494	4,546	4,593	4,602	4,611	4,768
Treatment plants	2	2	2	2	2	2	2	2	2	2

Source: Various City departments

Vehicle data includes both licensed and unlicensed vehicles as well as equipment

See accompanying independent auditor's report.