

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

CITY OF COLUMBIA, SOUTH CAROLINA

FISCAL YEAR ENDED JUNE 30, 2023

Prepared by the City's Finance Department

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INTRODUCTORY SECTION



We Are Columbia

December 8, 2023

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, 2023. 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, 2023, 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, 2023, are presented fairly and in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

Teresa Wilson • City Manager
1737 Main Street • Columbia, South Carolina 29201
Office: 803.545.3480 • Fax: 803.401.8800 • Email: Teresa.Wilson@columbiasc.gov



We Are Columbia

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 137,960 in the City and approximately 836,324 within the metropolitan statistical area according to the 2020 United States Census. Columbia is also combined with the Newberry and Orangeburg metropolitan 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.



We Are Columbia

Budget Process

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

Economic Development

Columbia continues to experience steady positive population growth, at around 6% over the past decade. During the past year, the unemployment rate has continued to fall to 2.9%, down from 3.4% last year. The City's economy remains stabilized by significant government employers including state and local governments, and the University of South Carolina's flagship campus, employing nearly 6,500 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 2022, the City of Columbia permitted \$350 million worth of commercial work, including mixed use and multifamily projects. Large existing employers such as BlueCross BlueShield of SC, which employs over 10,000 locally. New businesses such as EPC, Inc. are in the process of opening their new facility, investing \$9.5 million and adding 150 new jobs to the City. In March 2023, Scout Motors announced plans to build a \$2 billion manufacturing plant just 18 miles outside of downtown Columbia, and will add 4,000 new jobs to the region as they plan to begin production in 2026.

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, regular reporting will record these efforts and help spread awareness of the City's commitment to the plan's vision and goals. The first 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



We Are Columbia

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 report, along with others produced by the Department, 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 Compass, add context-sensitive regulations to promote "infill" development, and incorporate sustainable development.

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 completed the implementation of the Advanced Metering Infrastructure (AMI) project this year, reaching a milestone of 152,000 meters upgraded. This project includes the replacement of most of Columbia Water's 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.

Major Initiatives and Financial Planning

The total fiscal year 2024 operating budget and capital budget was developed to meet City Council Strategic Outcomes, provide for effective and efficient services to our citizens, businesses and visitors; and continue to be good stewards of City resources. The City factored in the following key elements in the preparation of the budget:

1. Meeting City Council Strategic Outcome Priorities
2. Ensuring the stability of our work force and the tools our employees use to deliver quality services
3. Fulfilling the City's financial obligations
 - a. Debt service payments and other financial commitments
4. Addressing Critical Infrastructure Needs
 - a. Finlay Park, Municipal Complex, Canal Embankment
 - b. On-going needs: sidewalks, roads, water & sewer
5. Improving Community Assets
 - a. Affordable Housing & Homeless Services
 - b. Commercial & Residential Redevelopment
 - c. Blight
 - d. Beautification & Gateways



We Are Columbia

The City's fiscal year 2024 general fund budget is approximately \$170,591,313, which is an increase of approximately \$5,780,719 or 3.5% from the fiscal year 2023 budget. The 2024 general fund budget does not contain a property tax millage rate increase and property tax revenues are expected to increase by \$854,871. The City did budget for the use of fund balance in the 2024 fiscal year budget in the amount of \$3,000,000. The use of the American Rescue Plan Act (ARPA) funds in the amount of \$2,000,000 is included in this budget. The general fund departmental expenditure budget for fiscal year 2024 totals approximately \$146,620,444, a 4.9% increase from the prior year.

The City projects water and sewer revenues for fiscal year 2024 to total approximately \$199,479,255, an increase of approximately \$16,998,124 or 9% over the fiscal year 2023 budgeted amounts. The City expects to maintain the target debt service coverage ratio of 2:1. Debt service expenditures are expected to account for 25% of the expected fiscal year 2024 expenditures. Operating expenditures are expected to total approximately \$115,916,596. 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 \$18,256,762. This represents an increase of approximately \$2,135,707 or 13% from the prior year. 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 \$11,457,300 in fiscal year 2024. This represents an increase of \$1,218,598 or 12% from the prior year. 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 \$93,000,000 for fiscal year 2024. It is expected there will be \$28,500,000 in water CIP expenditures and \$64,500,000 in sewer CIP expenditures. Major water projects for fiscal year 2024 include water treatment plants improvements of \$6,400,000 and water quality improvements of \$15,500,000. Major sewer projects for fiscal year 2024 include capacity expansion of \$38,400,000 and rehab projects of \$13,100,000.

The CIP for storm water is \$13,100,000 and funded primarily with bond proceeds. The proposed projects are expected to improve drainage in several areas across the city.



We Are Columbia

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, SC for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, the City has 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

**CITY OF COLUMBIA, SOUTH CAROLINA
CITY LEADERS
As of June 30, 2023**

Mayor

Daniel Rickenmann

Council Members

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

Tina N. Herbert
Edward H. McDowell, Jr.
William Brennan
Peter M. Brown
Aditi Bussells
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
Assistant City Manager for City Administration

Melissa Smith-Gentry, P.E
Jeff Palen
Clint Shealy, P.E.
Henry Simons, MHA
Pamela Benjamin, CPM

Department Directors

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

Melisa Caughman, CPM
Teresa Knox
Vacant
Ryan Coleman, CEcD
Vacant
Harry Tinsley
Dana Higgins, P.E.
Kristine Githara
Aubrey Jenkins
Kelvin Keisler
Tiniece Javis, Ed.D
Kameisha Heppard
Sylvia White
Katherine Jackson
Erika Hammond
Ayesha Driggers
Linda "Elle" Matney
Randy Davis
Krista Hampton
William "Skip" Holbrook
Shannon Lizewski, NIGP-CPP, CPPO
Leshia Utsey
Robert Anderson
Tiffany Latimer
Frank Eskridge

Development Corporation Directors

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

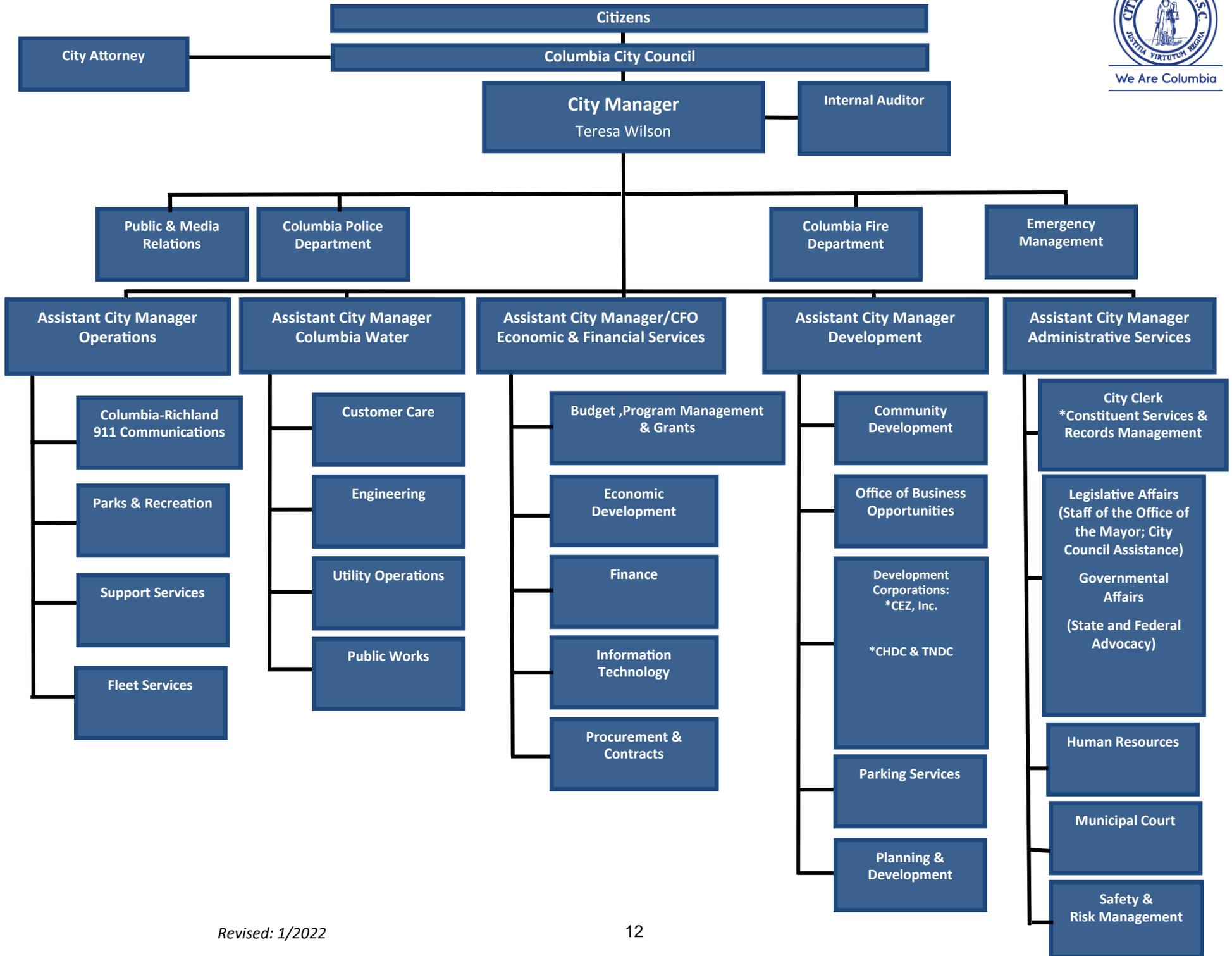
Felicia Maloney
Harrison C. Joseph III
Vacant

Other Directors

Experience Columbia SC

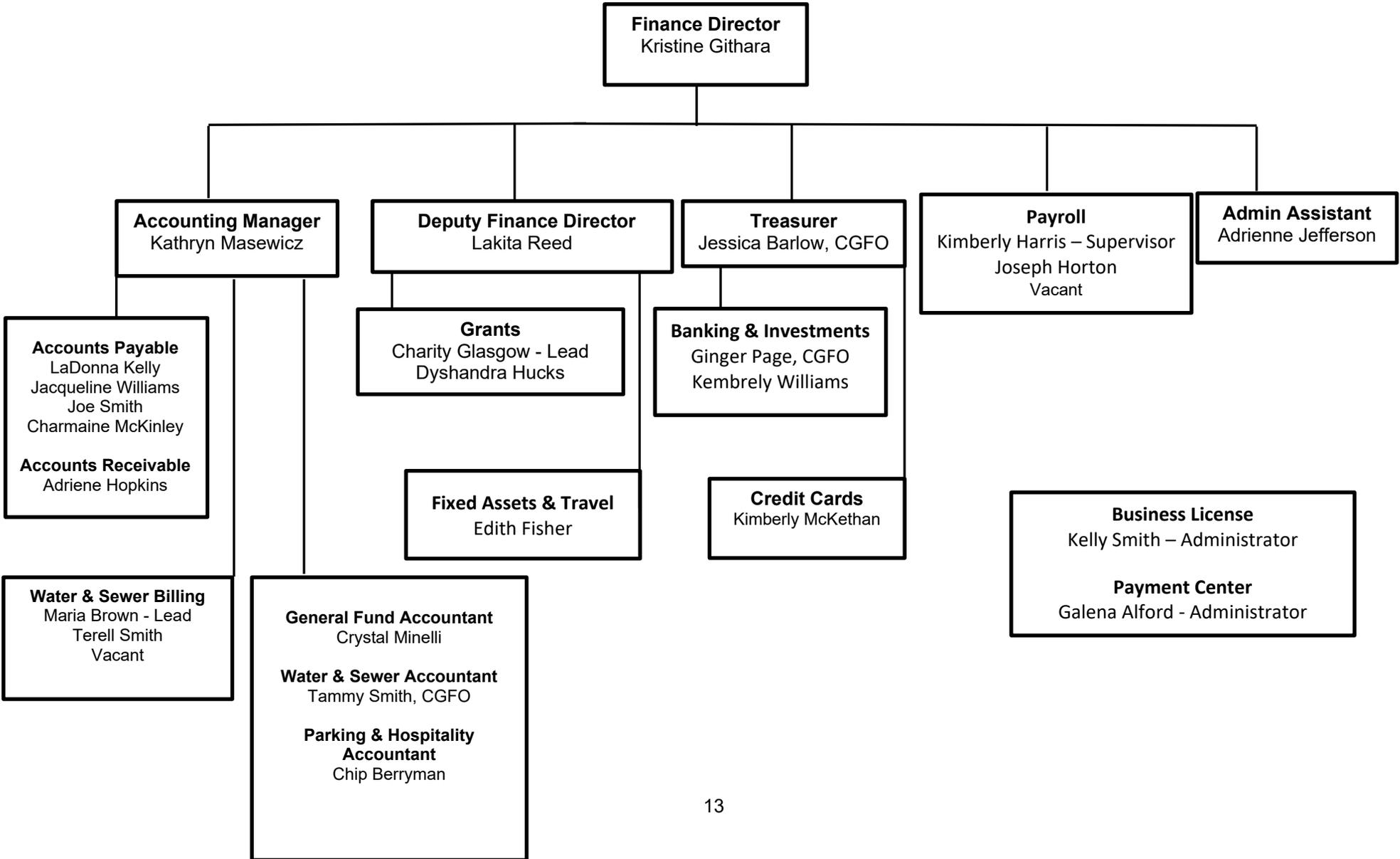
Bill Ellen

CITY OF COLUMBIA ORGANIZATIONAL CHART



CITY OF COLUMBIA, SOUTH CAROLINA
Finance Department
Organizational Chart

As of June 30, 2023



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 Audit of the Financial Statements

Opinions

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, South Carolina (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2023, 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.

We did not audit the financial statements of Experience Columbia SC, which represent 58.57 percent, 64.63 percent, and 64.20 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023, and the respective changes in financial position for the year then ended. 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, Notes to Budgetary Comparison Schedule, Schedule of the City's Contributions – Pension, Schedule of the City's Proportionate Share of the Net Pension Liability, and Schedule of Changes in the City's Total OPEB Liability and Related Ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual fund statements and schedules and Uniform Schedule of Court Fines, Assessments and Surcharges, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 fund statements and schedules and Uniform Schedule of Court Fines, Assessments and Surcharges are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023, 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 City's internal control over financial reporting and compliance.

Scott and Company LLC

Columbia, South Carolina

December 8, 2023

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2023

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, 2023, as part of the overall Annual Comprehensive Financial Report (ACFR). This overview compares the year ended June 30, 2023, with the year ended June 30, 2022. 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 2023 by \$724,975,343. This amount represents the City's net position. The City has a balance of \$19,127,849 in unrestricted net position as of June 30, 2023.
- The City's total net position increased by \$65,486,240 (an increase of \$53,384,564 from governmental activities and an increase of \$12,101,676 from business-type activities). Total revenues of \$484,798,893 exceeded total expenses of \$419,312,653. This resulted in an increase in net position for the year ended June 30, 2023, of \$65,486,240. This increase in net position for the current year is approximately \$38,153,000 more than the prior year. This is the result of an increase of approximately \$39,173,000 in the governmental activities and a decrease of approximately \$1,020,000 in business-type activities.
- Revenues from governmental activities increased by approximately \$53,891,000 during fiscal year 2023. Operating grants and contributions increased by approximately \$5,900,000 or 32%. Capital grants and contributions increased by approximately \$29,815,000, primarily due to funding received in the State Appropriations Fund. General property taxes, local option sales tax, and hospitality and admission taxes increased by approximately \$1,247,000 or 3%, \$1,790,000 or 7%, and \$751,000 or 6%, respectively. Unrestricted investment earnings (loss) increased by approximately \$5,111,000. Total governmental activities expenses incurred by the City increased by approximately \$16,114,000 during fiscal year 2023. Planning and development expenses increased by approximately \$10,707,000. Tourism and community development expenses increased by approximately \$8,641,000 or 48%.
- Revenues from business-type activities increased by approximately \$10,454,000 during fiscal year 2023. This was primarily due to an increase in Water and Sewer Facilities revenue. Development contributions and capital grants increased by approximately \$1,004,000 or 14%. Investment income (loss) increased by approximately \$11,246,000. These increases were offset by a decrease in total operating revenues of approximately \$4,255,000 or 2%. Nonoperating revenues decreased by \$498,000 or 57%. Total operating revenues for the Parking Facilities Fund increased by approximately \$519,000 or 6%. Nonoperating revenue increased by approximately \$329,000 due primarily to increased investment income. Total business-type activities expenses incurred by the City increased approximately \$10,078,000 during fiscal year 2023. The increase was primarily related to the Water and Sewer Facilities Fund. Total operating expenses increased by approximately \$412,000 or 1%. Interest and amortization expense increased by \$4,176,000 or 16%.

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Total operating expenses for the Parking Facilities Fund increased by approximately \$1,094,000 or 19%. In addition, expenses for the Stormwater Facilities Fund increased by approximately \$2,422,000 or 22%, primarily due to an increase in professional fees.

- As of June 30, 2023, the City's governmental funds reported combined ending fund balances of \$159,735,918. The unassigned General Fund balance of \$24,612,854 is available for spending at the City's discretion and represents approximately 14% of the General Fund's actual expenditures and transfers out for the year ended June 30, 2023.
- The City's total net capital assets were \$1,447,786,191 as of June 30, 2023, increasing \$22,168,384 (2%). This increase was the result of additions of \$13,761,478 in governmental activities and \$76,807,965 in business-type activities offset by depreciation expense and net disposals of \$17,739,578 in governmental activities and \$46,951,545 in business-type activities.
- The City's long-term debt at June 30, 2023 totaled \$986,197,224, a net increase of \$55,394,806 or 6% from the balance at June 30, 2022, of \$930,802,418. This net increase was the result of \$40,763,118 in principal payments and \$2,667,401 in premium amortization. In addition, a general obligation bond in the amount of \$10,755,000 and a finance lease in the amount of \$9,000,000 were issued in the governmental funds. A revenue bond in the amount of \$73,815,000 with a premium of \$5,255,325 was issued in the business-type funds.
- As of June 30, 2023, 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. IPRB Bonds are also rated: Aa2 Moody's; AA S&P.

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 39. 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.

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.

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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, Hydro-electric, Redevelopment Programs, and Parks and Recreation Camps. These activities are financed in whole or in part primarily through fees charged to external parties for goods and services.

The government-wide statements include not only the City itself (known as the primary government), but also the legally separate Public Facilities Corporation; Municipal Complex; 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 36.

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 30. The fund financial statements beginning on page 39 provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council established many other funds to help it control and manage for particular purposes or to show it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's three kinds of funds – governmental, proprietary, and fiduciary – use different accounting approaches.

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

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

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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 18 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 State Appropriations Fund, which are considered to be major funds. Data from the 15 other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these 15 nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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.

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.

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

Other Information - In addition to the basic financial statements, this report also contains certain required supplementary information concerning the City's 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 \$724,975,343 as of June 30, 2023. The City's overall financial position increased, and net position increased by \$65,486,240 during the year ended June 30, 2023. This overall increase is the result of a \$53,384,564 increase in governmental activities and a \$12,101,676 increase in business activities. Revenues from governmental activities increased by approximately \$53,891,000 during fiscal year 2023. Operating grants and contributions increased by approximately \$5,900,000 or 32%, primarily due to an increase in federal grant revenue. Capital grants and contributions increased by approximately \$29,815,000, primarily due to funding received in the State Appropriations Fund to be used for parks and recreation. General property taxes, local option sales tax, and hospitality and admission taxes increased by approximately \$1,247,000 or 3%, \$1,790,000 or 7%, and \$751,000 or 6%, respectively, due to increases in property taxes and credits. Unrestricted investment earnings (loss) increased by approximately \$5,111,000 due to market performance in each year. Total governmental activities expenses incurred by the City increased approximately \$16,114,000 during fiscal year 2023. Planning and development expenses increased by approximately \$10,707,000, primarily due to the use of federal grant funds for planning and development projects, including the 2015 flood recovery. Tourism and community development expenses increased by approximately \$8,641,000 or 48%, primarily due to parks and recreation expenses in the new State Appropriations Fund in 2023.

Total business-type activities revenues incurred by the City increased approximately \$10,454,000 during fiscal year 2023. The increase in overall business activities change in net position is due primarily to the Water and Sewer Facilities Fund. Development contributions and capital grants increased by approximately \$1,004,000 or 14%. Investment income (loss) increased by approximately \$11,246,000 due to market performance in each year. These increases were offset by a decrease in total operating revenues, which decreased by approximately \$4,255,000 or 2%, to \$173,183,000. The decrease was primarily due to an increase in bad debt expense for uncollectible accounts in the current year. Nonoperating revenues were approximately \$383,000, a decrease of \$498,000, or 57%. The decrease was primarily due to a decrease in a state grant received compared to the prior year. Total operating revenues for the Parking Facilities Fund, which primarily consist of parking fees and fines, increased by approximately \$519,000 or 6%. The increase in operating revenues was due to an increase in traffic during the year ended June 30, 2023. Nonoperating revenue increased by approximately \$329,000 due primarily to increased investment income based on market performance in each year. Total business-type activities expenses incurred by the City increased approximately \$10,078,000 during fiscal year 2023. The increase was primarily related to the Water and Sewer Facilities Fund. Total operating expenses increased by approximately \$412,000 or 1% when compared to the year ended June 30, 2022. The increase was primarily the result of an increase in utilities expense due to increased electricity usage and rate increases, along with an increase in chemicals cost compared to fiscal year 2022. Interest and amortization expense increased by approximately \$4,176,000 or 16%, due to the issuance of a new revenue bond in the current year. Total operating expenses for the Parking Facilities Fund increased by approximately \$1,094,000 or 19% when compared to the year ended June 30, 2022. In addition, expenses for the Stormwater Facilities Fund increased by approximately \$2,422,000 or 22%, primarily due to an increase in professional fees.

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, 2023 and June 30, 2022

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022
Current and other assets	\$ 386,658,498	\$ 302,655,545	\$ 406,439,967	\$ 344,894,119	\$ 793,098,465	\$ 647,549,664
Capital assets, net of depreciation	268,290,400	272,375,174	1,179,495,791	1,153,242,633	1,447,786,191	1,425,617,807
Total assets	654,948,898	575,030,719	1,585,935,758	1,498,136,752	2,240,884,656	2,073,167,471
Deferred outflows of resources	72,726,633	85,460,017	83,031,711	96,932,871	155,758,344	182,392,888
Total assets and deferred outflows of resources	727,675,531	660,490,736	1,668,967,469	1,595,069,623	2,396,643,000	2,255,560,359
Long-term liabilities outstanding	470,906,528	453,289,074	988,785,484	921,208,062	1,459,692,012	1,374,497,136
Other liabilities	62,718,015	44,764,604	44,463,535	41,120,616	107,181,550	85,885,220
Total liabilities	533,624,543	498,053,678	1,033,249,019	962,328,678	1,566,873,562	1,460,382,356
Deferred inflow of resources	78,369,643	100,140,277	26,424,452	35,548,623	104,794,095	135,688,900
Net position						
Net investment in capital assets	152,481,227	156,647,238	454,332,686	429,469,640	606,813,913	586,116,878
Restricted	95,053,771	50,361,384	3,979,810	3,586,107	99,033,581	53,947,491
Unrestricted	(131,853,653)	(144,711,841)	150,981,502	164,136,575	19,127,849	19,424,734
Total net position	\$ 115,681,345	\$ 62,296,781	\$ 609,293,998	\$ 597,192,322	\$ 724,975,343	\$ 659,489,103

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As of June 30, 2023, 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, \$606,813,913 (84%), 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, \$99,033,581 (14%), represents resources that are subject to external restrictions on how they may be used. The remaining \$19,127,849 (2%) is unrestricted.

For governmental activities, the City reported a deficit balance in unrestricted net position of \$(131,853,653). This deficit resulted primarily from the adoption of Governmental Accounting Standards Board ("GASB") 68 and GASB 75. GASB 68 required the City to recognize a pension liability. GASB 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 \$150,981,502. The City reported a positive balance of \$24,612,854 in unassigned fund balance for the General Fund as of June 30, 2023. 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, 2023, which totaled approximately \$484,799,000, increased from the year ended June 30, 2022. The increase for the City as a whole was approximately \$64,345,000, which was an increase of 15%. Revenues for the business-type activities increased approximately \$10,454,000 (5%). This was primarily due to an increase in Water and Sewer Facilities revenue. Development contributions and capital grants increased by approximately \$1,004,000 or 14%. Investment income (loss) increased by approximately \$11,246,000 due to market performance in each year. These increases were offset by a decrease in total operating revenues, which decreased by approximately \$4,255,000 or 2%, to \$173,183,000. The decrease was primarily due to an increase in bad debt expense for uncollectible accounts in the current year. Nonoperating revenues were approximately \$383,000, a decrease of \$498,000, or 57%. The decrease was primarily due to a decrease in a state grant received compared to the prior year. Total operating revenues for the Parking Facilities Fund, which primarily consist of parking fees and fines, increased by approximately \$519,000 or 6%. The increase in operating revenues was due to an increase in traffic during the year ended June 30, 2023. Nonoperating revenue increased by approximately \$329,000, due primarily to increased investment income based on market performance in each year.

Revenues from governmental activities increased by approximately \$53,891,000 (26%) during fiscal year 2023. Operating grants and contributions increased by approximately \$5,900,000 or 32%, primarily due to an increase in federal grant revenue. Capital grants and contributions increased by approximately \$29,815,000, primarily due to funding received in the State Appropriations Fund to be used for parks and recreation. General property taxes, local option sales tax, and hospitality and admission taxes increased by approximately \$1,247,000 or 3%, \$1,790,000 or 7%, and \$751,000 or 6%, respectively, due to increases in property taxes and credits. Unrestricted investment earnings (loss) increased by approximately \$5,111,000 due to market performance in each year.

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Table 2
City of Columbia
Changes in Net Position
Years Ended June 30, 2023 and June 30, 2022

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year ended June 30, 2023	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2022
Revenues:						
Program revenues						
Charges for services						
General government	\$ 45,453,703	\$ 45,882,104	\$ -	\$ -	\$ 45,453,703	\$ 45,882,104
Public safety	53,976,926	53,542,994	-	-	53,976,926	53,542,994
Parks and recreation	795,842	537,830	-	-	795,842	537,830
Public services	662,476	642,409	-	-	662,476	642,409
General services	326,162	235,466	-	-	326,162	235,466
Tourism and community development	-	7,322	-	-	-	7,322
Water/sewer facilities	-	-	173,553,605	177,729,161	173,553,605	177,729,161
Stormwater facilities	-	-	17,360,822	17,287,609	17,360,822	17,287,609
Parking facilities	-	-	9,168,354	8,667,720	9,168,354	8,667,720
Redevelopment programs	-	-	509,241	876,729	509,241	876,729
Parks and recreation camps	-	-	256,269	169,102	256,269	169,102
Operating grants and contributions						
General government	1,950,755	1,592,173	-	-	1,950,755	1,592,173
Public safety	15,893,961	8,732,247	-	-	15,893,961	8,732,247
Tourism and community development	5,323,015	6,942,922	-	-	5,323,015	6,942,922
Water/sewer facilities	-	-	12,290	589,449	12,290	589,449
Stormwater facilities	-	-	-	383	-	383
Redevelopment programs	-	-	1,798	751,217	1,798	751,217
Capital grants and contributions						
General government	29,701,816	2,387,159	-	-	29,701,816	2,387,159
Parks and recreation	2,500,000	-	-	-	2,500,000	-
Tourism and community development	9,242,530	-	-	-	9,242,530	-
Water/sewer facilities	-	-	8,150,965	7,147,240	8,150,965	7,147,240
General revenues						
General property taxes	37,930,169	36,682,790	-	-	37,930,169	36,682,790
Local option sales tax	26,842,273	25,051,931	-	-	26,842,273	25,051,931
Hospitality and admission taxes	14,253,665	13,502,823	-	-	14,253,665	13,502,823
Accommodations tax	3,337,336	3,083,993	-	-	3,337,336	3,083,993
Tourism development revenue	4,428,815	4,149,233	-	-	4,428,815	4,149,233
Liquor permit revenue	417,495	275,695	-	-	417,495	275,695
State shared revenue	3,202,108	2,294,973	-	-	3,202,108	2,294,973
Unrestricted investment earnings (loss)	4,826,075	(284,747)	12,526,333	(2,289,790)	17,352,408	(2,574,537)
Gain on disposal of capital assets	568,547	175,813	145,047	302,117	713,594	477,930
Donation of capital assets	869,524	3,589,277	-	-	869,524	3,589,277
Insurance recoveries	143,012	31,494	-	-	143,012	31,494
Other revenue	467,964	167,013	-	-	467,964	167,013
Total revenues	\$ 263,114,169	\$ 209,222,914	\$ 221,684,724	\$ 211,230,937	\$ 484,798,893	\$ 420,453,851

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Table 2
City of Columbia
Changes in Net Position (Continued)
Years Ended June 30, 2023 and June 30, 2022

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year ended June 30, 2023	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2022
Expenses:						
General government	\$ 21,265,562	\$ 26,105,195	\$ -	\$ -	\$ 21,265,562	\$ 26,105,195
Judicial	3,923,129	3,598,939	-	-	3,923,129	3,598,939
Finance	2,012,655	1,850,771	-	-	2,012,655	1,850,771
Community promotion	164,134	127,977	-	-	164,134	127,977
Planning and development	14,752,041	4,045,394	-	-	14,752,041	4,045,394
Public safety	108,049,195	107,445,145	-	-	108,049,195	107,445,145
Parks and recreation	15,208,077	14,620,575	-	-	15,208,077	14,620,575
Public services	19,887,938	19,223,731	-	-	19,887,938	19,223,731
General services	3,294,818	3,778,925	-	-	3,294,818	3,778,925
Tourism and community development	26,551,607	17,910,339	-	-	26,551,607	17,910,339
Interest and other fiscal charges	4,455,109	4,796,553	-	-	4,455,109	4,796,553
Unallocated depreciation	1,585,594	1,531,898	-	-	1,585,594	1,531,898
Water/sewer facilities	-	-	174,900,707	167,364,714	174,900,707	167,364,714
Hydro-electric plant	-	-	747,137	718,094	747,137	718,094
Stormwater facilities	-	-	13,413,140	10,991,543	13,413,140	10,991,543
Parking facilities	-	-	8,682,339	7,555,164	8,682,339	7,555,164
Redevelopment programs	-	-	413,144	1,180,320	413,144	1,180,320
Parks and recreation camps	-	-	6,327	275,209	6,327	275,209
Total expenses	221,149,859	205,035,442	198,162,794	188,085,044	419,312,653	393,120,486
Change in net position before transfers	41,964,310	4,187,472	23,521,930	23,145,893	65,486,240	27,333,365
Transfers	11,420,254	10,024,329	(11,420,254)	(10,024,329)	-	-
Change in net position	53,384,564	14,211,801	12,101,676	13,121,564	65,486,240	27,333,365
Net position, beginning of period	62,296,781	48,084,980	597,192,322	584,070,758	659,489,103	632,155,738
Net position, end of period	\$ 115,681,345	\$ 62,296,781	\$ 609,293,998	\$ 597,192,322	\$ 724,975,343	\$ 659,489,103

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Total expenses for the City were approximately \$419,313,000 for the year ended June 30, 2023. This represents an increase of approximately \$26,192,000 (7%) when compared to the year ended June 30, 2022. This overall increase in expenses resulted from an increase of approximately \$16,114,000 in governmental activities and an increase of approximately \$10,078,000 in business-type activities.

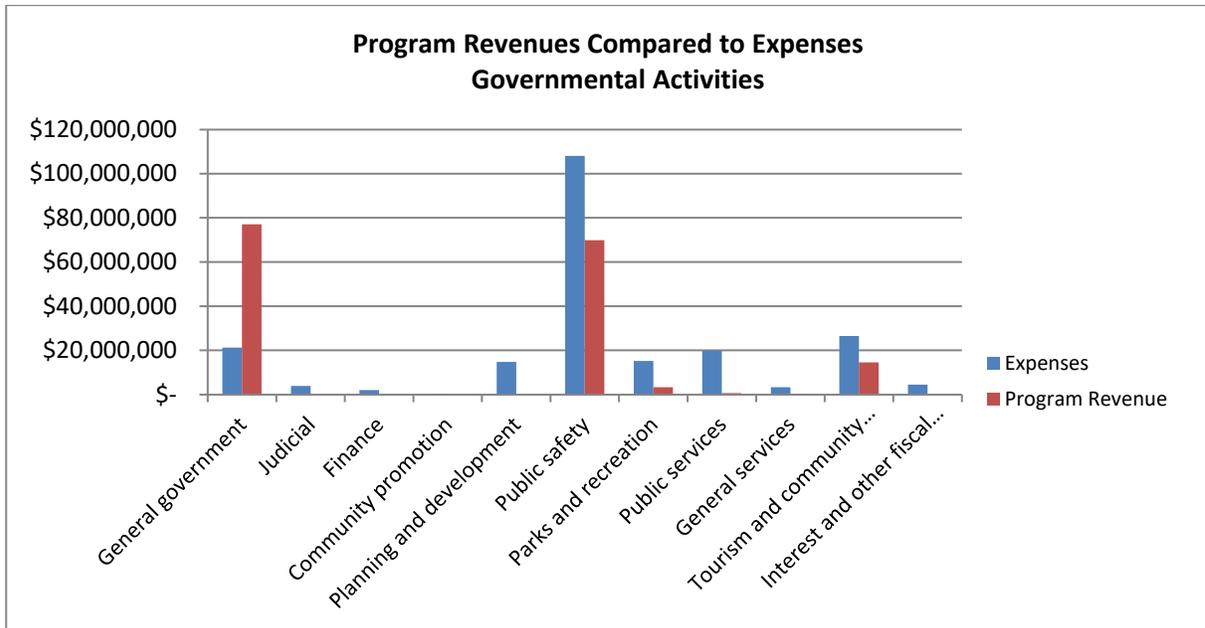
For governmental activities, planning and development expenses increased by approximately \$10,707,000, primarily due to the use of federal grant funds for planning and development projects, including the 2015 flood recovery. Tourism and community development expenses increased by approximately \$8,641,000 or 48%, primarily due to tourism and community development expenses in the new State Appropriations Fund in 2023.

Expenses for business-type activities increased by approximately \$10,078,000, or 5%, compared to the year ended June 30, 2022. The increase was primarily related to the Water and Sewer Facilities Fund. Total operating expenses increased by approximately \$412,000 or 1%. The increase was primarily the result of an increase in utilities expense due to increased electricity usage and rate increases, along with an increase in chemicals cost compared to fiscal year 2022. Interest and amortization expense increased by approximately \$4,176,000 or 16%, due to the issuance of a new revenue bond in the current year. Total operating expenses for the Parking Facilities Fund increased by approximately \$1,094,000 or 19% when compared to the year ended June 30, 2022. In addition, expenses for the Stormwater Facilities Fund increased by approximately \$2,422,000 or 22%, primarily due to an increase in professional fees.

The City's net position increased by approximately \$65,486,000 during the year ended June 30, 2023. The net position for governmental activities increased by approximately \$53,385,000, while the net position of business-type activities increased by \$12,102,000. The overall increase in net position was approximately \$38,153,000 higher when compared to the prior fiscal year. This was due to an approximate \$39,173,000 increase in the governmental activities and an approximate \$1,020,000 decrease in business-type activities.

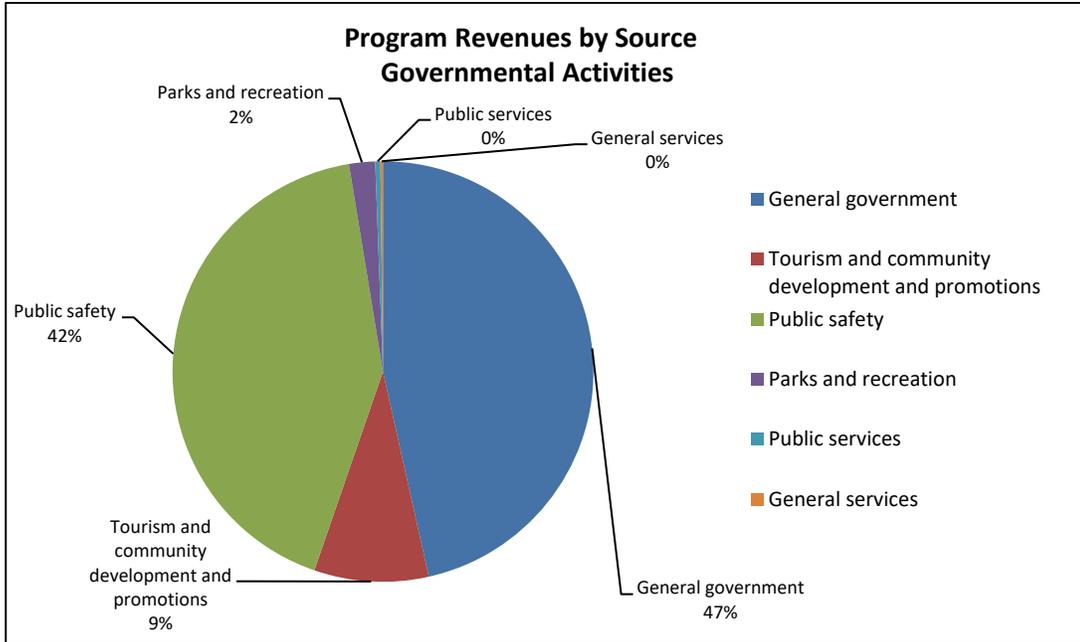
Governmental Activities – A comparative analysis of the governmental activities expenses and program revenues is presented below.

Figure 1
Program Revenues Compared to Expenses
Governmental Activities
Year Ended June 30, 2023



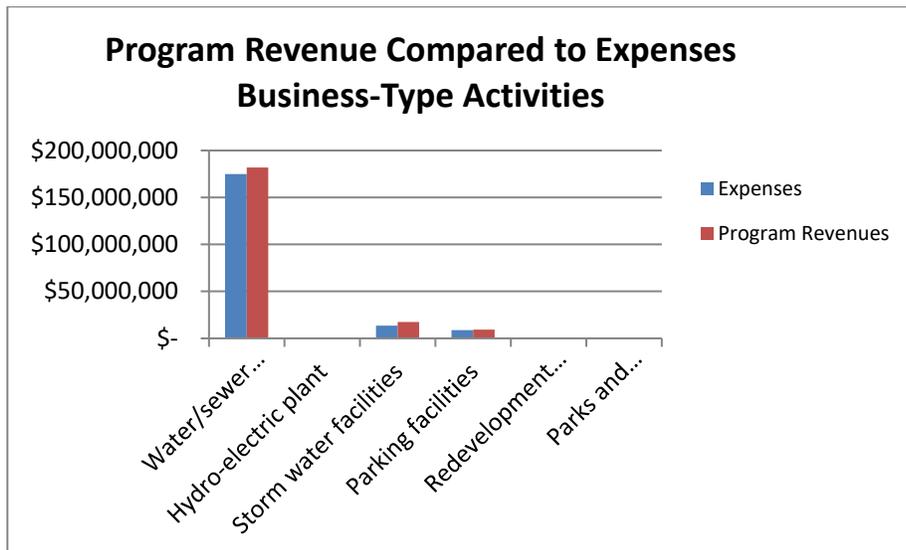
**CITY OF COLUMBIA, SOUTH CAROLINA
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**Figure 2
Program Revenues by Source
Governmental Activities
Year Ended June 30, 2023**



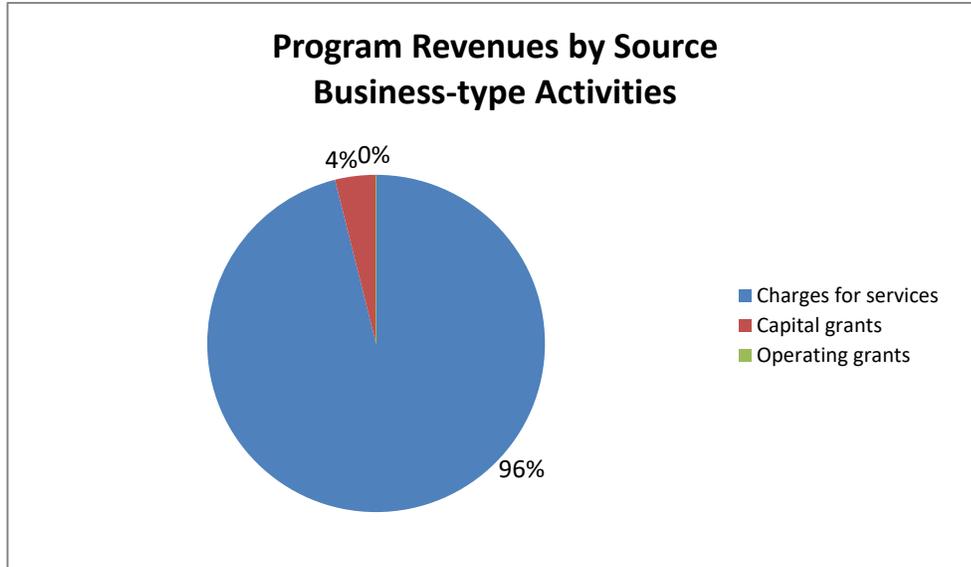
Business-type Activities – The net position of the City’s business-type activities increased by approximately \$12,102,000 for the year ended June 30, 2023. This increase is primarily attributable to the operations of the Water and Sewer operations. A comparative analysis and discussion of expenses and program revenues for these enterprise operations is presented below.

**Figure 3
Program Revenue Compared to
Expenses for Business-type Activities
Year Ended June 30, 2023**



CITY OF COLUMBIA, SOUTH CAROLINA
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Figure 4
Program Revenues by Source
for Business-type Activities
Year Ended June 30, 2023



Water and Sewer Facilities Fund – The net position for the Water and Sewer Facilities Fund for the year ended June 30, 2023, increased by approximately \$14,383,000.

Table 3
Water and Sewer Facilities Fund Revenues and Expenses
Years Ended June 30, 2023 and June 30, 2022

	Year Ended June 30,	
	2023	2022
Revenues		
Total operating revenues	\$173,182,771	\$ 177,437,426
Non-operating revenues	383,124	881,184
Development contributions and capital grants	8,150,965	7,147,240
Gain on sale of assets	108,797	301,374
Investment gain (loss)	9,355,933	(1,890,494)
Total revenues	191,181,590	183,876,730
Expenses		
Total operating expenses	137,916,086	137,504,172
Interest and amortization expense	29,859,938	25,684,427
Transfers, net	9,022,637	8,743,771
Total expenses	176,798,661	171,932,370
Change in net position	\$ 14,382,929	\$ 11,944,360

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Total operating revenues, which primarily consist of water and sewer fees, decreased by approximately \$4,255,000 or 2%, to \$173,183,000. The decrease was primarily due to an increase in bad debt expense for uncollectible accounts in the current year. Nonoperating revenues were approximately \$383,000, a decrease of \$498,000, or 57%. The decrease was primarily due to a decrease in a state grant received compared to the prior year. Development contributions and capital grants increased by approximately \$1,004,000 or 14%. Gain on sale of assets decreased by approximately \$193,000 based on the assets disposed and related proceeds received in each year. Investment income (loss) increased by approximately \$11,246,000 due to market performance in each year. Total revenues increased by approximately \$7,305,000 or 4%.

Total operating expenses increased by approximately \$412,000, or 1%, to \$137,916,000 when compared to the year ended June 30, 2022. The increase was primarily the result of an increase in utilities expense due to increased electricity usage and rate increases, along with an increase in chemicals cost compared to fiscal year 2022. Interest and amortization expense was approximately \$29,860,000, an increase of \$4,176,000, or 16%, due to the issuance of a new revenue bond in the current year. Net transfers from the Water and Sewer Facilities Fund increased by approximately \$279,000 or 3% to \$9,023,000, compared to the year ended June 30, 2022.

Parking Facilities Fund – The net position of the Parking Facilities Fund for the year ended June 30, 2023, decreased by approximately \$92,000.

Table 4
Parking Facilities Fund Revenue and Expenses
Years Ended June 30, 2023 and June 30, 2022

	Year Ended June 30,	
	2023	2022
Revenues		
Total operating revenues	\$ 9,056,863	\$ 8,537,688
Non-operating revenues	404,720	75,263
Gain on sale of assets	8,250	-
Total revenues	9,469,833	8,612,951
Expenses		
Total operating expenses	6,950,467	5,856,112
Interest and amortization expense	1,378,192	1,510,534
Transfers, net	1,232,956	938,159
Total expenses	9,561,615	8,304,805
Change in net position	\$ (91,782)	\$ 308,146

Total operating revenues, which primarily consist of parking fees and fines, increased by approximately \$519,000, or 6%, to \$9,057,000. The increase in operating revenues was due to an increase in traffic during the year ended June 30, 2023. Nonoperating revenue increased by approximately \$329,000 due primarily to increased investment income based on market performance in each year. Total revenues for the year ended June 30, 2023, increased approximately \$857,000, or 10%, to \$9,470,000.

Total operating expenses increased by approximately \$1,094,000, or 19%, to \$6,950,000 when compared to the year ended June 30, 2022. Interest and amortization expense decreased in fiscal year 2023 by approximately \$132,000, or 9%, when compared to fiscal year 2022. Total expenses increased by approximately \$1,257,000, or 15%, to \$9,562,000.

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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, 2023, the City's governmental funds reported combined ending fund balances of approximately \$159,736,000, an increase of approximately \$45,403,000. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2023, the City's governmental funds had an unassigned fund balance of approximately \$18,133,000, a decrease of approximately \$19,453,000 compared to the year ended June 30, 2022.

The General Fund is the chief operating fund of the City. During the year ended June 30, 2023, the fund balance of the general fund decreased by approximately \$6,896,000 to approximately \$48,834,000. The decrease in fund balance was due primarily to transfers to other funds of approximately \$26,622,000. Total revenues increased approximately \$6,751,000 (5%) from the prior year. Local option sales taxes increased approximately \$1,790,000 due to an increase in taxable properties during the current year. Franchise fees increased by approximately \$1,815,000. Total expenditures increased by approximately \$6,193,000 (4%) from the prior year, due primarily to increased expenses for public safety and public services. Other financing sources decreased by approximately \$12,960,000, due to an increase in transfers to other funds of approximately \$17,247,000, offset by an increase in transfers from other funds of approximately \$3,303,000.

The unassigned fund balance of governmental funds, which is available for use without restriction, decreased by approximately \$19,453,000 to approximately \$18,133,000. Unrestricted fund balance is the combination of unassigned fund balance (\$18,133,000), assigned fund balance (\$40,658,000), and committed fund balance (\$5,286,000), and totals approximately \$64,077,000. The fund balance in the general fund is comprised of approximately \$9,819,000 in restricted fund balance, \$528,000 in nonspendable fund balance, \$5,286,000 in committed fund balance, \$8,587,000 in assigned fund balance, and \$24,613,000 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, 2023, decreased by approximately \$179,000, remaining consistent with the prior year. Revenue payments to the City from Richland County are based on the agreed upon budgeted amounts. Expenditures for the year ended June 30, 2023, decreased by approximately \$56,000. 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.

The State Appropriations Fund is used to report appropriations and grant funding received from the state, primarily for parks and recreation, road improvements, and community development. Revenue payments from these grants for the year ended June 30, 2023, were approximately \$40,799,000, while expenses were approximately \$5,125,000. This fund was new and a major fund in 2023.

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.

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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, 2023, were approximately \$170,065,000, approximately \$21,283,000, or 11%, less than the final budget of approximately \$191,348,000. The decrease in total revenue was the result of transfers from other funds being less than budgeted.

Total General Fund expenditures and other financing uses were approximately \$176,961,000 for the year ended June 30, 2023, approximately \$14,387,000, or 8%, less than the final budgeted expenditures and other financing uses of approximately \$191,348,000.

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, 2023, totaled \$1,447,786,191 net of accumulated depreciation. This investment in capital assets includes land, buildings, infrastructure, construction in progress, machinery and equipment, and right to use leased assets. The net increase in the City's investment in capital assets for the year ended June 30, 2023, was approximately \$22,168,000, or 2%.

Major capital asset events during the year ended June 30, 2023, included the following:

- Construction in progress (CIP) decreased by a net of approximately \$136,166,000. This decrease was the result of several projects that were placed in service during the year ended June 30, 2023 as described below, offset by additions of approximately \$72,727,000. The projects with the most significant additions included the AMI replacement project, Main Street Phase III, aeration system improvements, Canal Clearwell improvements, and Rocky Branch Improvements Phase III. There was an approximate decrease of \$11,645,000 in the governmental CIP balance and \$124,521,000 in the business-type activities CIP balance.
- Buildings and improvements additions totaled approximately \$213,572,000 during the year ended June 30, 2023. 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 \$8,556,000 during the year ended June 30, 2023. 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 \$64,104,000 for the City as a whole.

CITY OF COLUMBIA, SOUTH CAROLINA
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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, 2023 and June 30, 2022

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022
Land	\$ 41,585,545	\$ 41,250,489	\$ 33,009,037	\$ 33,061,271	\$ 74,594,582	\$ 74,311,760
Construction in progress	25,384,894	37,029,489	149,535,513	274,056,528	174,920,407	311,086,017
Right to use leased assets	169,161	275,835	5,062,169	5,296,945	5,231,330	5,572,780
Buildings and improvements	163,731,826	155,672,276	978,878,340	825,614,418	1,142,610,166	981,286,694
Infrastructure	18,545,771	19,691,252	-	-	18,545,771	19,691,252
Machinery and equipment	18,873,203	18,455,833	13,010,732	15,213,471	31,883,935	33,669,304
Total	\$ 268,290,400	\$ 272,375,174	\$ 1,179,495,791	\$ 1,153,242,633	\$ 1,447,786,191	\$ 1,425,617,807

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

Long-term debt – The City's long-term debt reflected a net increase of approximately \$55,395,000, or 6%, as shown in Table 6. This net increase was the result of approximately \$40,763,000 in principal payments and approximately \$2,667,000 in amortization of bond premiums and discounts. In addition, a general obligation bond in the amount of \$10,755,000 and a finance lease in the amount of \$9,000,000 were issued in the governmental funds. A revenue bond in the amount of \$73,815,000 with a premium of approximately \$5,255,000 was issued in the business-type funds.

Principal payments of approximately \$17,713,000 were made on governmental activities bonds, notes payable, and finance leases. Principal payments of approximately \$23,050,000 were made on business-type activity revenue bonds.

Total governmental activities debt had a net increase of approximately \$1,921,000, while business-type activities debt had a net increase of approximately \$55,473,000.

The City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* during the year ended June 30, 2023. 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. Implementation of this Statement resulted in recognition of a subscription asset and related liability in the statement of net position. See additional disclosures in Notes I and III.

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2023

Table 6
Outstanding Indebtedness
As of June 30, 2023 and June 30, 2022

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022
Notes payable	\$ 225,000	\$ 300,000	\$ -	\$ -	\$ 225,000	\$ 300,000
General obligation bonds	22,995,000	13,335,000	-	-	22,995,000	13,335,000
Bond premiums	1,012,107	1,152,546	-	-	1,012,107	1,152,546
Revenue bonds	88,590,000	99,150,000	-	-	88,590,000	99,150,000
Bond discounts	(160,000)	(180,000)	-	-	(160,000)	(180,000)
Parking Facilities revenue bonds	-	-	31,830,000	33,500,000	31,830,000	33,500,000
Waterworks and Sewer System revenue bonds	-	-	729,130,000	675,975,000	729,130,000	675,975,000
Bond premiums	-	-	48,169,057	45,284,942	48,169,057	45,284,942
Stormwater System revenue bonds	-	-	35,405,000	36,125,000	35,405,000	36,125,000
Bond premiums	-	-	4,320,552	4,496,304	4,320,552	4,496,304
Finance Leases Payable	24,680,508	21,663,626	-	-	24,680,508	21,663,626
Total	\$ 137,342,615	\$ 135,421,172	\$ 848,854,609	\$ 795,381,246	\$ 986,197,224	\$ 930,802,418

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, 2023, 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, 2023, 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, 2023, had \$22,995,000 in debt subject to this limitation which is less than the \$54,685,557 allowed without approval by the voters in the City.

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

Economic Factors and Next Year's Budget

The City's financial condition remained strong as of June 30, 2023. The City continues to have low unemployment at 3.0%, growth in population and growth in gross domestic product. The uncertainty of the past two years concerning the economic outlook and the impact on City revenues resulting from the COVID-19 pandemic has been minimized and is reflected by increased spending in the fiscal year 2024 budget for the priorities set by council.

The City's adopted operating budget for all funds for the year ending June 30, 2024, is \$425,787,861. The adopted budget for the General Fund for the year ending June 30, 2024, is \$170,591,313. This represents an increase from the prior budget year in the amount of \$5,780,719 or 3.5%. Revenues are budgeted at an increase of \$4,873,945 or 3.4%. The largest increase is expected to be charges for services which is projected to increase \$1,830,501 or 10.2%. Property tax is expected to increase \$854,871 or 1.3%. The fiscal year 2024 budget reflects funding with a focus on investments in the City Council's Strategic Outcomes.

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JUNE 30, 2023

The General Fund millage rate for fiscal year 2024 remains at 93.8 mills, no change from the prior year. The City has included use of fund balance in the amount of \$3,000,000 and the use of American Rescue Plan funds of \$2,000,000.

Key elements that factored into the preparation of the fiscal year 2024 budget are based on the Strategic Outcomes as detailed below:

- Economic Growth
 - Implementing the Economic Development Strategic Plan and restructured functions to include filling key staff positions in real estate and business recruitment, a renewed focus on urban recruitment of multi-family housing, mixed use retail, restaurants and hotel.
 - Working with community partners to provide educational events and technical assistance to help develop our small business community.

- Safe communities
 - The ability to retain and recruit Public Safety employees is critical for a safe, thriving community. Competitive pay plan for firefighters based on a new pay structure that incorporates salary progressions through steps.
 - Continue to improve our utilization of technology in delivery of public safety services.
 - Executed phase of retention and recruitment efforts by implementing alternative service delivery solutions and a marketing strategy.

- Organizational effectiveness - Investing in city employees / city services / customer services
 - Attracting, training and retaining a competent, high-quality workforce is essential to being a high performing organization.
 - City Manager's Retention and Recruitment Initiative

- Communications
 - Work with a professional communications and marketing firm, investments in developing and implementing a comprehensive communication strategy that will showcase the City as a great destination to live, work, play, and conduct business.

- Beautification and Appearance
 - Expansion of beautification initiative in addressing our gateways, main thoroughfares and medians with painting, planting and cleanings

- Built Infrastructure
 - Continuation of capital replacement program for rolling stock and technology upgrades.
 - Provide funding for Capital Improvement Program addressing water quality, sewer system rehabilitation, storm drain and nuisance flooding.

- Vibrant Community
 - Public art initiative in our neighborhood districts
 - Focus on quantifying the many services provided for special events and the assistance provided to event organizers by reviewing the various functions and developing a needed permitting and fee structure.

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2023

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, 2023

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
ASSETS				
Current assets				
Cash and equivalents	\$ 184,252,891	\$ 207,570,020	\$ 391,822,911	\$ 16,953,509
Certificates of deposit	-	-	-	4,134,214
Cash on deposit with escrow agent	-	-	-	2,570,404
Investments	22,834,367	87,638,124	110,472,491	-
Receivables				
Property taxes, net of allowance	1,852,269	-	1,852,269	-
Federal government	13,696,626	136,586	13,833,212	-
State government	2,287,151	72,932	2,360,083	-
Accounts, net of allowance	2,994,247	12,342,222	15,336,469	2,219,790
Lease receivable, current portion	1,270,660	119,989	1,390,649	393,344
Accrued interest	1,060,542	4,055,739	5,116,281	1,090
Mortgage notes, net of allowance	-	-	-	103,136
Due from component units	-	200,000	200,000	-
Due from grantee agency	6	-	6	-
Internal balances	42,659,804	(42,659,804)	-	-
Prepaid expenses	665,752	312,188	977,940	584,913
Inventory	1,066,148	3,244,012	4,310,160	-
Real estate held for sale and development	-	751,486	751,486	-
Restricted assets				
Restricted cash	56,921,858	-	56,921,858	21,851
Restricted investments	24,242,725	3,981,745	28,224,470	-
Real estate held for sale and development	-	-	-	28,800
Total current assets	355,805,046	277,765,239	633,570,285	27,011,051
Noncurrent assets				
Cash on deposit with escrow agent	-	-	-	7,826,400
Investments	-	85,092,649	85,092,649	-
Restricted investments	20,596,962	-	20,596,962	-
Lease receivable, net of current portion	5,826,380	4,187,149	10,013,529	1,598,237
Mortgage notes receivable, net of current portion	-	21,181,236	21,181,236	1,666,876
Other assets				
Prepaid bond insurance costs	-	169,774	169,774	-
Organizational costs	-	-	-	104
Real estate held for sale or development	-	-	-	1,422,572
Security deposits	-	-	-	2,000
Investment in joint venture	-	-	-	100
Subscription information technology asset, net of accumulated amortization	4,430,110	18,043,920	22,474,030	-
Capital assets not being depreciated				
Land	41,585,545	33,009,037	74,594,582	2,131,559
Construction in progress	25,384,894	149,535,513	174,920,407	-
Capital assets, net of accumulated depreciation				
Right to use leased assets	169,161	5,062,169	5,231,330	180,150
Buildings, improvements and utility plant	163,731,826	978,878,340	1,142,610,166	9,352,152
Infrastructure	18,545,771	-	18,545,771	-
Machinery and equipment	18,873,203	13,010,732	31,883,935	-
Total noncurrent assets	299,143,852	1,308,170,519	1,607,314,371	24,180,150
TOTAL ASSETS	654,948,898	1,585,935,758	2,240,884,656	51,191,201
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	337,521	48,746,610	49,084,131	-
Deferred outflows related to other postemployment benefits liability	47,298,286	15,392,770	62,691,056	-
Deferred outflows related to net pension liability	25,090,826	8,306,663	33,397,489	-
Accumulated decrease in fair value of hedging derivatives	-	10,585,668	10,585,668	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	72,726,633	83,031,711	155,758,344	-

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION (CONTINUED)
June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	\$ 10,714,578	\$ 20,535,312	\$ 31,249,890	\$ 1,068,677
Accrued salaries and benefits	5,841,704	2,194,469	8,036,173	-
Accrued liability for claims	24,219,063	23,600	24,242,663	-
Accrued interest	827,415	13,191,288	14,018,703	-
Retainage payable	2,525	4,949,354	4,951,879	-
Unearned revenue	709,774	99,239	809,013	2,011,423
Due to primary government	-	-	-	200,000
Refundable advances	19,132,827	-	19,132,827	-
Compensated absences, current portion	1,821,200	395,506	2,216,706	209,274
Due to Midlands Community Development Corporation	-	-	-	200,000
Due to others	56,143	-	56,143	-
Deposits payable	26,674	2,689,621	2,716,295	68,870
Subscription information technology liability, current portion	1,187,312	710,854	1,898,166	-
Lease liability, current portion	106,876	166,521	273,397	45,531
Note payable, current portion	75,000	-	75,000	684,718
General obligation bonds, current portion	2,285,000	-	2,285,000	-
Revenue bonds, current portion	2,255,000	24,540,000	26,795,000	-
Obligation under finance leases, current portion	5,846,086	-	5,846,086	-
Forgivable loan	-	69,798	69,798	-
Total current liabilities	75,107,177	69,565,562	144,672,739	4,488,493
Noncurrent liabilities				
Compensated absences, net of current portion	7,284,801	1,582,020	8,866,821	56,692
Net pension liability	160,028,871	53,544,311	213,573,182	-
Total OPEB liability	161,851,229	52,672,916	214,524,145	-
Subscription information technology liability, net of current portion	2,339,296	15,952,053	18,291,349	-
Lease liability, net of current portion	131,640	5,031,880	5,163,520	136,548
Note payable, net of current portion	150,000	-	150,000	2,828,170
General obligation bonds, net of current portion	21,722,107	-	21,722,107	-
Revenue bonds, net of current portion	86,175,000	824,314,609	910,489,609	-
Obligation under finance leases, net of current portion	18,834,422	-	18,834,422	-
Derivative instrument liability, interest rate swap	-	10,585,668	10,585,668	-
Due to grantor agency	-	-	-	6,501
Total noncurrent liabilities	458,517,366	963,683,457	1,422,200,823	3,027,911
TOTAL LIABILITIES	533,624,543	1,033,249,019	1,566,873,562	7,516,404
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to net pension liability	11,817,264	4,731,914	16,549,178	-
Deferred inflows related to other postemployment benefits liability	53,715,739	17,481,268	71,197,007	-
Deferred inflow - leases	6,921,347	4,211,270	11,132,617	1,985,879
Deferred inflow - property sale	50,000	-	50,000	-
Deferred inflow - property tax credit	5,865,293	-	5,865,293	-
TOTAL DEFERRED INFLOWS OF RESOURCES	78,369,643	26,424,452	104,794,095	1,985,879
NET POSITION				
Net investment in capital assets	152,481,227	454,332,686	606,813,913	8,477,828
Restricted for				
Capital projects	42,228,878	-	42,228,878	-
Debt service	3,343,206	3,979,810	7,323,016	-
General government	29,000,000	-	29,000,000	-
Tourism	16,426,917	-	16,426,917	9,559,149
Public safety	753,202	-	753,202	-
Parks and recreation	2,500,000	-	2,500,000	-
Community development				
Expendable	796,299	-	796,299	5,343,970
Nonexpendable	5,269	-	5,269	-
Unrestricted	(131,853,653)	150,981,502	19,127,849	18,307,971
TOTAL NET POSITION	\$ 115,681,345	\$ 609,293,998	\$ 724,975,343	\$ 41,688,918

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

**CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023**

FUNCTIONS/PROGRAMS	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities								
General government	\$ 21,265,562	\$ 45,453,703	\$ 1,950,755	\$ 29,701,816	\$ 55,840,712	\$ -	\$ 55,840,712	\$ -
Judicial	3,923,129	-	-	-	(3,923,129)	-	(3,923,129)	-
Finance department	2,012,655	-	-	-	(2,012,655)	-	(2,012,655)	-
Community promotions	164,134	-	-	-	(164,134)	-	(164,134)	-
Planning and development	14,752,041	-	-	-	(14,752,041)	-	(14,752,041)	-
Public safety	108,049,195	53,976,926	15,893,961	-	(38,178,308)	-	(38,178,308)	-
Parks and recreation	15,208,077	795,842	-	2,500,000	(11,912,235)	-	(11,912,235)	-
Public services	19,887,938	662,476	-	-	(19,225,462)	-	(19,225,462)	-
General services	3,294,818	326,162	-	-	(2,968,656)	-	(2,968,656)	-
Tourism and community development	26,551,607	-	5,323,015	9,242,530	(11,986,062)	-	(11,986,062)	-
Interest and other fiscal charges	4,455,109	-	-	-	(4,455,109)	-	(4,455,109)	-
Unallocated depreciation	1,585,594	-	-	-	(1,585,594)	-	(1,585,594)	-
Total governmental activities	<u>221,149,859</u>	<u>101,215,109</u>	<u>23,167,731</u>	<u>41,444,346</u>	<u>(55,322,673)</u>	<u>-</u>	<u>(55,322,673)</u>	<u>-</u>
Business-type activities								
Water/sewer facilities	174,900,707	173,553,605	12,290	8,150,965	-	6,816,153	6,816,153	-
Hydro-electric plant	747,137	-	-	-	-	(747,137)	(747,137)	-
Stormwater facilities	13,413,140	17,360,822	-	-	-	3,947,682	3,947,682	-
Parking facilities	8,682,339	9,168,354	-	-	-	486,015	486,015	-
Redevelopment programs	413,144	509,241	1,798	-	-	97,895	97,895	-
Parks and recreation camps	6,327	256,269	-	-	-	249,942	249,942	-
Total business-type activities	<u>198,162,794</u>	<u>200,848,291</u>	<u>14,088</u>	<u>8,150,965</u>	<u>-</u>	<u>10,850,550</u>	<u>10,850,550</u>	<u>-</u>
Total Primary Government	<u>\$ 419,312,653</u>	<u>\$ 302,063,400</u>	<u>\$ 23,181,819</u>	<u>\$ 49,595,311</u>	<u>(55,322,673)</u>	<u>10,850,550</u>	<u>(44,472,123)</u>	<u>-</u>
COMPONENT UNITS	<u>\$ 14,267,090</u>	<u>\$ 15,860,329</u>	<u>\$ -</u>	<u>\$ 4,400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,993,239</u>
General revenues:								
General property taxes					37,930,169	-	37,930,169	-
Local option sales tax					26,842,273	-	26,842,273	-
Hospitality and admission taxes					14,253,665	-	14,253,665	-
Accommodations tax					3,337,336	-	3,337,336	-
Tourism development revenue					4,428,815	-	4,428,815	-
Liquor permit revenue					417,495	-	417,495	-
State shared revenue					3,202,108	-	3,202,108	-
Appropriations - City of Columbia					-	-	-	1,196,599
Unrestricted investment income					4,826,075	12,526,333	17,352,408	460,002
Gain (loss) on disposal of capital assets					568,547	145,047	713,594	(68,381)
Donation of capital assets					869,524	-	869,524	-
Insurance recoveries					143,012	-	143,012	-
Gain on debt forgiveness					-	-	-	621,723
Other revenues					467,964	-	467,964	542,047
Transfers					11,420,254	(11,420,254)	-	-
Total general revenues and transfers					<u>108,707,237</u>	<u>1,251,126</u>	<u>109,958,363</u>	<u>2,751,990</u>
Change in net position					<u>53,384,564</u>	<u>12,101,676</u>	<u>65,486,240</u>	<u>8,745,229</u>
Net position - beginning of period					<u>62,296,781</u>	<u>597,192,322</u>	<u>659,489,103</u>	<u>32,943,689</u>
Net position - end of period					<u>\$ 115,681,345</u>	<u>\$ 609,293,998</u>	<u>\$ 724,975,343</u>	<u>\$ 41,688,918</u>

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

CITY OF COLUMBIA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	County Services Fund	State Appropriations Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 38,526,285	\$ -	\$ -	\$ 40,702,985	\$ 79,229,270
Restricted cash	9,133,292	-	35,795,642	11,992,924	56,921,858
Investments	13,336,826	-	-	9,497,541	22,834,367
Restricted investments	-	-	-	44,839,687	44,839,687
Receivables					
Property taxes, net	1,852,269	-	-	-	1,852,269
Federal government	2,352,591	-	-	11,344,035	13,696,626
State government	2,283,172	-	-	1,944	2,285,116
Accounts, net	393,352	-	299,400	1,436,558	2,129,310
Accrued interest	613,413	-	-	447,129	1,060,542
Lease receivable	7,097,040	-	-	-	7,097,040
Due from grantee agency	-	-	-	6	6
Prepaid charges	528,454	76,482	-	-	604,936
TOTAL ASSETS	<u>\$ 76,116,694</u>	<u>\$ 76,482</u>	<u>\$ 36,095,042</u>	<u>\$ 120,262,809</u>	<u>\$ 232,551,027</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 3,674,698	\$ 558,752	\$ -	\$ 4,905,248	\$ 9,138,698
Accrued salaries and benefits	4,291,872	1,218,975	-	80,032	5,590,879
Retainage payable	-	-	-	2,525	2,525
Refundable advances	-	-	420,542	18,712,285	19,132,827
Due to other funds	3,394,064	3,447,047	-	16,187,301	23,028,412
Due to others	56,143	-	-	-	56,143
Customer deposits	26,674	-	-	-	26,674
Advances from other funds	1,150,042	-	-	-	1,150,042
Total liabilities	<u>12,593,493</u>	<u>5,224,774</u>	<u>420,542</u>	<u>39,887,391</u>	<u>58,126,200</u>
Deferred inflows of resources					
Deferred revenue - deferred property tax credit	5,865,293	-	-	-	5,865,293
Deferred revenue - property sale	50,000	-	-	-	50,000
Unavailable revenue - property taxes	1,852,269	-	-	-	1,852,269
Deferred inflow - leases	6,921,347	-	-	-	6,921,347
Total deferred inflows of resources	<u>14,688,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,688,909</u>
Fund balances					
Nonspendable	528,454	76,482	-	5,269	610,205
Restricted	9,819,419	-	35,674,500	49,554,583	95,048,502
Committed	5,286,352	-	-	-	5,286,352
Assigned	8,587,213	-	-	32,070,313	40,657,526
Unassigned	24,612,854	(5,224,774)	-	(1,254,747)	18,133,333
Total fund balances (deficits)	<u>48,834,292</u>	<u>(5,148,292)</u>	<u>35,674,500</u>	<u>80,375,418</u>	<u>159,735,918</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 76,116,694</u>	<u>\$ 76,482</u>	<u>\$ 36,095,042</u>	<u>\$ 120,262,809</u>	<u>\$ 232,551,027</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, 2023

Total fund balance, governmental funds		\$ 159,735,918
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	\$ 41,585,545	
Construction in progress	25,384,894	
Right to use leased assets	169,161	
Buildings and improvements, net	163,731,826	
Infrastructure, net	18,545,771	
Machinery and equipment, net	18,873,203	
Less: Net capital assets reported in the Internal Service Funds	<u>(250,665)</u>	268,039,735
Subscription assets, net of accumulated amortization, 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.		
		4,430,110
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	\$ 337,521	
Pension related deferred outflows	25,090,826	
Less: Pension related deferred outflows reported in the Internal Service Funds	<u>(875,617)</u>	24,552,730
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.		
		1,852,269
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.		
		(709,774)
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.		
		(76,093,044)
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.		
		50,650,943
Some liabilities (such as notes and bonds payable, lease and subscription liabilities, compensated absences, and net pension liability) 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	\$ (9,106,001)	
Less: Compensated absences reported in the Internal Service Funds	360,281	
Accrued interest payable	(827,378)	
Net pension liability	(160,028,871)	
Less: Net pension liability reported in the Internal Service Funds	5,063,204	
Bonds and note payable	(111,810,000)	
Finance leases payable	(24,680,508)	
Lease liability	(238,516)	
Less: Lease liability reported in the Internal Service Funds	106,361	
Subscription liability	(3,526,608)	
Unamortized discount	160,000	
Unamortized premium	<u>(1,012,107)</u>	(305,540,143)
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	\$ (11,817,264)	
Less: Pension related deferred inflows reported in the Internal Service Funds	<u>579,865</u>	<u>(11,237,399)</u>
Net position of governmental activities in the statement of net position		<u>\$ 115,681,345</u>

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, 2023

	General Fund	County Services Fund	State Appropriations Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
General property taxes	\$ 36,825,528	\$ -	\$ -	\$ 1,052,057	\$ 37,877,585
Local option sales tax	26,842,273	-	-	-	26,842,273
Hospitality and admission taxes	4,497	-	-	14,249,168	14,253,665
Accommodations tax	-	-	-	3,337,336	3,337,336
Tourism development fee	-	-	-	4,428,815	4,428,815
Liquor permit fee	-	-	-	417,495	417,495
Licenses and permits	28,768,422	-	-	-	28,768,422
Franchise fees	13,215,879	-	-	-	13,215,879
Intergovernmental revenue	19,118,133	-	-	934,288	20,052,421
Charges for services	16,832,070	-	-	18,671	16,850,741
Fines and forfeitures	332,111	-	-	94,638	426,749
Federal government	1,945,860	-	-	18,871,887	20,817,747
State government	-	-	40,799,400	-	40,799,400
County government	-	24,474,238	-	2,026,758	26,500,996
Private grants	4,895	-	-	34,746	39,641
Lease revenue	1,567,973	-	-	-	1,567,973
Investment income	1,564,314	-	-	1,631,711	3,196,025
Other revenues	260,034	-	-	207,930	467,964
Total revenues	147,281,989	24,474,238	40,799,400	47,305,500	259,861,127
EXPENDITURES					
Current					
General government	12,231,965	-	-	44,915	12,276,880
Judicial	3,786,629	-	-	-	3,786,629
Finance department	1,974,750	-	-	-	1,974,750
Planning and development	3,768,442	-	-	10,705,772	14,474,214
Public safety	74,701,165	25,844,040	-	1,217,542	101,762,747
Parks and recreation	12,977,682	-	-	48,238	13,025,920
Public services	19,368,212	-	-	-	19,368,212
General services	3,192,584	-	-	14,470	3,207,054
Tourism and community development	4,520,343	-	5,124,900	16,406,315	26,051,558
Community promotions	161,043	-	-	-	161,043
Debt service					
Principal payment on bonds	5,983,118	-	-	11,730,000	17,713,118
Interest on bonds	462,440	-	-	3,522,101	3,984,541
Debt issuance costs	-	-	-	273,385	273,385
Fiscal agent charges	-	-	-	23,252	23,252
Capital outlay					
Capital outlay	7,210,631	-	-	5,681,323	12,891,954
Total expenditures	150,339,004	25,844,040	5,124,900	49,667,313	230,975,257
Excess (deficiency) of revenues over (under) expenditures	(3,057,015)	(1,369,802)	35,674,500	(2,361,813)	28,885,870
OTHER FINANCING SOURCES (USES)					
Transfers in	12,774,680	-	-	39,353,196	52,127,876
Transfers (out)	(26,622,030)	(1,243,691)	-	(28,508,319)	(56,374,040)
Proceeds from sale of general capital assets	865,499	-	-	60	865,559
Issuance of finance lease	9,000,000	-	-	-	9,000,000
Issuance of bond	-	-	-	10,755,000	10,755,000
Insurance recoveries	143,012	-	-	-	143,012
Total other financing sources	(3,838,839)	(1,243,691)	-	21,599,937	16,517,407
Net change in fund balance	(6,895,854)	(2,613,493)	35,674,500	19,238,124	45,403,277
Beginning fund balances (deficit)	55,730,146	(2,534,799)	-	61,137,294	114,332,641
Ending fund balances (deficit)	\$ 48,834,292	\$ (5,148,292)	\$ 35,674,500	\$ 80,375,418	\$ 159,735,918

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, 2023

Net change in fund balances - total governmental funds		\$ 45,403,277
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p>		
Capital asset purchases capitalized	\$ 12,891,954	
Capital assets donated	869,524	
Depreciation expense	(17,549,240)	
Less: depreciation expense reported in the Internal Service Funds	72,149	(3,715,613)
<p>Certain lease expenses reported in the statement of activities do not require the use of current financial resources, and these are not reported as expenditures in governmental funds.</p>		
		19,019
<p>Certain subscription expenses reported in the statement of activities do not require the use of current financial resources, and these are not reported as expenditures in governmental funds.</p>		
		903,502
<p>In the Statement of Activities, the gain or loss on disposal of capital assets is reported. Conversely, governmental funds do not report gain or loss on the disposal of capital assets.</p>		
Net book value of disposed capital assets		(297,012)
<p>Internal service funds are used by management to charge costs of certain activities to individual funds. The change in net income of the internal service funds is included in governmental activities in the statement of activities.</p>		
		492,028
<p>Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.</p>		
Property tax		52,584
Intergovernmental revenues		(10,675)
<p>Governmental funds report bond proceeds as current financial resources. In contrast, the statement of activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the statement of activities treats such repayment as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments.</p>		
Proceeds from bonds issued	\$ (10,755,000)	
Proceeds from finance lease issued	(9,000,000)	
Principal payments of long-term debt	17,713,118	
Amortization of premium	140,439	
Amortization of discount	(20,000)	
Amortization of bond refunding deferred charge	(137,412)	(2,058,855)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources, and these are not reported as expenditures in governmental funds:</p>		
Accrued compensated absences	\$ (187,494)	
Pension expense	4,898,918	
Accrued interest payable	(156,958)	4,554,466
<p>Eliminations in the consolidation of internal service funds resulted in a net increase in expenses for the business-type activities in the statement of activities.</p>		
		8,041,843
Change in net position of governmental activities		\$ 53,384,564

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, 2023

	Business-type Activities - Enterprise Funds				Governmental
	Water/Sewer	Parking	Nonmajor	Total	Internal
	Facilities	Facilities	Enterprise		Service
Fund	Fund	Funds		Funds	
ASSETS					
Current assets					
Cash and cash equivalents	\$ 163,863,930	\$ 8,990,927	\$ 34,715,163	\$ 207,570,020	\$ 105,023,621
Investments	67,548,190	2,611,839	17,478,095	87,638,124	-
Restricted investments	2,915,881	1,935	1,063,929	3,981,745	-
Accounts receivable, net	12,184,996	157,226	-	12,342,222	864,937
Accrued interest receivable	3,130,440	120,296	805,003	4,055,739	-
Lease receivable, current portion	119,989	-	-	119,989	-
Due from federal government	136,586	-	-	136,586	-
Due from state government	72,932	-	-	72,932	2,035
Due from other funds	39,546,818	-	-	39,546,818	16,773,465
Due from component units	200,000	-	-	200,000	-
Inventory	3,201,972	42,040	-	3,244,012	1,066,148
Prepaid expenses	256,525	47,078	8,585	312,188	60,816
Real estate held for resale	-	-	751,486	751,486	-
Total current assets	293,178,259	11,971,341	54,822,261	359,971,861	123,791,022
Noncurrent assets					
Mortgage notes receivable, net	284,721	-	20,896,515	21,181,236	-
Investments	58,893,496	-	26,199,153	85,092,649	-
Prepaid bond insurance costs	-	169,774	-	169,774	-
Advances to other funds	1,150,042	-	-	1,150,042	-
Subscription information technology asset, net of accumulated amortization	18,043,920	-	-	18,043,920	-
Lease receivable, net of current portion	4,187,149	-	-	4,187,149	-
Capital assets					
Right to use leased assets	169,224	5,362,497	-	5,531,721	211,914
Land	15,619,327	16,806,856	582,854	33,009,037	-
Buildings, improvements and utility plant	1,499,923,246	74,266,402	62,096,013	1,636,285,661	914,576
Machinery and equipment	85,301,986	2,758,935	5,336,690	93,397,611	1,587,337
Less accumulated depreciation	(686,521,060)	(30,319,800)	(21,422,892)	(738,263,752)	(2,463,162)
Construction in progress	134,189,452	527,826	14,818,235	149,535,513	-
Net capital assets	1,048,682,175	69,402,716	61,410,900	1,179,495,791	250,665
Total noncurrent assets	1,131,241,503	69,572,490	108,506,568	1,309,320,561	250,665
TOTAL ASSETS	1,424,419,762	81,543,831	163,328,829	1,669,292,422	124,041,687
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	48,746,610	-	-	48,746,610	-
Deferred outflows related to other postemployment benefits liability	13,349,777	877,274	1,165,719	15,392,770	47,298,286
Deferred outflows related to net pension liability	7,124,917	524,696	657,050	8,306,663	875,617
Accumulated decrease in fair value of hedging derivatives	10,585,668	-	-	10,585,668	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	79,806,972	1,401,970	1,822,769	83,031,711	48,173,903

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS (CONTINUED)
June 30, 2023

	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	\$ 17,396,238	\$ 77,613	\$ 3,061,461	\$ 20,535,312	\$ 1,575,880
Accrued salaries and benefits	1,855,351	129,477	209,641	2,194,469	250,825
Compensated absences, current portion	343,938	27,240	24,328	395,506	72,056
Retainage payable	4,517,366	-	431,988	4,949,354	-
Subscription information technology liability, current portion	710,854	-	-	710,854	-
Lease liability, current portion	58,138	108,383	-	166,521	53,070
Accrued interest payable	11,908,448	560,507	722,333	13,191,288	37
Revenue bonds payable, current portion	22,045,000	1,735,000	760,000	24,540,000	-
Forgivable loan	69,798	-	-	69,798	-
Due to other funds	6,215,107	16,773,465	9,717,149	32,705,721	586,150
Deposits payable	2,689,621	-	-	2,689,621	-
Unearned revenue	4,940	8,482	85,817	99,239	-
Accrued liability for claims	23,600	-	-	23,600	24,219,063
Total current liabilities	67,838,399	19,420,167	15,012,717	102,271,283	26,757,081
Noncurrent liabilities					
Subscription information technology liability, net of current portion	15,952,053	-	-	15,952,053	-
Lease liability, net of current portion	-	5,031,880	-	5,031,880	53,291
Compensated absences, net of current portion	1,375,752	108,959	97,309	1,582,020	288,225
Net pension liability	45,932,425	3,449,863	4,162,023	53,544,311	5,063,204
Total OPEB liability	45,681,946	3,001,966	3,989,004	52,672,916	161,851,229
Revenue bonds payable, net of current portion	755,254,057	30,095,000	38,965,552	824,314,609	-
Derivative instrument liability - interest rate swap	10,585,668	-	-	10,585,668	-
Total noncurrent liabilities	874,781,901	41,687,668	47,213,888	963,683,457	167,255,949
TOTAL LIABILITIES	942,620,300	61,107,835	62,226,605	1,065,954,740	194,013,030
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to other postemployment benefits liability	15,161,081	996,303	1,323,884	17,481,268	53,715,739
Deferred inflows related to net pension liability	4,161,257	289,935	280,722	4,731,914	579,865
Deferred inflow - leases	4,211,270	-	-	4,211,270	-
TOTAL DEFERRED INFLOWS OF RESOURCES	23,533,608	1,286,238	1,604,606	26,424,452	54,295,604
FUND NET POSITION					
Net investment in capital assets	374,447,720	32,432,453	47,452,513	454,332,686	144,708
Restricted for debt service	2,915,881	-	1,063,929	3,979,810	-
Unrestricted	160,709,225	(11,880,725)	52,803,945	201,632,445	(76,237,752)
TOTAL FUND NET POSITION	\$ 538,072,826	\$ 20,551,728	\$ 101,320,387	659,944,941	\$ (76,093,044)
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				(50,650,943)	
Net position of business-type activities				<u>\$ 609,293,998</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, 2023

	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	\$ 173,182,771	\$ 7,397,013	\$ 18,100,902	\$ 198,680,686	\$ 51,452,696
Intergovernmental revenue	-	-	17,397	17,397	30,075
Other operating revenue	-	1,659,850	8,033	1,667,883	780
Total operating revenues	173,182,771	9,056,863	18,126,332	200,365,966	51,483,551
Operating expenses					
Personnel services	39,103,389	2,767,792	3,110,444	44,981,625	14,480,621
Materials and supplies	14,883,424	166,463	283,888	15,333,775	11,296,369
Other services and charges	33,770,705	1,336,037	6,450,360	41,557,102	4,718,435
Heat, light and power	7,176,342	304,353	-	7,480,695	4,123
Depreciation	42,055,634	2,375,822	2,464,505	46,895,961	72,149
Amortization	926,592	-	-	926,592	-
Claims and premiums	-	-	-	-	37,716,294
Loan bad debt expense	-	-	126,472	126,472	-
Total operating expenses	137,916,086	6,950,467	12,435,669	157,302,222	68,287,991
Operating income (loss)	35,266,685	2,106,396	5,690,663	43,063,744	(16,804,440)
Nonoperating revenues (expenses)					
Investment income	9,355,933	293,229	2,877,171	12,526,333	1,630,050
Lease revenue	273,259	97,965	-	371,224	-
Other nonoperating revenue	97,575	13,526	-	111,101	-
Federal grant revenue	-	-	1,798	1,798	-
State grant revenue	12,290	-	-	12,290	-
Gain from sale of assets	108,797	8,250	28,000	145,047	-
Interest expense	(25,773,551)	(1,364,693)	(1,578,849)	(28,717,093)	-
Bond related costs	(1,062,338)	(1,000)	(1,750)	(1,065,088)	-
Amortization of deferred charges	(3,024,049)	(12,499)	-	(3,036,548)	-
Total nonoperating revenues (expenses)	(20,012,084)	(965,222)	1,326,370	(19,650,936)	1,630,050
Income (loss) before contributions and transfers	15,254,601	1,141,174	7,017,033	23,412,808	(15,174,390)
Capital contributions and transfers					
Capital contributions	8,150,965	-	-	8,150,965	-
Transfers in	-	-	-	-	16,184,040
Transfers out	(9,022,637)	(1,232,956)	(1,164,661)	(11,420,254)	(517,622)
Total capital contributions and transfers	(871,672)	(1,232,956)	(1,164,661)	(3,269,289)	15,666,418
Change in net position	14,382,929	(91,782)	5,852,372	20,143,519	492,028
Net position - beginning of period	523,689,897	20,643,510	95,468,015		(76,585,072)
Net position - ending	\$ 538,072,826	\$ 20,551,728	\$ 101,320,387		\$ (76,093,044)
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				(8,041,843)	
Change in net position of business-type activities				\$ 12,101,676	

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, 2023

	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	\$ 176,809,794	\$ 8,973,052	\$ 18,253,254	\$ 204,036,100	\$ 583,489
Internal activity - receipts from other funds	-	-	-	-	50,806,768
Internal activity - payments to other funds	(2,564,819)	(90,261)	(380,639)	(3,035,719)	-
Payments to suppliers	(70,834,135)	(2,802,491)	(5,626,571)	(79,263,197)	(18,730,652)
Claims paid	-	-	-	-	(30,857,086)
Payments to employees	(24,917,828)	(1,665,011)	(2,168,292)	(28,751,131)	(3,715,851)
Net cash provided by (used in) operating activities	78,493,012	4,415,289	10,077,752	92,986,053	(1,913,332)
Cash flows from noncapital financing activities					
Advances from other funds	-	780,062	432,866	1,212,928	7,171
Advances to other funds	(4,690,348)	-	-	(4,690,348)	(3,438,645)
Nonoperating grants	22,241	-	57,492	79,733	-
Transfers in	-	-	-	-	16,184,040
Transfers out	(9,022,637)	(1,232,956)	(1,164,661)	(11,420,254)	(517,622)
Net cash (used in) provided by noncapital financing activities	(13,690,744)	(452,894)	(674,303)	(14,817,941)	12,234,944
Cash flows from capital and related financing activities					
Proceeds from revenue bonds	79,070,325	-	-	79,070,325	-
Principal paid on bonds and notes	(20,667,707)	(1,670,000)	(720,000)	(23,057,707)	-
Payment for subscription liability	(2,307,605)	-	-	(2,307,605)	-
Payment for lease liability	(56,427)	(107,068)	-	(163,495)	(52,849)
Interest paid	(26,359,093)	(1,390,014)	(1,769,600)	(29,518,707)	(16)
Payments for bond related costs	(1,062,338)	(1,000)	(1,750)	(1,065,088)	-
Purchase of capital assets	(58,976,410)	(1,222,246)	(4,918,618)	(65,117,274)	-
Proceeds from sale of capital assets	170,831	8,250	28,000	207,081	-
Net cash used in capital and related financing activities	(30,188,424)	(4,382,078)	(7,381,968)	(41,952,470)	(52,865)
Cash flows from investing activities					
Purchase of investments	(50,524,507)	(535,554)	-	(51,060,061)	-
Sale of investments	-	-	722,926	722,926	-
Purchase of real estate held for resale	-	-	(63,151)	(63,151)	-
Receipts of property rentals	188,358	97,965	-	286,323	-
Collections of mortgage notes receivable	117,474	-	405,136	522,610	-
Interest received	6,690,776	196,244	2,147,700	9,034,720	1,630,050
Net cash (used in) provided by investing activities	(43,527,899)	(241,345)	3,212,611	(40,556,633)	1,630,050
Net (decrease) increase in cash and cash equivalents	(8,914,055)	(661,028)	5,234,092	(4,340,991)	11,898,797
Cash and cash equivalents, July 1, 2022	172,777,985	9,651,955	29,481,071	211,911,011	93,124,824
Cash and cash equivalents, June 30, 2023	\$ 163,863,930	\$ 8,990,927	\$ 34,715,163	\$ 207,570,020	\$ 105,023,621

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds				Governmental
	Water/Sewer	Parking	Nonmajor	Total	Activities
	Facilities Fund	Facilities Fund	Enterprise Funds		Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	<u>\$ 35,266,685</u>	<u>\$ 2,106,396</u>	<u>\$ 5,690,663</u>	<u>\$ 43,063,744</u>	<u>\$ (16,804,440)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	42,055,634	2,375,822	2,464,505	46,895,961	72,149
Amortization	926,592	-	-	926,592	-
Accrued benefits related to net pension liability	(995,574)	(60,954)	(131,336)	(1,187,864)	(120,384)
Bad debt expense	-	-	126,472	126,472	-
Change in operating assets and liabilities					
Accounts receivable	1,263,672	(84,685)	450	1,179,437	(78,640)
Due from state government	-	-	-	-	(2,035)
Inventory	(346,843)	5,255	-	(341,588)	79,209
Prepaid expenses	(65,427)	(11,353)	496	(76,284)	35,304
Accounts payable	(3,651,883)	(103,022)	2,197,653	(1,557,252)	(913,516)
Accrued salaries	66,680	21,642	56,213	144,535	(6,601)
Accrued compensated absences	(87,685)	5,281	9,032	(73,372)	2,009
OPEB liability	1,697,810	160,033	(336,396)	1,521,447	8,977,024
Unearned revenue	-	874	-	874	(12,619)
Deposits payable	2,363,351	-	-	2,363,351	-
Accrued liability for claims	-	-	-	-	6,859,208
Total adjustments	<u>43,226,327</u>	<u>2,308,893</u>	<u>4,387,089</u>	<u>49,922,309</u>	<u>14,891,108</u>
Net cash provided by (used in) operating activities	<u><u>\$ 78,493,012</u></u>	<u><u>\$ 4,415,289</u></u>	<u><u>\$ 10,077,752</u></u>	<u><u>\$ 92,986,053</u></u>	<u><u>\$ (1,913,332)</u></u>

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

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

June 30, 2023

	Private- Purpose Trust Funds	Custodial Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 7,296	\$ 31,978
Investments	688	7,395
Interest receivable	32	341
	<u> </u>	<u> </u>
Total assets	<u>8,016</u>	<u>39,714</u>
 LIABILITIES		
Accounts payable	<u>-</u>	<u>27,949</u>
Total liabilities	<u>-</u>	<u>27,949</u>
 NET POSITION		
Held in trust - other purposes	<u>\$ 8,016</u>	<u>\$ 11,765</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, 2023

	Private- Purpose Trust Funds	Custodial Fund
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Private donations	\$ 7,140	\$ 1,260,490
Other operating revenue	1,301	-
Interest income	-	1,988
Total additions	<u>8,441</u>	<u>1,262,478</u>
 DEDUCTIONS		
Program expenses	6,214	-
Payments to other governments	-	1,325,788
Total deductions	<u>6,214</u>	<u>1,325,788</u>
 Change in net position	 2,227	 (63,310)
 Net position - beginning	 <u>5,789</u>	 <u>75,075</u>
 Net position - ending	 <u>\$ 8,016</u>	 <u>\$ 11,765</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, 2023

	Eau Claire Development Corporation	Experience Columbia SC	TN Development Corporation	Columbia Empowerment Zone, Inc.	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 351,614	\$ 14,195,707	\$ 1,421,259	\$ 984,929	\$ 16,953,509
Certificates of deposit	-	-	200,000	3,934,214	4,134,214
Cash on deposit with escrow agent	-	2,570,404	-	-	2,570,404
Accounts receivable, net	-	1,594,041	177,329	448,420	2,219,790
Accrued interest receivable	-	-	-	1,090	1,090
Mortgage notes receivable, current portion	-	-	17,431	85,705	103,136
Prepaid expenses	3,667	553,032	18,142	10,072	584,913
Lease receivable, current portion	-	-	147,243	246,101	393,344
Restricted assets					
Restricted cash	-	-	-	21,851	21,851
Real estate held for sale and development	-	-	28,800	-	28,800
Total current assets	355,281	18,913,184	2,010,204	5,732,382	27,011,051
Capital assets					
Right to use leased assets net of amortization	-	180,150	-	-	180,150
Capital assets, not being depreciated	58,000	-	788,129	1,285,430	2,131,559
Capital assets, net of accumulated depreciation	346,860	3,060,698	2,058,869	3,885,725	9,352,152
Net capital assets	404,860	3,240,848	2,846,998	5,171,155	11,663,861
Other assets					
Mortgage note receivable, net of allowance	-	-	381,091	1,285,785	1,666,876
Lease receivable, net of current portion	-	-	634,669	963,568	1,598,237
Real estate held for sale and development	488,307	-	934,265	-	1,422,572
Organizational costs	-	-	-	104	104
Security deposits	-	2,000	-	-	2,000
Investment in joint venture	-	-	-	100	100
Cash on deposit with escrow agent	-	7,826,400	-	-	7,826,400
Total other assets	488,307	7,828,400	1,950,025	2,249,557	12,516,289
Total noncurrent assets	893,167	11,069,248	4,797,023	7,420,712	24,180,150
TOTAL ASSETS	1,248,448	29,982,432	6,807,227	13,153,094	51,191,201

(Continued)

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

June 30, 2023

	Eau Claire Development Corporation	Experience Columbia SC	TN Development Corporation	Columbia Empowerment Zone, Inc.	Total
LIABILITIES					
Current liabilities					
Accounts payable	\$ 54,057	\$ 661,492	\$ 72,261	\$ 84,206	\$ 872,016
Accrued expenses	3,301	132,451	37,657	23,252	196,661
Customer deposits	1,100	-	45,919	21,851	68,870
Due to primary government	-	-	200,000	-	200,000
Compensated absences	-	195,101	7,638	6,535	209,274
Mortgage/bonds/notes payable/ lines of credit - current portion	508,934	-	175,784	-	684,718
Lease liability	-	45,531	-	-	45,531
Due to Midlands Community Development Corporation	-	-	-	200,000	200,000
Unearned revenue	-	1,868,122	143,301	-	2,011,423
Total current liabilities	567,392	2,902,697	682,560	335,844	4,488,493
Noncurrent liabilities					
Compensated absences	-	-	30,552	26,140	56,692
Mortgage/bonds/lines of credit payable	-	-	2,828,170	-	2,828,170
Lease liability	-	136,548	-	-	136,548
Due to grantor agency	6,501	-	-	-	6,501
Total noncurrent liabilities	6,501	136,548	2,858,722	26,140	3,027,911
TOTAL LIABILITIES	573,893	3,039,245	3,541,282	361,984	7,516,404
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow - leases	-	-	781,555	1,204,324	1,985,879
NET POSITION					
Net investment in capital assets	404,860	3,058,769	(156,956)	5,171,155	8,477,828
Restricted					
Community development	38,245	-	405,725	4,900,000	5,343,970
Tourism	-	9,559,149	-	-	9,559,149
Unrestricted	231,450	14,325,269	2,235,621	1,515,631	18,307,971
TOTAL NET POSITION	\$ 674,555	\$ 26,943,187	\$ 2,484,390	\$ 11,586,786	\$ 41,688,918

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, 2023

	Program Revenue							Totals	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Eau Claire Development Corporation	Experience Columbia SC	TN Development Corporation		Columbia Empowerment Zone, Inc.
Eau Claire Development Corporation									
Community Development	\$ 306,765	\$ 8,433	\$ -	\$ -	\$ (298,332)	\$ -	\$ -	\$ -	\$ (298,332)
Experience Columbia SC									
Community Promotions	11,083,314	14,360,774	-	-	-	3,277,460	-	-	3,277,460
TN Development Corporation									
Community Development	2,078,216	1,092,146	-	-	-	-	(986,070)	-	(986,070)
Columbia Empowerment Zone, Inc.									
Community Development	798,795	398,976	-	4,400,000	-	-	-	4,000,181	4,000,181
Total component units	<u>\$ 14,267,090</u>	<u>\$ 15,860,329</u>	<u>\$ -</u>	<u>\$ 4,400,000</u>	<u>(298,332)</u>	<u>3,277,460</u>	<u>(986,070)</u>	<u>4,000,181</u>	<u>5,993,239</u>
General revenues:									
Appropriations - City of Columbia					84	-	711,745	484,770	1,196,599
Investment earnings (loss)					35	413,770	(14,757)	60,954	460,002
Loss on disposal of capital assets					-	-	(68,381)	-	(68,381)
Gain on debt forgiveness					-	-	621,723	-	621,723
Other revenues					34,047	-	-	508,000	542,047
Total general revenues					<u>34,166</u>	<u>413,770</u>	<u>1,250,330</u>	<u>1,053,724</u>	<u>2,751,990</u>
Change in net position					(264,166)	3,691,230	264,260	5,053,905	8,745,229
Net position - beginning of period					938,721	23,251,957	2,220,130	6,532,881	32,943,689
Net position - ending					<u>\$ 674,555</u>	<u>\$ 26,943,187</u>	<u>\$ 2,484,390</u>	<u>\$ 11,586,786</u>	<u>41,688,918</u>

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

INDEX TO NOTES TO FINANCIAL STATEMENTS

CITY OF COLUMBIA, SOUTH CAROLINA
Index to Notes to Financial Statements
Year Ended June 30, 2023

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CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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 137,960 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 836,324. The City's economy is driven by education, government, military, health care, 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. I. The balances of this entity are reported in the Tourism Development Convention Center fund, a nonmajor special revenue fund. The Corporation does not issue separate financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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. The Municipal Complex is reported within the General Fund and does not issue separate financial statements.

Discretely Presented Component Units

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.

In February 2023, Columbia Housing Development Corporation ("CHDC"), a former component unit of the City, merged with TNDC. CHDC's operations ceased to exist and were combined into TNDC. Under GASB 69, the merger is considered a government merger and the merger effective date dictates when the reporting is combined. The combined assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the merging entities are recognized and measured in the statement of net position as of the beginning of the initial reporting period, July 1, 2022.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Discretely Presented Component Units (Continued)

The entity promotes: the fostering of sustainable business; government and community alliances to help lessen the burdens of government; reduction of physical and economic blight; combating community deterioration by fostering business attraction, retention, and expansion in areas in need of permanent job opportunities; workforce advancement and general growth opportunities. Funding for the CEZ is derived from appropriations from the City, loan repayments, rental income, and grant funds. The City provides appropriations to support CEZ when it experiences operating deficits that are not financed by other means. Upon dissolution, any remaining assets of CEZ would revert to the City.

Complete financial statements of the discretely presented individual Component Units can be requested from the City's Chief Financial Officer at 1737 Main Street Columbia, SC 29201.

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS

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

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

Governmental Fund Types:

General Fund

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

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.
- State Appropriations (a major fund) – accounts for revenues received from South Carolina state grants.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Governmental Fund Types (Continued):

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

Debt Service Fund

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

Capital Projects Funds

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Governmental Fund Types (Continued):

- 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.

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:

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FUND FINANCIAL STATEMENTS (Continued)

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

Custodial Fund

This fund is used to account for assets held by the City as an custodian.

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. The custodial funds use the *economic resources measurement focus*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

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

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

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

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

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

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

Deposits

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

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

Investments

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventory and Prepaid Assets

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

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

Real Estate

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

Mortgage Notes and Notes Receivable and Allowance for Loan Losses

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

Accounts Receivable and Allowance for Bad Debt

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

Lease Receivable

In accordance with implementation of GASB 87, a lessor is required to recognize a lease receivable. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

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

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

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

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

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

Right to Use Leased Assets

In accordance with implementation of GASB 87, the City has recorded the right to use leased assets. These assets are initially measured by the related lease liability, plus any lease payments made prior to the lease term, less lease incentives, and ancillary charges necessary to place the lease into service. These right to use assets are amortized on a straight line basis over the life of the lease.

Subscription-Based Information Technology Arrangements

The City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the year ended June 30, 2023. The City is party to 9 subscription-based information technology arrangements ("SBITA") as part of various third-party software information technology agreements. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the statement of net position. The City recognizes subscription liabilities with an initial term greater than 12 months and an individual value of \$5,000 or more. The City's SBITAs have commencement dates ranging from July 2022 through May 2023 and expiration dates ranging from June 2024 through June 2042 with fixed payments due monthly. For SBITAs with a maximum possible term of 12 months or less at commencement, the City recognizes operating expenses based on the provisions of the arrangement.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of expected subscription payments to be made over the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial measurement of the subscription liability, adjusted for payments associated with the SBITA contract made to the vendor at the commencement of the subscription term, plus any capitalizable initial implementation costs, less any vendor incentives received at the commencement of the subscription term.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Subscription-Based Information Technology Arrangements (Continued)

Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the useful life of the subscription asset or subscription term.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) the subscription term, and (3) subscription payments.

If provided, the City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate. The subscription term includes the noncancellable period during which the City has a noncancellable right to use the underlying subscription assets. The subscription term also includes periods covered by an option to extend if it is reasonably certain that the City or the vendor will exercise that option, or to terminate if it is reasonably certain that the City or the vendor will not exercise that option. Subscription payments included in the measurement of the subscription liability are all composed of fixed payments.

The City monitors changes in circumstances that would require a remeasurement of a SBITA and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with noncurrent assets and subscription liabilities are reported with long-term obligations on the statement of net position. The City capitalizes qualifying initial implementation costs of \$5,000 or more as part of the subscription asset. Preliminary project stage outlays are expensed as incurred. Operation and additional implementation stage activities are expensed as incurred unless they meet specific capitalization criteria.

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, 2023. 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, 2023

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 assets that applies to future periods 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.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Inflows of Resources (Continued)

The City has five 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. 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. The fifth type is deferred inflows related to lease revenue. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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.

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES, EXPENDITURES, AND EXPENSES (Continued)

Local Option Sales Tax Revenue

The City incorporated a Local Option Sales Tax during the year ended June 30, 2006, of 1% to offset a reduction in property taxes. The tax generated approximately \$27 million during the year ended June 30, 2023. As a result of the City's revenue recognition policy, deferred inflows of resources of approximately \$5,865,000 are reported in the General Fund and Statement of Net Position as of June 30, 2023.

Investment Income

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

Grant and Appropriations Revenue

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

Operating and Nonoperating Revenues and Expenses

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

Expenditures/Expenses

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

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

- Governmental Funds – By Characteristic:
 - Current (further classified by function)
 - Debt Service
 - Capital Outlay
- Proprietary Funds – By Operating and Nonoperating

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

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES, EXPENDITURES, AND EXPENSES (Continued)

Interfund transfers

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND BALANCE (Continued)

Assigned fund balance

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

Unassigned fund balance

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

Classification / Fund	Purpose	Amount
Nonspendable		
General Fund	Prepaid charges	\$ 528,454
County Services	Prepaid charges	76,482
Anna Dickson Trust	Nonspendable principal	<u>5,269</u>
Total nonspendable		<u>610,205</u>
Restricted		
General Fund	Capital projects	9,133,292
General Fund	Community development	686,127
State Appropriations	Parks and recreation	2,500,000
State Appropriations	Tourism	4,174,500
State Appropriations	General government	29,000,000
Liquor Permit Fee	Tourism	1,922,279
Tourism Development Convention Center	Tourism	2,399,780
Accommodations Tax	Tourism	2,962,710
Hospitality Tax	Tourism	3,525,184
Tourism Development	Tourism	1,442,464
Confiscated Drug Program	Law enforcement	297,951
Federal Grants	Public safety	455,251
Other Programs	Community development	110,172
Debt Service Fund	Debt Service	3,343,206
Congaree Vista District	Construction of parks in the Congaree Vista District	1,508,465
Miscellaneous Projects	General Fund capital projects	<u>31,587,121</u>
Total restricted		<u>95,048,502</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND BALANCE (Continued)

Classification / Fund	Purpose	Amount
Committed		
General Fund	Public safety	5,286,352
Total committed		5,286,352
Assigned		
General Fund	Subsequent year expenditures	8,587,213
General Capital Projects	Capital projects	23,167,373
Streetscaping	Streetscaping capital projects	8,902,940
Total assigned		40,657,526
Unassigned		
General Fund		24,612,854
County Services		(5,224,774)
Community Development		(1,254,747)
Total unassigned		18,133,333
Total fund balances		\$ 159,735,918

H. RECENTLY IMPLEMENTED GASB STANDARDS

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 implemented the new guidance with the 2023 financial statements. Implementation of this Statement resulted in recognition of a subscription asset and related liability in the statement of net position. See additional disclosures in Notes I and III.

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 implemented the new guidance with the 2023 financial statements. There was no significant impact to the City’s financial statements upon implementation of this standard.

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 implemented the new guidance with the 2023 financial statements. There was no significant impact to the City’s financial statements upon implementation of this standard.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

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

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

B. DEFICIT FUND EQUITY

At June 30, 2023, the County Services Fund had a deficit fund balance of \$5,148,292. At June 30, 2023, the Community Development Fund had a deficit fund balance of \$1,254,747. The Parks and Recreation Camp Fund had a deficit net position of \$766,981. The Fleet Management Internal Service Fund had a deficit net position of \$6,600,004. The Support Services Internal Service Fund had a deficit net position of \$4,002,661. The Risk Management Internal Service Fund had a deficit net position of \$65,490,379. 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. H 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. RISK MANAGEMENT (Continued)

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

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

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

Fiscal Year	Beginning Liability	Claims and Changes in Estimates	Claims Payments	Ending Liability
2022	\$15,313,839	\$29,665,130	(\$27,595,514)	\$17,383,455
2023	\$17,383,455	\$37,716,294	(\$30,857,096)	\$24,242,653

This liability is reported in both the Risk Management Fund of the internal services funds (\$24,219,063) and the Water and Sewer Facilities Fund (\$23,600). The liability at June 30, 2023 includes \$14,193,370 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, 2023, 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	\$ 133,954,530	\$ 133,954,530	\$ -
Treasuries	90,165,234	19,636,043	70,529,191
Agencies	20,274,891	3,553,152	16,721,739
Total	<u>\$ 244,394,655</u>	<u>\$ 157,143,725</u>	<u>\$ 87,250,930</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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

A. DEPOSITS AND INVESTMENTS (Continued)

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.

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, 2023, 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

A. DEPOSITS AND INVESTMENTS (Continued)

Credit Risk for Investments (continued)

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

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and as amended by GASB Statement No. 72, *Fair Value Measurement and Application*, investments in the SCLGIP are carried at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair value for all investments of the 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, 2023, the City, excluding component units, was in full compliance with its collateral policy. At June 30, 2023, all of the City's deposits were insured or collateralized.

At June 30, 2023, TNDC had approximately \$704,000 in deposits that were uninsured and uncollateralized. At June 30, 2023, CEZ had approximately \$619,000 in deposits that was uninsured and uncollateralized. The balance of collateralized securities was approximately \$351,359,000 at June 30, 2023.

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, 2023, none of the City's security investments were exposed to custodial credit risk.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

A. DEPOSITS AND INVESTMENTS (Continued)

Reconciliation to the Financial Statements

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

Description	Amount
Carrying Amount of Deposits	\$ 448,784,043
Fair Value of Investments	244,394,655
Total Deposits and Investments	\$ 693,178,698
Statement of Net Position	
Cash and Equivalents	\$ 448,744,769
Investments - Current	138,696,961
Investments - Noncurrent	105,689,611
Statement of Net Position - Fiduciary Funds	
Cash and Equivalents - Trust Funds	7,296
Investments - Trust Funds	688
Cash and Equivalents - Custodial Funds	31,978
Investments - Custodial Funds	7,395
Total Cash and Investments	\$ 693,178,698

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, 2023, are as follows:

General Fund	\$ 1,583,788
Water/Sewer Facilities	\$ 14,128,687
Parking Facilities	\$ 4,674,415
Nonmajor Business-type activities	\$ 9,900
Internal Service Funds	\$ 31,346

Receivables for the component units consist of items totaling approximately \$626,000 at June 30, 2023, which are net of allowances for doubtful accounts. As of June 30, 2023, the allowance for doubtful accounts was approximately \$6,800 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 and revolving loan pools 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. The net of these receivables totaled approximately \$21,181,000 as of June 30, 2023. An allowance of approximately \$3,696,000 was recorded as of June 30, 2023.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

C. MORTGAGE NOTES RECEIVABLE AND REVOLVING LOAN POOLS (Continued)

Component units

TNDC has mortgage notes receivable consisting of \$398,522 as of June 30, 2023, which is net of an allowance for uncollectible loans of \$62,617. Mortgage notes receivable consist of loans to individuals under various federal housing lending programs and have various interest rates and maturity dates. Revenue recognition is applied under the cost recovery method.

CEZ, Inc. has loans receivable amounting to \$1,371,490 as of June 30, 2023, which is the net of allowance for uncollectible loans of \$8,570. Mortgage notes receivable consist of loans to businesses within the Columbia Empowerment Zone and have various interest rates and maturity dates. CEZ, Inc. is a non-profit corporation, and revenue recognition is applied under the accrual method.

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The interfund receivables and payables (including advances) at June 30, 2023, are as follows:

	Interfund Receivables	Interfund Payables
Funds:		
General	\$ -	\$ 4,544,106
County services	-	3,447,047
Water/sewer	40,696,860	6,215,107
Parking	-	16,773,465
Nonmajor governmental	-	16,187,301
Nonmajor proprietary	-	9,717,149
Internal service funds	16,773,465	586,150
Total	\$ 57,470,325	\$ 57,470,325

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, 2023, are as follows:

	Transfers In	Transfers Out
General	\$ 12,774,680	\$ 26,622,030
County services	-	1,243,691
Nonmajor governmental	39,353,196	28,508,319
Water/sewer	-	9,022,637
Parking	-	1,232,956
Nonmajor proprietary	-	1,164,661
Internal service	16,184,040	517,622
	\$ 68,311,916	\$ 68,311,916

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

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

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.

E. LEASE RECEIVABLE

In accordance with GASB No. 87 at June 30, 2023, the City recognized a lease receivable and deferred inflows of resources for the leases described below. The City reported a lease receivable of \$11,404,178 and deferred inflows of resources of \$11,132,617.

The GASB No. 87 lessor leases are summarized as follows:

General Fund Leases

The City leases various buildings, office space, parking garages, and a generator which are owned by the City and are recorded in the General Fund. The City's General Fund has 11 lease agreements, the majority of which have terms ranging from 1 to 10 years with payments made monthly. The City recognized lease revenue of \$1,567,973 and interest revenue of \$73,260 during fiscal year 2023. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate ranging from 0.20% to 1.55%, which is an estimated incremental borrowing rate. The terms of these lease agreements do not include a variable revenue component.

Water and Sewer Fund Leases

The City leases various water towers and a water plant which are owned by the City and are recorded in the Water and Sewer Fund. The City's Water and Sewer Fund has 6 lease agreements, the majority of which have terms ranging from 5 to 25 years with payments made monthly. The City recognized lease revenue of \$273,259 and interest revenue of \$65,720 during fiscal year 2023. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate ranging from 0.20% to 1.55%, which is an estimated incremental borrowing rate. The terms of these lease agreements do not include a variable revenue component.

Future minimum financed payments to be received at June 30, 2023 for the City are summarized as follows:

Governmental Activities:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,270,660	\$ 64,488	\$ 1,335,148
2025	1,278,021	55,480	1,333,501
2026	814,645	47,128	861,773
2027	567,282	40,388	607,670
2028	402,806	35,377	438,183
2029 - 2033	2,176,090	101,615	2,277,705
2034 - 2038	565,216	10,050	575,266
2039 - 2043	3,043	1,637	4,680
Thereafter	19,277	4,123	23,400
Total	<u>\$ 7,097,040</u>	<u>\$ 360,286</u>	<u>\$ 7,457,326</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

E. LEASE RECEIVABLE (Continued)

Business-Type Activities:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 119,989	\$ 65,527	\$ 185,516
2025	123,287	64,319	187,606
2026	101,544	62,732	164,276
2027	69,982	61,093	131,075
2028	37,564	59,554	97,118
2029 - 2033	242,534	288,571	531,105
2034 - 2038	347,080	267,715	614,795
2039 - 2043	396,275	239,424	635,699
Thereafter	2,868,883	870,312	3,739,195
Total	<u>\$ 4,307,138</u>	<u>\$ 1,979,247</u>	<u>\$6,286,385</u>

F. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Increases	Transfers	Decreases	Balance June 30, 2023
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 41,250,490	\$ 6,209	\$ 578,077	\$ (249,231)	\$ 41,585,545
Construction in progress	37,029,488	5,984,703	(17,629,297)	-	25,384,894
Total capital assets not being depreciated	<u>78,279,978</u>	<u>5,990,912</u>	<u>(17,051,220)</u>	<u>(249,231)</u>	<u>66,970,439</u>
Capital assets, being depreciated:					
Right to use leased assets	362,686	-	-	-	362,686
Buildings and improvements	278,106,036	781,442	16,682,464	-	295,569,942
Machinery and equipment	84,868,357	6,282,309	368,756	(2,023,374)	89,496,048
Infrastructure	43,831,928	706,815	-	-	44,538,743
Total capital assets, being depreciated	<u>407,169,007</u>	<u>7,770,566</u>	<u>17,051,220</u>	<u>(2,023,374)</u>	<u>429,967,419</u>
Less accumulated depreciation:					
Right to use leased assets	(86,851)	(106,674)	-	-	(193,525)
Buildings and improvements	(122,433,760)	(9,404,356)	-	-	(131,838,116)
Machinery and equipment	(66,412,524)	(6,185,914)	-	1,975,593	(70,622,845)
Infrastructure	(24,140,676)	(1,852,296)	-	-	(25,992,972)
Total accumulated depreciation	<u>(213,073,811)</u>	<u>(17,549,240)</u>	<u>-</u>	<u>1,975,593</u>	<u>(228,647,458)</u>
Total capital assets, being depreciated, net	<u>194,095,196</u>	<u>(9,778,674)</u>	<u>17,051,220</u>	<u>(47,781)</u>	<u>201,319,961</u>
Governmental activities capital assets, net	<u>\$ 272,375,174</u>	<u>\$ (3,787,762)</u>	<u>\$ -</u>	<u>\$ (297,012)</u>	<u>\$ 268,290,400</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

F. CAPITAL ASSETS (Continued)

	Balance June 30, 2022	Increases	Transfers	Decreases	Balance June 30, 2023
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 33,061,271	\$ 9,800	\$ -	\$ (62,034)	\$ 33,009,037
Construction in progress	274,056,528	66,742,174	(187,956,737)	(3,306,452)	149,535,513
Total capital assets not being depreciated	307,117,799	66,751,974	(187,956,737)	(3,368,486)	182,544,550
Capital assets, being depreciated:					
Right to use leased assets	5,531,721	-	-	-	5,531,721
Buildings and improvements	1,440,476,786	8,150,965	187,956,737	(298,827)	1,636,285,661
Machinery and equipment	92,141,964	1,905,026	-	(649,379)	93,397,611
Total capital assets, being depreciated	1,538,150,471	10,055,991	187,956,737	(948,206)	1,735,214,993
Less accumulated depreciation:					
Right to use leased assets	(234,776)	(234,776)	-	-	(469,552)
Buildings and improvements	(614,862,369)	(42,669,569)	-	124,617	(657,407,321)
Machinery and equipment	(76,928,492)	(3,991,616)	-	533,229	(80,386,879)
Total accumulated depreciation	(692,025,637)	(46,895,961)	-	657,846	(738,263,752)
Total capital assets, being depreciated, net	846,124,834	(36,839,970)	187,956,737	(290,360)	996,951,241
Business-type activities capital assets, net	\$ 1,153,242,633	\$ 29,912,004	\$ -	\$ (3,658,846)	\$ 1,179,495,791

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

Governmental Activities:	
General government	\$ 9,510,707
Public safety	4,251,546
Parks and recreation	1,895,742
Public services	145,174
Judicial	62,615
General services	25,713
Nondepartmental	1,585,594
Internal service funds	72,149
Total depreciation expense - governmental activities	<u>\$ 17,549,240</u>
Business-type Activities:	
Water/Sewer facilities	\$ 42,055,634
Stormwater facilities	2,071,214
Parking facilities	2,375,822
Hydro-electric plant	393,291
Total depreciation expense - business-type activities	<u>\$ 46,895,961</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

F. CAPITAL ASSETS (Continued)

The City is committed under various lease agreements for real estate, office, and copier equipment. The City has 8 lease agreements, the majority of which have terms ranging from 5 to 15 years with payments made monthly. Lease expenditures for the year ended June 30, 2023 were approximately \$626,000. In accordance with implementation of GASB 87, a right to use leased assets was recorded, which had a balance of \$169,161 and \$5,062,169 at June 30, 2023, respectively, net of accumulated amortization of \$193,525 and \$469,552, respectively, for governmental activities and business type activities. Accumulated amortization of right to use leased assets is included in accumulated depreciation above. Amortization for the year ended June 30, 2023 was \$106,674 and \$234,776 for governmental activities and business type activities, respectively and is included in depreciation expense above. These assets are initially measured by the related lease liability, plus any lease payments made prior to the lease term, less lease incentives, and ancillary charges necessary to place the lease into service. These right to use assets are amortized on a straight line basis over the life of the lease.

G. SUBSCRIPTION INFORMATION TECHNOLOGY ASSET

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (“SBITAs”), addresses how the costs and investments for SBITAs are accounted for and disclosed by governmental entities. These changes were effective for fiscal years beginning after June 15, 2022. As noted in Note I, the City is party to 9 subscription-based information technology arrangements as part of various third-party software information technology agreements. In accordance with implementation of GASB 96, a subscription information technology asset was recorded, which had a balance of \$4,430,110 and \$18,043,920 at June 30, 2023 for governmental activities and business type activities, respectively, net of accumulated amortization. These subscription information technology assets are amortized on a straight line basis over the term of the agreements.

Subscription information technology asset activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Increases	Transfers	Decreases	Balance June 30, 2023
Governmental Activities					
Subscription information technology asset, being amortized	\$ -	\$ 5,370,696	\$ -	\$ -	\$ 5,370,696
Less accumulated amortization	-	(940,586)	-	-	(940,586)
Governmental activities technology information technology asset, net	\$ -	\$ 4,430,110	\$ -	\$ -	\$ 4,430,110
Business-Type Activities					
Subscription information technology asset, being amortized	\$ -	\$ 18,970,512	\$ -	\$ -	\$ 18,970,512
Less accumulated amortization	-	(926,592)	-	-	(926,592)
Business-type activities technology information technology asset, net	\$ -	\$ 18,043,920	\$ -	\$ -	\$ 18,043,920

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

H. 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 July 1, 2021, the following employees were covered by the benefit terms:

Active plan members	1,994
Inactive participants currently receiving benefit payments	629
Covered spouses currently receiving benefits	<u>191</u>
	<u>2,814</u>

Total OPEB Liability

The City's total OPEB liability of \$214,524,145 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

III. DETAIL NOTES ON ACTIVITIES AND FUNDS (Continued)

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

Actuarial assumptions and other inputs – The total OPEB liability at June 30, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

The discount rate used was 3.65% 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 MP2021 .

The actuarial assumptions used in the July 1, 2021 valuation were based on personnel, plan design, health care claim cost, and other information.

Changes in the Total OPEB Liability

Balance at June 30, 2022	Total OPEB Liability
	\$ 209,924,743
Changes for the year:	
Service cost	6,004,520
Interest	7,566,905
Changes in assumptions	(4,584,104)
Benefit payments	<u>(4,387,919)</u>
Net change in total OPEB liability	<u>4,599,402</u>
Balance at June 30, 2023	\$ 214,524,145

Changes in assumptions include:

- The discount rate increased from 3.54% to 3.65%.

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	(2.65%)	(3.65%)	(4.65%)
Total OPEB liability	\$ 261,722,271	\$ 214,524,145	\$ 178,440,431

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	\$ 172,236,206	\$ 214,524,145	\$ 271,997,264

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

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

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$10,498,469. At June 30, 2023, 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	\$ 3,048,829	\$ (64,635,527)
Change in assumptions	59,642,227	(6,561,480)
	<u>\$ 62,691,056</u>	<u>\$ (71,197,007)</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,	
2024	\$ 1,314,963
2025	1,507,484
2026	1,837,492
2027	628,757
2028	(3,829,898)
Total thereafter	(9,964,749)
Total	<u><u>\$(8,505,951)</u></u>

As of June 30, 2023, there were no payables due to the OPEB Plan.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

I. LONG-TERM OBLIGATIONS

Activity related to long-term obligations during 2023 was as follows:

	Balance 6/30/2022	Additions	Reductions	Balance 6/30/2023	Amount Due in 2024
Governmental Activities					
Note payable	\$ 300,000	\$ -	\$ (75,000)	\$ 225,000	\$ 75,000
GO bonds	13,335,000	10,755,000	(1,095,000)	22,995,000	2,285,000
Revenue bonds	99,150,000	-	(10,560,000)	88,590,000	2,255,000
Unamortized bond premiums	1,152,546	-	(140,439)	1,012,107	-
Unamortized bond discounts	(180,000)	-	20,000	(160,000)	-
Finance leases payable	21,663,626	9,000,000	(5,983,118)	24,680,508	5,846,086
Compensated absences	8,916,498	9,106,001	(8,916,498)	9,106,001	1,821,200
Net pension liability	151,270,382	8,758,489	-	160,028,871	-
Total OPEB liability	157,370,638	4,480,591	-	161,851,229	-
Subscription liability	-	3,526,608	-	3,526,608	1,187,312
Lease liability	310,384	-	(71,868)	238,516	106,876
Total governmental activities	453,289,074	45,626,689	(26,821,923)	472,093,840	13,576,474
Business-Type Activities					
Revenue bonds	745,600,000	73,815,000	(23,050,000)	796,365,000	24,540,000
Unamortized bond premiums	49,781,246	5,255,325	(2,546,962)	52,489,609	-
Compensated absences	2,050,898	1,977,526	(2,050,898)	1,977,526	395,506
Net pension liability	50,693,945	2,850,366	-	53,544,311	-
Total OPEB liability	52,554,105	118,811	-	52,672,916	-
Subscription liability	-	16,662,907	-	16,662,907	710,854
Lease liability	5,361,896	-	(163,495)	5,198,401	166,521
Derivative instrument liability	15,165,972	-	(4,580,304)	10,585,668	-
Total business-type activities	921,208,062	100,679,935	(32,391,659)	989,496,338	25,812,881
Total all long-term obligations	\$ 1,374,497,136	\$ 146,306,624	\$ (59,213,582)	\$ 1,461,590,178	\$ 39,389,355

Debt Service

Long-term liabilities for the internal service funds are allocated between government and business-type activities. At the year ended June 30, 2023, \$360,281 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. Notes payable 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, 2018, and 2022, 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, 2023**

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

I. LONG-TERM OBLIGATIONS (Continued)

The annual requirements to amortize all outstanding debt of the City as of June 30, 2023, including interest payments, but excluding accrued compensated absences payable, pension and OPEB liabilities, amortization of bond premiums and discounts, and lease liability, are as follows:

Governmental Activities:

Year Ending June 30,	General Obligation Bonds	Interest	Revenue Bonds	Interest	Note Payable	Interest	Finance Lease Payable	Interest	Total Principal	Total Interest
2024	\$ 2,285,000	\$ 794,792	\$ 2,255,000	\$ 2,554,131	\$ 75,000	\$ -	\$ 5,846,086	\$ 501,733	\$ 10,461,086	\$ 3,850,656
2025	2,395,000	697,888	2,470,000	2,329,224	75,000	-	5,342,303	378,169	10,282,303	3,405,281
2026	2,480,000	616,694	2,070,000	2,275,780	75,000	-	4,606,518	264,463	9,231,518	3,156,937
2027	2,570,000	528,520	2,365,000	2,225,983	-	-	3,393,537	177,397	8,328,537	2,931,900
2028	1,900,000	437,079	3,185,000	2,166,315	-	-	2,636,246	113,655	7,721,246	2,717,049
2029-2033	5,085,000	1,375,702	15,795,000	9,674,817	-	-	2,855,818	63,971	23,735,818	11,114,490
2034-2038	2,120,000	844,450	16,620,000	7,757,317	-	-	-	-	18,740,000	8,601,767
2039-2043	2,480,000	479,400	18,935,000	5,432,962	-	-	-	-	21,415,000	5,912,362
2044-2048	1,680,000	101,700	14,915,000	2,920,323	-	-	-	-	16,595,000	3,022,023
2049-2053	-	-	9,980,000	633,383	-	-	-	-	9,980,000	633,383
	<u>\$ 22,995,000</u>	<u>\$ 5,876,225</u>	<u>\$ 88,590,000</u>	<u>\$ 37,970,235</u>	<u>\$ 225,000</u>	<u>\$ -</u>	<u>\$ 24,680,508</u>	<u>\$ 1,499,388</u>	<u>\$ 136,490,508</u>	<u>\$ 45,345,848</u>

Business-Type Activities:

Year Ending June 30,	Revenue Bonds	Interest
2024	\$ 24,540,000	\$ 31,252,501
2025	25,880,000	29,905,622
2026	26,800,000	28,987,731
2027	27,795,000	27,987,661
2028	28,895,000	26,894,844
2029-2033	162,710,000	116,220,014
2034-2038	194,815,000	81,049,091
2039-2043	174,935,000	42,537,665
2044-2048	102,325,000	17,082,947
2049-2053	27,670,000	2,676,538
	<u>\$ 796,365,000</u>	<u>\$ 404,594,614</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

I. LONG-TERM OBLIGATIONS (Continued)

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, 2023, are as follows:

Governmental Activities:

<p>\$6,260,000 City of Columbia General Obligation Bonds, Series 2015 Proceeds for: Refund Series 2007A General Obligation Bonds Annual principal installments of \$15,000 to \$730,000 through June 1, 2027 Interest rate: 2.0 to 4.0%</p>	<p>\$ 2,750,000</p>
<p>\$10,645,000 City of Columbia General Obligation Bonds, Series 2016 Proceeds for: Acquisition of capital assets Annual principal installments of \$210,000 to \$575,000 through June 1, 2046 Interest rate: 3.0 to 5.0%</p>	<p>9,490,000</p>
<p>\$10,755,000 City of Columbia General Obligation Bonds, Series 2023 Proceeds for: Finlay Park project Annual principal installments of \$1,375,000 to \$1,690,000 through June 1, 2030 Interest rate: 3.26%</p>	<p>10,755,000</p>
<p><i>Total Governmental Activities General Obligation Bonds</i></p>	<p><u>\$ 22,995,000</u></p>

Revenue Bonds and Note Payable

Revenue bonds and notes payable 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.

Governmental Activities:

<p>\$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%.</p>	<p>\$ 225,000</p>
<p><i>Total Governmental Activities Notes Payable</i></p>	<p><u>\$ 225,000</u></p>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

I. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds and Note Payable (Continued)

Revenue Bonds

The governmental activities hospitality tax revenue bonds are backed by hospitality tax revenue. The RecoverSC and IPRB bonds may be paid from any City revenue. They are currently budgeted and paid by the General Fund. The Water and Sewer Fund revenue bonds are backed by the Water and Sewer System. Revenue bonds outstanding as of June 30, 2023, are as follows:

Governmental Activities:

<p>\$14,825,000 Revenue Bond - Hospitality Fee Pledge, Series 2012 Payable from revenues derived by the City from hospitality taxes. Annual principal installments of \$1,000,000 to \$1,315,000 through Feb. 1, 2025 Interest rate: 2.5%</p>	<p>\$ 2,595,000</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>840,000</p>
<p>\$10,000,000 2020A Economic development Revenue Bonds (Recover SC Program) Payable from any revenues derived by the City. Annual principal installments of \$250,000 to \$300,000 through Oct. 1, 2030 Interest rate: 4.75%</p>	<p>1,375,000</p>
<p>\$54,625,000 IPRB, Series 2021 (Taxable) Payable from any revenues derived by the City. Annual principal installments of \$485,000 to \$3,430,000 through Jun. 1, 2051 Interest rate: 0.455 to 3.141%</p>	<p>54,140,000</p>
<p>\$29,900,000 Special Obligation Revenue Bond - Hospitality Fee Pledge, Series 2021 Payable from revenues derived by the City from hospitality taxes. Annual principal installments of \$80,000 to \$1,885,000 through Feb. 1, 2044 Interest rate: 2.390% to 3.190%</p>	<p style="border-top: 1px solid black;">29,640,000</p>
<p><i>Total Governmental Activities Revenue Bonds</i></p>	<p style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 88,590,000</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 off-street and on-street 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 style="border-top: 1px solid black;">\$ 31,830,000</p>
<p><i>Total Parking Facilities Revenue Bonds</i></p>	<p style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 31,830,000</p>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

I. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds and Note Payable (Continued)

Water and Sewer Fund:

<p>\$81,860,000 Waterworks and Sewer System Revenue Bonds, Series 2009 Payable from revenues derived from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$525,000 to \$10,840,000 through Feb. 1, 2038 Interest rate: 3.6 to 5.0% See Note V for details regarding the interest rate swap related to this bond issue</p>	<p>\$ 80,785,000</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>28,750,000</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: Partial refunding of Series 2011A and Series 2010 Bonds Annual principal installments of \$135,000 to \$23,620,000 through Feb. 1, 2041 Interest rate: 2.0 to 5.0%</p>	<p>139,715,000</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>48,795,000</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: 3.0 to 5.0%</p>	<p>90,260,000</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: Partial refunding of Series 2011A, 2012, 2013 Revenue Bonds Annual principal installments of \$1,560,000 to \$10,350,000 through Feb. 1, 2043 Interest rate: 1.76% to 3.26%</p>	<p>127,960,000</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, 2023

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

I. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds and Note Payable (Continued)

<p>\$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: 2.0% to 5.0%</p>	18,565,000
<p>\$116,600,000 Waterworks and Sewer System Revenue Bonds, Series 2021B Payable from revenues from the City's water and sewer system Proceeds for: Partial refunding of Series 2016A, 2018, 2019A Revenue Bonds Annual principal installments of \$810,000 to \$12,705,000 through Feb. 1, 2049 Interest rate: .29% to 3.01%</p>	115,505,000
<p>\$73,815,000 Waterworks and Sewer System Revenue Bonds, Series 2022 Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$710,000 to \$4,630,000 through Feb. 1, 2052 Interest rate: 4.0% to 5.25%</p>	73,815,000
<p style="padding-left: 40px;"><i>Total Water and Sewer Revenue Bonds</i></p>	<p style="text-align: right;"><u>\$ 729,130,000</u></p>
<p>Stormwater Facilities Fund</p>	
<p>\$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%</p>	\$ 35,405,000
<p style="padding-left: 40px;"><i>Total Stormwater Revenue Bonds</i></p>	<p style="text-align: right;"><u>35,405,000</u></p>
<p style="padding-left: 40px;"><i>Total Business-Type Activities Revenue Bonds</i></p>	<p style="text-align: right;"><u>\$ 796,365,000</u></p>

Obligations Under Finance Leases

The City has entered into various lease agreements as a 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 \$4,879,000 was included in depreciation expense on assets acquired with finance lease proceeds. These assets had a balance of approximately \$16,537,000 net of accumulated depreciation at June 30, 2023. The City had approximately \$9,133,000 in unspent lease funds at June 30, 2023. The lease agreements qualify as finance leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

<p>\$8,100,000 Finance Lease Payable to Bank of America issued September 2016 Proceeds for: Acquisition of capital assets Monthly principal and interest installments of \$95,246 through October 1, 2023 Interest rate: 1.47%</p>	\$ 379,828
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CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

I. LONG-TERM OBLIGATIONS (Continued)

Obligations Under Finance Leases (Continued)

\$4,000,000 Finance Lease Payable to Regions Bank issued December 2017 Proceeds for: Acquisition of capital assets Monthly principal and interest installments of \$48,845 through January 1, 2025 Interest rate: 2.17%	909,425
\$8,000,000 Finance Lease Payable to Regions Bank issued December 2018 Proceeds for: Acquisition of capital assets Monthly principal and interest installments of \$101,942 through January 1, 2026 Interest rate: 2.78%	3,045,989
\$9,250,000 Finance 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: 1.8%	4,880,738
\$9,000,000 Finance Lease Payable to Bank of America issued November 2021 Proceeds for: Acquisition of capital assets Monthly principal and interest installments of \$110,325 through December 1, 2028 Interest rate: 1.17%	7,048,768
\$9,000,000 Finance Lease Payable to Bank of America issued December 2022 Proceeds for: Acquisition of capital assets Monthly principal and interest installments of \$118,834 through January 1, 2030 Interest rate: 3.24%	8,415,758
<i>Total Governmental Activities Finance Leases Payable</i>	\$ 24,680,507

Lease Liability

The City is committed under various lease agreements for real estate, office, and copier equipment. The City has 8 lease agreements, the majority of which have terms ranging from 5 to 15 years with payments made monthly. In accordance with implementation of GASB 87, a lease liability was recorded, which had a balance of \$238,516 and \$5,198,401 at June 30, 2023 for governmental activities and business type activities, respectively. The lease liability is initially measured as the present value of the future minimum rent payments expected to be paid during the lease term at a discount rate ranging from 0.29% to 1.55%, which is an estimated incremental borrowing rate. The terms of these lease agreements do not include a variable expense component. Future amortization of the City's lease liability as of June 30, 2023 is as follows:

Governmental Activities:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 106,876	\$ 1,245	\$ 108,121
2025	106,349	486	106,835
2026	25,291	44	25,335
Total	\$ 238,516	\$ 1,775	\$ 240,291

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

I. LONG-TERM OBLIGATIONS (Continued)

Lease Liability (Continued)

Business-Type Activities:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 166,521	\$ 76,247	\$ 242,768
2025	109,715	74,825	184,540
2026	115,786	73,457	189,243
2027	120,625	71,977	192,602
2028	122,137	70,465	192,602
2029 - 2033	499,190	330,211	829,401
2034 - 2038	372,578	301,745	674,323
2039 - 2043	444,928	269,387	714,315
Thereafter	3,246,921	630,632	3,877,553
Total	\$ 5,198,401	\$ 1,898,946	\$7,097,347

Subscription Information Technology Liability

As noted in Note I, the City is party to 9 SBITAs as part of various third-party software information technology agreements. The City's SBITAs have commencement dates ranging from July 2022 through May 2023 and expiration dates ranging from June 2024 through June 2042 with fixed payments due monthly. In accordance with implementation of GASB 96, a subscription information technology liability was recorded, which had a balance of \$3,526,608 and \$16,662,907 at June 30, 2023 for governmental activities and business type activities, respectively. The subscription information technology liability is initially measured as the present value of the future minimum payments expected to be paid during the agreement term at a discount rate ranging from approximately 2.0% to 2.7%, which is an estimated incremental borrowing rate. Future amortization of the City's subscription information technology liability as of June 30, 2023 is as follows:

Governmental Activities:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,187,312	\$ 85,110	\$ 1,272,422
2025	496,246	58,232	554,478
2026	387,023	45,970	432,993
2027	367,337	36,055	403,392
2028	207,327	26,673	234,000
2029 - 2032	881,363	54,637	936,000
Total	\$ 3,526,608	\$ 306,677	\$ 3,833,285

Business-Type Activities:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 710,854	\$ 379,081	\$ 1,089,935
2025	727,026	362,909	1,089,935
2026	743,566	346,369	1,089,935
2027	760,482	329,453	1,089,935
2028	777,783	312,152	1,089,935
2029 - 2033	4,162,521	1,287,154	5,449,675
2034 - 2038	4,658,048	791,627	5,449,675
2039 - 2042	4,122,627	237,111	4,359,738
Total	\$ 16,662,907	\$ 4,045,856	\$ 20,708,763

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

I. LONG-TERM OBLIGATIONS (Continued)

Conduit Debt

Resolution 2006-027, passed June 28, 2006, was issued in support of the issuance of not exceeding \$4,500,000 in revenue bonds by JEDA for the Palmetto Health Foundation Project. While the City is not obligated for the repayment of conduit type debt, disclosure is required in the notes to the financial statements. As of June 30, 2023, the balance of this conduit debt was approximately \$1,059,000.

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, 2023, 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, 2023, 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, 2023, the amount considered defeased related to these bonds is approximately \$138,625,000. 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, 2023, the amount considered defeased related to these bonds is approximately \$91,445,000. During the year ended June 30, 2022, the City defeased its Special Obligation Bond – Hospitality Fee Pledge, Series 2014 in the amount of \$26,175,000 through issuance of the Special Obligation Bond – Hospitality Fee Pledge, Series 2021. On June 30, 2023, the amount considered defeased related to these bonds is approximately \$26,175,000. Proceeds from the Water and Sewer 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.

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, 2023, the City did not have any arbitrage profits due to the federal government.

J. TAX ABATEMENTS

While the City of Columbia does not have any of its own tax abatement agreements as of June 30, 2023, 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

J. TAX ABATEMETNS (Continued)

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.

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 2022, City property taxes abated resulting from the FILOT program totaled approximately \$240,422. The City received approximately \$738,217 in fee-in-lieu of *ad valorem* property tax payments from taxpayers with active agreements under the FILOT program in property tax year 2022.

Special Source Revenue Credit Program

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

J. TAX ABATEMENTS (Continued)

Special Source Revenue Credit Program (Continued)

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

The County may also use the SSRC program in connection with the FILOT program. In those instances, following the calculation of a taxpayer's fee-in-lieu program, the County may also apply a credit pursuant to the SSRC program to further abate the taxpayer's property tax liability. To receive property tax abatements under the SSRC program and the FILOT program, the taxpayer must meet the eligibility requirements for both programs. For property tax year 2022, City property taxes abated resulting from the SSRC program totaled approximately \$622,437 – 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 \$562,876 in fees-in-lieu of standard *ad valorem* taxes from taxpayers solely receiving property tax abatements under the SSRC program. Fees-in-lieu of standard *ad valorem* taxes received by the City from taxpayers receiving property tax abatements under both the SSRC program and the FILOT program are reflected in the fees-in-lieu of *ad valorem* tax payments collected from taxpayers with active agreements under the FILOT program described above.

Multicounty Industrial or Business Park

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

For the property tax year 2022, of the total payments made by taxpayers who were subject to the County's multicounty industrial park agreements, \$101,084 would have been received by the City but for the taxpayers' location within its multicounty industrial park. For the property tax year 2022, fee-in-lieu of standard *ad valorem* tax payments from taxpayers within the multicounty industrial park totaled \$470,575.

IV. PENSION PLANS

The South Carolina Public Employee Benefit Authority ("PEBA"), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

IV. PENSION PLANS (Continued)

PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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 position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles ("GAAP"). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an Annual Comprehensive Financial Report containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The Annual Comprehensive Financial Report is publicly available through 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 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 and other benefits for teachers and employees of the state and its political subdivisions.

The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established 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 and other benefits to police officers and firefighters.

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 first-term individuals elected to the South Carolina General Assembly. 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; be a coroner in a full-time permanent position; or be 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

IV. PENSION PLANS (Continued)

An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

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

- SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five or eight year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

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

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

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. The Retirement Funding and Administration Act of 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% for SCRS and 9.75% 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. 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

IV. PENSION PLANS (Continued)

In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56% for SCRS and 21.24% for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85% funded.

Required <u>employee</u> contribution rates are as follows:		
SCRS	Fiscal Year 2023	Fiscal Year 2022
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	17.41% of earnable compensation	16.41% of earnable compensation
Employer Class Three	17.41% of earnable compensation	16.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation	0.15% of earnable compensation
PORS		
Employer Class Two	19.84% of earnable compensation	18.84% of earnable compensation
Employer Class Three	19.84% of earnable compensation	18.84% 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, 2023	SCRS	PORS
Required contributions	\$ 11,522,802	\$ 9,324,484
Actual contributions	\$ 11,522,802	\$ 9,324,484

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan 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 regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

IV. PENSION PLANS (Continued)

Actuarial Assumptions and Methods (Continued)

The June 30, 2022, total pension liability (“TPL”), net pension liability (“NPL”), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (“GRS”) and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plans’ fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.0%	7.0%
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (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 2020 Public Retirees of South Carolina Mortality table (“2020 PRSC”), was developed using the Systems’ mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2022, TPL are as follows.

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system’s TPL determined in accordance with GASB 67 less that system’s fiduciary net position. NPL totals, as of June 30, 2022, 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	\$ 56,454,779,872	\$ 32,212,626,932	\$ 24,242,152,940	57.1%
PORS	8,937,686,946	5,938,707,767	2,998,979,179	66.4%
Total	\$ 65,392,466,818	\$ 38,151,334,699	\$ 27,421,132,119	

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
2021	2022	\$121,893,562	\$80,070,765
2022	2023	\$125,838,012	\$87,735,170

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

IV. PENSION PLANS (Continued)

Net Pension Liability (Continued)

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

The net pension liabilities were measured as of June 30, 2022, 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, 2020, 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, 2022 measurement date, the City's percentage of the SCRS and PORS net pension liability was 0.519088% and 2.925501%, respectively. This is a decrease of 0.044158% for SCRS and a decrease of 0.186564% for PORS from its proportion measured as of June 30, 2021.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return 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 2022 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% assumed annual investment rate of return used in the calculation of the TPL includes a 4.75% real rate of return and a 2.25% inflation component.

Discount Rate

The discount rate used to measure the TPL was 7%. 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 Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the 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 TPL.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real Estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
Total Expected Real Return	100.0%		4.79%
Inflation for Actuarial Purposes			2.25%
			<u>7.04%</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

IV. PENSION PLANS (Continued)

Net Pension Liability (Continued)

Sensitivity Analysis

The following table presents the collective net pension liability of the City calculated using the discount rate of 7.0% 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 (6.0%) or 1.00% higher (8.0%) 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	\$ 161,339,979	\$ 125,838,012	\$ 96,322,911
PORS	\$ 122,341,405	\$ 87,735,170	\$ 59,406,701

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, 2022 (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, 2021.

Pension Expense and Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2023, the City recognized pension expense of \$6,833,368 to SCRS and pension expense of \$7,808,085 to PORS for a total of \$14,641,453 in pension expense.

At June 30, 2023, the City reported deferred outflows (inflows) of resources related to pensions from the following sources:

<u>SCRS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 11,522,802	\$ -
Differences in actual and expected experience	1,093,297	548,398
Change in assumptions	4,035,920	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	18,364	10,093,178
Net differences between projected and actual earnings on plan investments	194,067	-
	\$ 16,864,450	\$ 10,641,576

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

IV. PENSION PLANS (Continued)

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

<u>PORS</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 9,324,484	\$ -
Differences in actual and expected experience	1,472,019	1,734,378
Change in assumptions	3,653,432	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,818,165	4,173,224
Net differences between projected and actual earnings on plan investments	264,939	-
	16,533,039	5,907,602
Total all plans	\$ 33,397,489	\$ 16,549,178

The City reported \$20,847,286 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, 2024. 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, 2022, measurement date was 3.767 years for SCRS and 3.846 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, 2023.

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS	PORS
2022	2023	\$ (277,446)	\$ (1,382,806)
2023	2024	846,289	(748,228)
2024	2025	5,494,157	3,651,565
2025	2026	(763,072)	(2,821,484)
Net Balance of Deferred Outflows/ (Inflows) of Resources		\$ 5,299,928	\$ (1,300,953)

Payables to the Pension Plans

As of June 30, 2023, 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, 2023, the notional amount was \$80,785,000.

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.

During the year ended June 30, 2023, the City made variable bond interest payments in the amount of \$2,090,556 and fixed rate payments on the swap in the amount of \$3,541,326. The City also received variable payments on the swap in the amount of \$2,417,592. The net of variable payments on the bonds and receipts on the swap was \$327,036.

The fair value balances and notional amounts of derivative instrument outstanding at June 30, 2023, 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 inflow	Debt	<u>\$10,585,668</u>	\$ 80,785,000
		\$ 4,580,304			

The following table displays the objectives and terms of the City’s hedging derivative instrument outstanding at June 30, 2023, 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	\$ 80,785,000	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.					

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

V. INTEREST RATE SWAP AGREEMENTS (Continued)

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, 2023, 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.

Year Ending June 30,	Waterworks and Sewer Bonds			
	Series 2009			
	Variable Rate Bonds		Hedging	
	Principal	Interest	Derivatives, Net	Total
2024	\$ 570,000	\$ -	\$ 7,263,385	\$ 7,833,385
2025	600,000	-	7,210,338	7,810,338
2026	625,000	-	7,157,166	7,782,166
2027	595,000	-	7,101,061	7,696,061
2028	1,125,000	-	7,046,654	8,171,654
2029-2033	27,490,000	-	31,706,453	59,196,453
2034-2038	49,780,000	-	13,657,920	63,437,920
	\$ 80,785,000	\$ -	\$ 81,142,977	\$161,927,977

Risks

Credit Risk – Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2023, 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, 2023, the interest rate on the City’s hedged variable rate debt was 2.59%, while the SIFMA swap index rate was 4.01%.

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

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

VI. COMMITMENTS AND CONTINGENCIES

A. FEDERAL GRANTS

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

B. CONSENT DECREE

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

C. LITIGATION

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

D. DEVELOPMENT AGREEMENT 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

VI. COMMITMENTS AND CONTINGENCIES (Continued)

D. DEVELOPMENT AGREEMENT AND CONSTRUCTION (Continued)

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 begun construction of the two parking garages per the agreement. The smaller garage opened in September 2022 and the larger garage in December 2022. As of June 30, 2023, the City had total encumbrances for construction projects in the amounts of approximately \$1,666,000, \$162,914,000, and \$10,545,000 for the Parking Facilities Fund, Water/Sewer Facilities Fund, and Stormwater Facilities Fund, respectively.

VII. OTHER INFORMATION

A. SUBSEQUENT EVENTS

Management has evaluated subsequent events from June 30, 2023 through December 8, 2023, the date these financial statements were available to be issued. Other than noted below, no events were noted that required adjustment to or disclosure in these financial statements.

As noted in Note III. I above, proceeds from the Series 2023 general obligation bonds will fund revitalization of Finlay Park. The current project budget for Finlay Park renovation is \$22,450,000. The improvements to Finlay Park will upgrade the existing facilities, which are heavily used by tourists. Parking around Finlay Park will also be expanded. The project is expected to encourage tourism and stimulate economic activity by improving the appearance of the park and surrounding areas, positively impacting property values, increasing available jobs, and increasing revenue and attracting new business.

In November 2023, the City converted its Series 2021 hospitality bonds from taxable bonds at 3.19% interest to tax exempt bonds at 2.39% interest. The bonds were issued with an option to convert them to tax exempt at a specified date.

The City closed on the issuance of Water and Sewer Series 2023A revenue bonds in the amount of \$46,325,000 in December 2023. The bonds will be used to fund capital improvements.

The City closed on the issuance of Water and Sewer Series 2023B revenue bonds in the amount of \$80,410,000 in December 2023. The bonds will be used to refund outstanding Water and Sewer Series 2009 revenue bonds and to pay the cost of issuing the Series 2023B bonds. The swap agreement was also terminated as part of the transaction.

B. RECENT GASB STANDARDS NOT YET IMPLEMENTED

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023. The City will implement the new guidance with the 2024 financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

VII. OTHER INFORMATION

B. RECENT GASB STANDARDS NOT YET IMPLEMENTED (Continued)

GASB Statement No. 101, *Compensated Absences*. The primary objective of this statement is to better meet the needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The statement aligns the recognition and measurement guidance under a unified model and updates certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. The City will implement the new guidance with the 2025 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

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.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (UNAUDITED)
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property and local option sales taxes	\$ 62,400,974	\$ 62,400,974	\$ 63,667,801	\$ 1,266,827
Equipment surcharges	500,000	500,000	4,497	(495,503)
Licenses and permits	31,364,097	31,364,097	28,768,422	(2,595,675)
Franchise fees	11,525,001	11,525,001	13,215,879	1,690,878
Intergovernmental revenue	17,643,326	17,643,326	19,118,133	1,474,807
Charges for services	16,165,195	16,165,195	16,832,070	666,875
Fines and forfeitures	506,500	506,500	332,111	(174,389)
Federal government	-	-	1,945,860	1,945,860
Private grants	-	-	4,895	4,895
Rental income	1,140,406	1,140,406	1,567,973	427,567
Investment income	145,415	145,415	1,564,314	1,418,899
Other revenues	125,000	125,000	260,034	135,034
Total revenues	141,515,914	141,515,914	147,281,989	5,766,075
EXPENDITURES				
Current				
General government	14,760,556	15,812,339	12,231,965	3,580,374
Judicial	3,789,377	4,052,006	3,786,629	265,377
Finance department	2,197,148	2,205,373	1,974,750	230,623
Planning and development	4,118,177	4,118,177	3,768,442	349,735
Public safety	76,592,821	77,460,062	74,701,165	2,758,897
Parks and recreation	13,064,627	13,113,228	12,977,682	135,546
Public services	18,238,713	21,743,974	19,368,212	2,375,762
General services	3,855,528	4,180,472	3,192,584	987,888
Tourism and community development	4,380,127	5,054,316	4,520,343	533,973
Community promotions	43,000	43,000	161,043	(118,043)
Debt service				
Principal payment on leases	6,245,668	6,245,668	5,983,118	262,550
Interest on leases	462,440	462,440	462,440	-
Capital outlay				
Capital outlay	1,057,108	10,328,361	7,210,631	3,117,730
Total expenditures	148,805,290	164,819,416	150,339,004	14,480,412
(Deficiency) excess of revenues (under) over expenditures	(7,289,376)	(23,303,502)	(3,057,015)	20,246,487
OTHER FINANCING SOURCES (USES)				
Transfers in	10,974,680	19,569,834	12,774,680	(6,795,154)
Transfers (out)	(16,005,304)	(26,528,446)	(26,622,030)	(93,584)
Sale of general capital assets	220,000	220,000	865,499	645,499
Issuance of finance lease	9,000,000	9,000,000	9,000,000	-
Insurance recoveries	100,000	100,000	143,012	43,012
Unappropriated surplus	3,000,000	20,942,114	-	(20,942,114)
Total other financing sources (uses)	7,289,376	23,303,502	(3,838,839)	(27,142,341)
Net change in fund balance	-	-	(6,895,854)	(6,895,854)
Beginning fund balance	55,730,146	55,730,146	55,730,146	-
Ending fund balance	<u>\$ 55,730,146</u>	<u>\$ 55,730,146</u>	<u>\$ 48,834,292</u>	<u>\$ (6,895,854)</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, 2023

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, 2023
(UNAUDITED)**

**SOUTH CAROLINA RETIREMENT SYSTEM
LAST 10 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<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	\$ 11,522,802	\$ 10,233,137	\$ 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>11,522,802</u>	<u>10,233,137</u>	<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>									
City's covered payroll	\$ 65,619,603	\$ 61,794,306	\$ 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	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.87%	10.82%

**POLICE OFFICER'S RETIREMENT SYSTEM
LAST 10 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<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	\$ 9,324,484	\$ 8,909,360	\$ 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>9,324,484</u>	<u>8,909,360</u>	<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>									
City's covered payroll	\$ 46,529,361	\$ 46,792,857	\$ 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	20.04%	19.04%	18.04%	18.04%	17.04%	16.04%	14.04%	13.54%	13.44%	12.91%

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, 2023
(UNAUDITED)**

**SOUTH CAROLINA RETIREMENT SYSTEM
LAST 10 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<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	0.519088%	0.563246%	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	\$ 125,838,012	\$ 121,893,562	\$ 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	\$ 61,794,306	\$ 63,589,910	\$ 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	203.64%	191.69%	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	57.10%	60.70%	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.92%	59.92%

**POLICE OFFICER'S RETIREMENT SYSTEM
LAST 10 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<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	2.925501%	3.112065%	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	\$ 87,735,170	\$ 80,070,765	\$ 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	\$ 46,792,857	\$ 47,324,152	\$ 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	187.50%	169.20%	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	66.40%	70.40%	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%	67.55%	67.55%

The amounts presented above were determined as of June 30th of the preceding year.

See accompanying independent auditor's report.

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

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 6,004,520	\$ 12,069,559	\$ 11,726,172	\$ 4,987,631	\$ 4,303,230	\$ 4,441,132
Interest	7,566,905	5,427,292	5,296,956	6,390,325	6,419,751	6,050,483
Changes of benefit terms	-	-	-	(10,752,440)	-	-
Differences between expected and actual experience	-	(84,104,059)	-	5,871,821	-	-
Changes in assumptions or other inputs	(4,584,104)	39,353,807	(1,814,558)	48,681,157	11,402,855	(5,968,255)
Benefit payments	(4,387,919)	(4,010,169)	(3,929,263)	(5,676,306)	(6,539,599)	(8,464,680)
Net change in total OPEB liability	4,599,402	(31,263,570)	11,279,307	49,502,188	15,586,237	(3,941,320)
Total OPEB liability - beginning	209,924,743	241,188,313	229,909,006	180,406,818	164,820,581	168,761,901
Total OPEB liability - ending	\$ 214,524,145	\$ 209,924,743	\$ 241,188,313	\$ 229,909,006	\$ 180,406,818	\$ 164,820,581
Covered-employee payroll	\$ 109,285,456	\$ 109,285,456	\$ 106,804,903	\$ 111,900,512	\$ 104,186,841	\$ 102,133,193
Total OPEB liability as a percentage of covered-employee payroll	196.30%	192.09%	225.82%	205.46%	173.16%	161.38%

Notes to Schedule:

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

The discount rate increased from 3.54% to 3.65%.

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

See accompanying independent auditor's report.

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.

Tourism Development accounts for tourism development fee revenue and tourism development expenditures.

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

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

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

Debt Service Funds

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

Capital Project Funds

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

Streetscaping accounts for capital improvements to street landscaping.

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

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

Permanent Trust

Anna Dickson 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, 2023**

	Special Revenue										
	Liquor Permit Fee	Business Improvement District	Accommoda- tions Tax	Confiscated Drug Program	Hospitality Tax	Community Development	Tourism Development	Federal Grants	Other Programs	Tourism Development Convention Center	Total Nonmajor Special Revenue Funds
ASSETS											
Cash and cash equivalents	\$ 1,452,893	\$ -	\$ 1,646,360	\$ 361,066	\$ 2,893,869	\$ -	\$ 1,546,090	\$ 302,744	\$ 931,214	\$ 2,399,780	\$ 11,534,016
Investments	448,719	-	435,473	-	1,976,142	-	-	-	247,038	-	3,107,372
Restricted investments	-	-	-	463,135	-	-	-	22,670,021	-	-	23,133,156
Receivables											
Federal government	-	-	-	2,043	-	2,029,997	-	9,311,445	550	-	11,344,035
State government	-	-	-	-	-	-	-	-	1,944	-	1,944
Accounts, net	-	-	1,260,852	-	-	-	-	-	372	-	1,261,224
Accrued interest receivable	20,667	-	20,057	-	91,017	-	-	-	11,378	-	143,119
Due from grantee agencies	-	-	-	-	-	-	-	6	-	-	6
TOTAL ASSETS	\$ 1,922,279	\$ -	\$ 3,362,742	\$ 826,244	\$ 4,961,028	\$ 2,029,997	\$ 1,546,090	\$ 32,284,216	\$ 1,192,496	\$ 2,399,780	\$ 50,524,872
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts payable	\$ -	\$ -	\$ 400,032	\$ 65,158	\$ 425,000	\$ 214,865	\$ 103,626	\$ 2,979,207	\$ 75,014	\$ -	\$ 4,262,902
Accrued salaries and benefits	-	-	-	-	-	25,767	-	40,716	13,549	-	80,032
Refundable advances	-	-	-	463,135	1,010,844	4,360	-	17,168,852	65,070	-	18,712,261
Due to other funds	-	-	-	-	-	3,039,752	-	11,640,190	928,691	-	15,608,633
Total liabilities	-	-	400,032	528,293	1,435,844	3,284,744	103,626	31,828,965	1,082,324	-	38,663,828
Fund balances											
Restricted	1,922,279	-	2,962,710	297,951	3,525,184	-	1,442,464	455,251	110,172	2,399,780	13,115,791
Unassigned	-	-	-	-	-	(1,254,747)	-	-	-	-	(1,254,747)
Total fund balances	1,922,279	-	2,962,710	297,951	3,525,184	(1,254,747)	1,442,464	455,251	110,172	2,399,780	11,861,044
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,922,279	\$ -	\$ 3,362,742	\$ 826,244	\$ 4,961,028	\$ 2,029,997	\$ 1,546,090	\$ 32,284,216	\$ 1,192,496	\$ 2,399,780	\$ 50,524,872

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
June 30, 2023**

	Debt Service Fund	Capital Projects				Total Nonmajor Capital Projects Funds	Permanent Trust	Total Nonmajor Governmental Funds
		Congaree Vista District	Streetscaping	General Capital Projects	Miscellaneous Projects		Anna Dickson Trust	
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ 7,048,390	\$ 22,115,310	\$ -	\$ 29,163,700	\$ 5,269	\$ 40,702,985
Restricted cash and cash equivalents	1,579,998	96,608	-	-	10,316,318	10,412,926	-	11,992,924
Investments	630,069	1,349,693	1,736,478	1,483,770	1,190,159	5,760,100	-	9,497,541
Restricted investments	1,109,569	-	-	-	20,596,962	20,596,962	-	44,839,687
Receivables								
Federal government	-	-	-	-	-	-	-	11,344,035
State government	-	-	-	-	-	-	-	1,944
Accounts, net	-	-	170,570	4,764	-	175,334	-	1,436,558
Accrued interest receivable	29,020	62,164	79,978	68,339	64,509	274,990	-	447,129
Due from grantee agencies	-	-	-	-	-	-	-	6
TOTAL ASSETS	\$ 3,348,656	\$ 1,508,465	\$ 9,035,416	\$ 23,672,183	\$ 32,167,948	\$ 66,384,012	\$ 5,269	\$ 120,262,809
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 5,450	\$ -	\$ 132,476	\$ 502,285	\$ 2,135	\$ 636,896	\$ -	\$ 4,905,248
Accrued salaries and benefits	-	-	-	-	-	-	-	80,032
Retainage payable	-	-	-	2,525	-	2,525	-	2,525
Refundable advances	-	-	-	-	24	24	-	18,712,285
Due to other funds	-	-	-	-	578,668	578,668	-	16,187,301
Total liabilities	5,450	-	132,476	504,810	580,827	1,218,113	-	39,887,391
Fund balances								
Nonspendable	-	-	-	-	-	-	5,269	5,269
Restricted	3,343,206	1,508,465	-	-	31,587,121	33,095,586	-	49,554,583
Assigned	-	-	8,902,940	23,167,373	-	32,070,313	-	32,070,313
Unassigned	-	-	-	-	-	-	-	(1,254,747)
Total fund balances	3,343,206	1,508,465	8,902,940	23,167,373	31,587,121	65,165,899	5,269	80,375,418
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,348,656	\$ 1,508,465	\$ 9,035,416	\$ 23,672,183	\$ 32,167,948	\$ 66,384,012	\$ 5,269	\$ 120,262,809

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, 2023

	Special Revenue										
	Liquor Permit Fee	Business Improvement District	Accommodations Tax	Confiscated Drug Program	Hospitality Tax	Community Development	Tourism Development	Federal Grants	Other Programs	Tourism Development Convention Center	Total Nonmajor Special Revenue Funds
REVENUES											
General property taxes	\$ -	\$ 1,052,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,052,057
Hospitality and admission taxes	-	-	-	-	14,249,168	-	-	-	-	-	14,249,168
Accommodations tax	-	-	3,337,336	-	-	-	-	-	-	-	3,337,336
Tourism development fee	-	-	-	-	-	-	1,442,464	-	-	2,986,351	4,428,815
Liquor permit fee	417,495	-	-	-	-	-	-	-	-	-	417,495
Intergovernmental revenue	-	-	-	-	-	2,269	-	17,603	1,316	-	21,188
Charges for services	-	-	-	-	-	-	-	-	18,671	-	18,671
Fines and forfeitures	-	-	-	46,865	-	-	-	-	47,773	-	94,638
Federal government	-	-	-	-	-	2,996,857	-	15,874,480	550	-	18,871,887
County government	-	-	-	-	-	-	-	-	-	2,026,758	2,026,758
Private grants	-	-	-	-	-	-	-	-	3,500	-	3,500
Other revenues	-	-	-	-	-	-	-	-	207,930	-	207,930
Total revenues	417,495	1,052,057	3,337,336	46,865	14,249,168	2,999,126	1,442,464	15,892,083	279,740	5,013,109	44,729,443
EXPENDITURES											
Current											
General government	1,319	-	1,282	-	5,812	-	-	-	724	-	9,137
Planning and development	-	-	-	-	-	-	-	10,705,772	-	-	10,705,772
Public safety	-	-	-	83,671	-	-	-	878,147	255,724	-	1,217,542
Parks and recreation	-	-	-	-	-	-	-	-	48,238	-	48,238
General services	-	-	-	-	-	-	-	-	-	14,470	14,470
Tourism and community development	-	1,052,057	2,012,315	-	5,998,151	2,257,646	-	-	211,832	4,795,134	16,327,135
Capital outlay											
Capital outlay	-	-	-	-	-	739,195	-	189,616	47,415	-	976,226
Total expenditures	1,319	1,052,057	2,013,597	83,671	6,003,963	2,996,841	-	11,773,535	563,933	4,809,604	29,298,520
Excess (deficiency) of revenues over (under) expenditures	416,176	-	1,323,739	(36,806)	8,245,205	2,285	1,442,464	4,118,548	(284,193)	203,505	15,430,923
OTHER FINANCING SOURCES (USES)											
Transfers (out)	(395,000)	-	(25,000)	-	(10,534,143)	-	-	(3,925,000)	-	-	(14,879,143)
Investment income	50,004	-	48,527	612	220,214	-	-	-	27,529	-	346,886
Total other financing sources (uses)	(344,996)	-	23,527	612	(10,313,929)	-	-	(3,925,000)	27,529	-	(14,532,257)
Net change in fund balances	71,180	-	1,347,266	(36,194)	(2,068,724)	2,285	1,442,464	193,548	(256,664)	203,505	898,666
Beginning fund balances	1,851,099	-	1,615,444	334,145	5,593,908	(1,257,032)	-	261,703	366,836	2,196,275	10,962,378
Ending fund balances (deficits)	<u>\$ 1,922,279</u>	<u>\$ -</u>	<u>\$ 2,962,710</u>	<u>\$ 297,951</u>	<u>\$ 3,525,184</u>	<u>\$ (1,254,747)</u>	<u>\$ 1,442,464</u>	<u>\$ 455,251</u>	<u>\$ 110,172</u>	<u>\$ 2,399,780</u>	<u>\$ 11,861,044</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, 2023

	Capital Projects					Permanent Trust	Total Nonmajor Governmental Funds
	Debt Service Fund	Congaree Vista District	Streetscaping	General Capital Projects	Miscellaneous Projects	Anna Dickson Trust	
					Total Nonmajor Capital Projects Funds		
REVENUES							
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,052,057
Hospitality and admission taxes	-	-	-	-	-	-	14,249,168
Accommodations tax	-	-	-	-	-	-	3,337,336
Tourism development fee	-	-	-	-	-	-	4,428,815
Liquor permit fee	-	-	-	-	-	-	417,495
Intergovernmental revenue	-	500,000	170,570	242,530	-	913,100	934,288
Charges for services	-	-	-	-	-	-	18,671
Fines and forfeitures	-	-	-	-	-	-	94,638
Federal government	-	-	-	-	-	-	18,871,887
County government	-	-	-	-	-	-	2,026,758
Private grants	-	-	-	25,350	5,896	31,246	34,746
Investment income	99,778	150,405	193,507	165,346	675,584	1,184,842	1,631,711
Other revenues	-	-	-	-	-	-	207,930
Total revenues	99,778	650,405	364,077	433,226	681,480	2,129,188	47,305,500
EXPENDITURES							
Current							
General government	1,853	3,969	5,106	4,364	20,486	33,925	44,915
Planning and development	-	-	-	-	-	-	10,705,772
Public safety	-	-	-	-	-	-	1,217,542
Parks and recreation	-	-	-	-	-	-	48,238
General services	-	-	-	-	-	-	14,470
Tourism and community development	-	-	-	79,180	-	79,180	16,406,315
Debt service							
Principal payment on bonds	11,730,000	-	-	-	-	-	11,730,000
Interest on bonds	3,522,101	-	-	-	-	-	3,522,101
Issuance costs	-	-	-	-	273,385	273,385	273,385
Fiscal agent charges	16,652	-	-	-	6,600	6,600	23,252
Capital outlay							
Capital outlay	-	-	543,823	4,128,074	33,200	4,705,097	5,681,323
Total expenditures	15,270,606	3,969	548,929	4,211,618	333,671	5,098,187	49,667,313
Excess (deficiency) of revenues over (under) expenditures	(15,170,828)	646,436	(184,852)	(3,778,392)	347,809	(2,968,999)	205
OTHER FINANCING SOURCES (USES)							
Transfers in	15,013,325	-	1,082,217	17,757,654	5,500,000	24,339,871	39,353,196
Transfers (out)	-	(4,666,998)	-	-	(8,962,178)	(13,629,176)	(28,508,319)
Proceeds from sale of general capital assets	-	-	-	-	60	60	60
Issuance of bond	-	-	-	-	10,755,000	10,755,000	10,755,000
Total other financing sources (uses)	15,013,325	(4,666,998)	1,082,217	17,757,654	7,292,882	21,465,755	21,599,937
Net change in fund balances	(157,503)	(4,020,562)	897,365	13,979,262	7,640,691	18,496,756	19,238,124
Beginning fund balances	3,500,709	5,529,027	8,005,575	9,188,111	23,946,430	46,669,143	61,137,294
Ending fund balances	\$ 3,343,206	\$ 1,508,465	\$ 8,902,940	\$ 23,167,373	\$ 31,587,121	\$ 65,165,899	\$ 80,375,418

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, 2023

	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	\$ -	\$ 24,691,479	\$ 10,023,684	\$ -	\$ 34,715,163
Investments	-	17,478,095	-	-	17,478,095
Restricted investments	-	1,063,929	-	-	1,063,929
Accrued interest receivable	-	805,003	-	-	805,003
Prepaid expenses	-	8,585	-	-	8,585
Real estate held for resale	-	-	751,486	-	751,486
Total current assets	-	44,047,091	10,775,170	-	54,822,261
Noncurrent assets					
Mortgage notes receivable, net	-	-	20,896,515	-	20,896,515
Investments	-	26,199,153	-	-	26,199,153
Capital assets					
Land	327,169	255,685	-	-	582,854
Buildings, improvements and utility plant	18,155,310	43,940,703	-	-	62,096,013
Machinery and equipment	-	5,336,690	-	-	5,336,690
Less accumulated depreciation	(7,107,594)	(14,315,298)	-	-	(21,422,892)
Construction in progress	-	14,418,235	400,000	-	14,818,235
Net capital assets	11,374,885	49,636,015	400,000	-	61,410,900
Total noncurrent assets	11,374,885	75,835,168	21,296,515	-	108,506,568
TOTAL ASSETS	11,374,885	119,882,259	32,071,685	-	163,328,829
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to the net pension liability	-	570,037	56,206	30,807	657,050
Deferred outflows related to OPEB liability	-	1,110,710	16,954	38,055	1,165,719
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	1,680,747	73,160	68,862	1,822,769

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
June 30, 2023

	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	\$ 46,756	\$ 2,990,308	\$ 7,178	\$ 17,219	\$ 3,061,461
Accrued salaries and benefits	-	144,578	5,087	59,976	209,641
Compensated absences	-	21,313	3,015	-	24,328
Retainage payable	-	431,988	-	-	431,988
Accrued interest payable	-	722,333	-	-	722,333
Revenue bonds payable	-	760,000	-	-	760,000
Due to other funds	9,402,773	-	-	314,376	9,717,149
Unearned revenue	-	-	85,817	-	85,817
Total current liabilities	9,449,529	5,070,520	101,097	391,571	15,012,717
Noncurrent liabilities					
Compensated absences	-	85,250	12,059	-	97,309
Net pension liability	-	3,606,519	297,427	258,077	4,162,023
Total OPEB liability	-	3,800,769	58,014	130,221	3,989,004
Revenue bonds payable - net	-	38,965,552	-	-	38,965,552
Total noncurrent liabilities	-	46,458,090	367,500	388,298	47,213,888
Total liabilities	9,449,529	51,528,610	468,597	779,869	62,226,605
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to the net pension liability	-	252,699	15,267	12,756	280,722
Deferred inflows related to the net OPEB liability	-	1,261,412	19,254	43,218	1,323,884
TOTAL DEFERRED INFLOWS OF RESOURCES	-	1,514,111	34,521	55,974	1,604,606
FUND NET POSITION					
Net investment in capital assets	11,374,885	35,677,628	400,000	-	47,452,513
Restricted for debt service	-	1,063,929	-	-	1,063,929
Unrestricted	(9,449,529)	31,778,728	31,241,727	(766,981)	52,803,945
Total fund net position	\$ 1,925,356	\$ 68,520,285	\$ 31,641,727	\$ (766,981)	\$ 101,320,387

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, 2023

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
Operating revenues					
Charges for service	\$ -	\$ 17,344,526	\$ 500,846	\$ 255,530	\$ 18,100,902
Intergovernmental revenue	-	16,296	362	739	17,397
Other operating revenue	-	-	8,033	-	8,033
Total operating revenues	<u>-</u>	<u>17,360,822</u>	<u>509,241</u>	<u>256,269</u>	<u>18,126,332</u>
Operating expenses					
Personnel services	-	3,326,390	(114,013)	(101,933)	3,110,444
Materials and supplies	-	211,641	8,602	63,645	283,888
Other services and charges	353,846	5,676,904	375,253	44,357	6,450,360
Depreciation	393,291	2,071,214	-	-	2,464,505
Bad debt expense	-	-	126,472	-	126,472
Total operating expenses	<u>747,137</u>	<u>11,286,149</u>	<u>396,314</u>	<u>6,069</u>	<u>12,435,669</u>
Operating income (loss)	<u>(747,137)</u>	<u>6,074,673</u>	<u>112,927</u>	<u>250,200</u>	<u>5,690,663</u>
Nonoperating revenues (expenses)					
Investment income (loss)	-	2,829,352	47,819	-	2,877,171
Federal grant revenue	-	-	1,798	-	1,798
Gain from sale of assets	-	28,000	-	-	28,000
Interest expense	-	(1,578,849)	-	-	(1,578,849)
Bond related costs	-	(1,750)	-	-	(1,750)
Total nonoperating revenues (expenses)	<u>-</u>	<u>1,276,753</u>	<u>49,617</u>	<u>-</u>	<u>1,326,370</u>
Income (loss) before contributions and transfers	<u>(747,137)</u>	<u>7,351,426</u>	<u>162,544</u>	<u>250,200</u>	<u>7,017,033</u>
Transfers					
Transfers out	-	(1,147,837)	-	(16,824)	(1,164,661)
Total transfers	<u>-</u>	<u>(1,147,837)</u>	<u>-</u>	<u>(16,824)</u>	<u>(1,164,661)</u>
Change in net position	<u>(747,137)</u>	<u>6,203,589</u>	<u>162,544</u>	<u>233,376</u>	<u>5,852,372</u>
Net position - beginning of period	<u>2,672,493</u>	<u>62,316,696</u>	<u>31,479,183</u>	<u>(1,000,357)</u>	<u>95,468,015</u>
Net position - ending	<u>\$ 1,925,356</u>	<u>\$ 68,520,285</u>	<u>\$ 31,641,727</u>	<u>\$ (766,981)</u>	<u>\$ 101,320,387</u>

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
Year Ended June 30, 2023

	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	\$ -	\$ 17,361,272	\$ 635,713	\$ 256,269	\$ 18,253,254
Internal activity - payments to other funds	-	(380,639)	-	-	(380,639)
Payments to suppliers	(364,791)	(4,593,032)	(541,915)	(126,833)	(5,626,571)
Payments to employees	-	(1,927,624)	(59,981)	(180,687)	(2,168,292)
Net cash (used in) provided by operating activities	(364,791)	10,459,977	33,817	(51,251)	10,077,752
Cash flows from noncapital financing activities					
Advances from other funds	364,791	-	-	68,075	432,866
Advances to other funds	-	-	-	-	-
Operating grants	-	-	57,492	-	57,492
Transfers out	-	(1,147,837)	-	(16,824)	(1,164,661)
Net cash provided by (used in) noncapital financing activities	364,791	(1,147,837)	57,492	51,251	(674,303)
Cash flows from capital and related financing activities					
Principal paid on bonds and notes	-	(720,000)	-	-	(720,000)
Interest paid on debt	-	(1,769,600)	-	-	(1,769,600)
Payments for bond related costs	-	(1,750)	-	-	(1,750)
Purchase of capital assets	-	(4,718,618)	(200,000)	-	(4,918,618)
Proceeds from sale of capital assets	-	28,000	-	-	28,000
Net cash used in capital and related financing activities	-	(7,181,968)	(200,000)	-	(7,381,968)
Cash flows from investing activities					
Sale of investments	-	722,926	-	-	722,926
Purchase of real estate held for resale	-	-	(63,151)	-	(63,151)
Collections of mortgage notes receivable	-	-	405,136	-	405,136
Interest received	-	2,099,881	47,819	-	2,147,700
Net cash provided by investing activities	-	2,822,807	389,804	-	3,212,611
Net increase in cash and cash equivalents	-	4,952,979	281,113	-	5,234,092
Cash and cash equivalents, July 1, 2022	-	19,738,500	9,742,571	-	29,481,071
Cash and cash equivalents, June 30, 2023	\$ -	\$ 24,691,479	\$ 10,023,684	\$ -	\$ 34,715,163

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
Year Ended June 30, 2023

	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 (used in) provided by operating activities					
Operating (loss) income	<u>\$ (747,137)</u>	<u>\$ 6,074,673</u>	<u>\$ 112,927</u>	<u>\$ 250,200</u>	<u>\$ 5,690,663</u>
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:					
Depreciation	393,291	2,071,214	-	-	2,464,505
Bad debt expense	-	-	126,472	-	126,472
Accrued benefits related to net pension liability	-	(129,308)	1,641	(3,669)	(131,336)
Change in operating assets and liabilities					
Accounts receivable	-	450	-	-	450
Prepaid expenses	-	-	496	-	496
Accounts payable	(10,945)	2,225,851	(19,251)	1,998	2,197,653
Accrued salaries	-	23,703	2,841	29,669	56,213
Accrued compensated absences	-	8,067	965	-	9,032
OPEB liability	-	185,327	(192,274)	(329,449)	(336,396)
Total adjustments	<u>382,346</u>	<u>4,385,304</u>	<u>(79,110)</u>	<u>(301,451)</u>	<u>4,387,089</u>
Net cash (used in) provided by operating activities	<u>\$ (364,791)</u>	<u>\$ 10,459,977</u>	<u>\$ 33,817</u>	<u>\$ (51,251)</u>	<u>\$ 10,077,752</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, 2023

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 451,878	\$ 181,094	\$ 104,390,649	\$ 105,023,621
Accounts receivable, net	145,268	-	719,669	864,937
Due from state government	-	-	2,035	2,035
Due from other funds	-	-	16,773,465	16,773,465
Inventory	-	1,066,148	-	1,066,148
Prepaid expenses	2,633	58,183	-	60,816
Total current assets	<u>599,779</u>	<u>1,305,425</u>	<u>121,885,818</u>	<u>123,791,022</u>
Noncurrent assets				
Capital assets				
Right to use leased assets	-	-	211,914	211,914
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	<u>(1,075,574)</u>	<u>(1,281,631)</u>	<u>(105,957)</u>	<u>(2,463,162)</u>
Net capital assets	<u>144,708</u>	<u>-</u>	<u>105,957</u>	<u>250,665</u>
Total noncurrent assets	<u>144,708</u>	<u>-</u>	<u>105,957</u>	<u>250,665</u>
TOTAL ASSETS	<u>744,487</u>	<u>1,305,425</u>	<u>121,991,775</u>	<u>124,041,687</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to other postemployment benefits liability				
	875,370	796,159	45,626,757	47,298,286
Deferred outflows related to the net pension liability	<u>537,791</u>	<u>300,595</u>	<u>37,231</u>	<u>875,617</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,413,161</u>	<u>1,096,754</u>	<u>45,663,988</u>	<u>48,173,903</u>

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)
June 30, 2023

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION				
Current liabilities				
Accounts payable	\$ 698,728	\$ 466,726	\$ 410,426	\$ 1,575,880
Accrued salaries and benefits	104,520	99,826	46,479	250,825
Compensated absences	22,613	29,439	20,004	72,056
Lease liability, current portion	-	-	53,070	53,070
Accrued interest payable	-	-	37	37
Due to other funds	-	571,536	14,614	586,150
Accrued liability for claims	-	-	24,219,063	24,219,063
Total current liabilities	<u>825,861</u>	<u>1,167,527</u>	<u>24,763,693</u>	<u>26,757,081</u>
Noncurrent liabilities				
Lease liability, net of current portion	-	-	53,291	53,291
Compensated absences	90,452	117,758	80,015	288,225
Net pension liability	3,586,484	1,296,339	180,381	5,063,204
Total OPEB liability	<u>2,995,450</u>	<u>2,724,396</u>	<u>156,131,383</u>	<u>161,851,229</u>
Total noncurrent liabilities	<u>6,672,386</u>	<u>4,138,493</u>	<u>156,445,070</u>	<u>167,255,949</u>
Total liabilities	<u>7,498,247</u>	<u>5,306,020</u>	<u>181,208,763</u>	<u>194,013,030</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to other postemployment benefits liability	994,140	904,182	51,817,417	53,715,739
Deferred inflows related to the net pension liability	<u>265,265</u>	<u>194,638</u>	<u>119,962</u>	<u>579,865</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,259,405</u>	<u>1,098,820</u>	<u>51,937,379</u>	<u>54,295,604</u>
FUND NET POSITION				
Net investment in capital assets	144,708	-	-	144,708
Unrestricted	<u>(6,744,712)</u>	<u>(4,002,661)</u>	<u>(65,490,379)</u>	<u>(76,237,752)</u>
Total fund net position	<u>\$ (6,600,004)</u>	<u>\$ (4,002,661)</u>	<u>\$ (65,490,379)</u>	<u>\$ (76,093,044)</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, 2023

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
Operating revenues				
Charges for service	\$ 12,509,362	\$ 840,551	\$ 38,102,783	\$ 51,452,696
Intergovernmental revenues	12,242	12,335	5,498	30,075
Other operating revenue	-	780	-	780
Total operating revenues	12,521,604	853,666	38,108,281	51,483,551
Operating expenses				
Personnel services	2,191,474	5,338,404	6,950,743	14,480,621
Materials and supplies	10,679,401	508,243	108,725	11,296,369
Other services and charges	192,572	2,827,815	1,698,048	4,718,435
Heat, light and power	-	-	4,123	4,123
Depreciation	18,072	1,099	52,978	72,149
Claims and premiums	-	-	37,716,294	37,716,294
Total operating expenses	13,081,519	8,675,561	46,530,911	68,287,991
Operating loss	(559,915)	(7,821,895)	(8,422,630)	(16,804,440)
Nonoperating revenues				
Investment income	-	-	1,630,050	1,630,050
Total nonoperating revenues	-	-	1,630,050	1,630,050
Loss before contributions and transfers	(559,915)	(7,821,895)	(6,792,580)	(15,174,390)
Transfers				
Transfers in	618,464	5,167,564	10,398,012	16,184,040
Transfers out	-	(510,045)	(7,577)	(517,622)
Total transfers	618,464	4,657,519	10,390,435	15,666,418
Change in net position	58,549	(3,164,376)	3,597,855	492,028
Net position - beginning of period	(6,658,553)	(838,285)	(69,088,234)	(76,585,072)
Net position - ending	\$ (6,600,004)	\$ (4,002,661)	\$ (65,490,379)	\$ (76,093,044)

See accompanying independent auditor's report.

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2023**

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 583,489	\$ -	\$ -	\$ 583,489
Internal activity - receipts from other funds	11,904,698	853,666	38,048,404	50,806,768
Payments to suppliers	(12,991,672)	(3,717,974)	(2,021,006)	(18,730,652)
Claims paid	-	-	(30,857,086)	(30,857,086)
Payments to employees	(1,519,047)	(1,559,195)	(637,609)	(3,715,851)
Net cash (used in) provided by operating activities	<u>(2,022,532)</u>	<u>(4,423,503)</u>	<u>4,532,703</u>	<u>(1,913,332)</u>
Cash flows from noncapital financing activities				
Advances from other funds	-	-	7,171	7,171
Advances to other funds	(1,723,026)	(935,557)	(780,062)	(3,438,645)
Transfers in	618,464	5,167,564	10,398,012	16,184,040
Transfers out	-	(510,045)	(7,577)	(517,622)
Net cash (used in) provided by noncapital financing activities	<u>(1,104,562)</u>	<u>3,721,962</u>	<u>9,617,544</u>	<u>12,234,944</u>
Cash flows from capital and related financing activities				
Payment for lease liability	-	-	(52,849)	(52,849)
Interest paid	-	-	(16)	(16)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(52,865)</u>	<u>(52,865)</u>
Cash flows from investing activities				
Interest received	-	-	1,630,050	1,630,050
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>1,630,050</u>	<u>1,630,050</u>
Net (decrease) increase in cash and cash equivalents	(3,127,094)	(701,541)	15,727,432	11,898,797
Cash and cash equivalents, July 1, 2022	<u>3,578,972</u>	<u>882,635</u>	<u>88,663,217</u>	<u>93,124,824</u>
Cash and cash equivalents, June 30, 2023	<u>\$ 451,878</u>	<u>\$ 181,094</u>	<u>\$ 104,390,649</u>	<u>\$ 105,023,621</u>

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)
Year Ended June 30, 2023

	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>\$ (559,915)</u>	<u>\$ (7,821,895)</u>	<u>\$ (8,422,630)</u>	<u>\$ (16,804,440)</u>
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:				
Depreciation	18,072	1,099	52,978	72,149
Accrued benefits related to net pension liability	(74,750)	(72,669)	27,035	(120,384)
Change in operating assets and liabilities				
Accounts receivable	(20,798)	-	(57,842)	(78,640)
Due from state government	-	-	(2,035)	(2,035)
Inventory	-	79,209	-	79,209
Prepaid expenses	846	34,458	-	35,304
Accounts payable	(1,215,469)	262,019	39,934	(913,516)
Accrued salaries and benefits	(4,900)	(4,126)	2,425	(6,601)
Accrued compensated absences	4,972	(10,697)	7,734	2,009
OPEB liability	(157,971)	3,109,099	6,025,896	8,977,024
Accrued liability for claims	-	-	6,859,208	6,859,208
Unearned revenue	(12,619)	-	-	(12,619)
Total adjustments	<u>(1,462,617)</u>	<u>3,398,392</u>	<u>12,955,333</u>	<u>14,891,108</u>
Net cash (used in) provided by operating activities	<u><u>\$ (2,022,532)</u></u>	<u><u>\$ (4,423,503)</u></u>	<u><u>\$ 4,532,703</u></u>	<u><u>\$ (1,913,332)</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.

Awareness Campaigns fund – accounts for contributions made and revenue raised on behalf of breast cancer and heart disease 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.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
June 30, 2023

	Private-Purpose Trust Funds			Total Private-Purpose Trust Funds
	Awareness Campaigns Fund	Employee Special Activity Fund	Mayor's Commission Employ People with Disabilities Fund	
ASSETS				
Cash and cash equivalents	\$ 4,825	\$ 421	\$ 2,050	\$ 7,296
Investments	-	101	587	688
Interest receivable	-	5	27	32
Total assets	<u>4,825</u>	<u>527</u>	<u>2,664</u>	<u>8,016</u>
NET POSITION				
Held in trust - other purposes	<u>\$ 4,825</u>	<u>\$ 527</u>	<u>\$ 2,664</u>	<u>\$ 8,016</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, 2023

	Private-Purpose Trust Funds			
	Awareness Campaigns Fund	Employee Special Activity Fund	Mayor's Commission Employ People with Disabilities Fund	Total Private-Purpose Trust Funds
ADDITIONS				
Contributions:				
Private donations	\$ 7,062	\$ 13	\$ 65	\$ 7,140
Other operating revenue	1,301	-	-	1,301
Total contributions	<u>8,363</u>	<u>13</u>	<u>65</u>	<u>8,441</u>
DEDUCTIONS				
Program expenses	6,213	-	1	6,214
Total deductions	<u>6,213</u>	<u>-</u>	<u>1</u>	<u>6,214</u>
Change in net position	2,150	13	64	2,227
Net position - beginning	<u>2,675</u>	<u>514</u>	<u>2,600</u>	<u>5,789</u>
Net position - ending	<u>\$ 4,825</u>	<u>\$ 527</u>	<u>\$ 2,664</u>	<u>\$ 8,016</u>

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, 2023**

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	\$ 814,096
Court fines and assessments remitted to the State Treasurer	(468,795)
Total Court Fines and Assessments Retained	\$ 345,301
Surcharges and Assessments Retained for Victim Services:	
Surcharges Collected and Retained	\$ 6,839
Assessments Retained	40,933
Total Surcharges and Assessments Retained for Victim Services	\$ 47,772
<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	40,933
Victim Service Surcharges Retained by City/County Treasurer	6,839
Total Funds Allocated to Victim Service Fund plus Beginning Balance	47,772
<u>Expenditures for Victim Service Program:</u>	
Operating Expenditures	255,724
Total Expenditures from Victim Services Fund	255,724
Total Victim Service Funds Retained by Municipal County Treasurer	(207,952)
Carryforward Funds - End of Year	\$ (207,952)

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 annual comprehensive financial 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)

	2014	2015	2016	2017	2018 ⁴	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets ¹	\$ 156,454,488	\$ 162,102,481	\$ 163,832,021	\$ 172,110,861	\$ 173,383,176	\$ 164,314,702	\$ 160,452,270	\$ 160,830,895	\$ 156,647,238	\$ 152,481,227
Restricted for:										
General government	-	-	-	-	-	-	-	-	-	29,000,000
Public safety	4,233,960	231,622	353,801	617,492	707,867	669,477	590,284	614,223	595,848	753,202
Community development	107,259	1,051,042	628,926	1,069,540	1,326,957	1,312,617	1,575,961	1,065,698	1,042,709	801,568
Tourism	3,155,058	6,127,487	6,551,888	7,646,425	5,599,829	5,715,193	5,275,638	8,477,418	11,256,726	16,426,917
Parks and recreation	-	-	-	-	-	-	-	-	-	2,500,000
Debt service	3,339,548	3,978,932	4,213,150	3,965,407	3,261,555	3,491,801	3,532,006	3,527,356	3,500,709	3,343,206
Capital projects	19,833,612	42,264,148	13,276,860	11,246,571	11,685,189	14,649,565	16,641,752	42,358,238	33,965,392	42,228,878
Unrestricted ^{3,4}	26,906,641	(109,340,207)	(81,441,812)	(192,244,224)	(154,202,089)	(149,355,025)	(142,896,935)	(168,788,848)	(144,711,841)	(131,853,653)
Total governmental activities net position	\$ 214,030,566	\$ 106,415,505	\$ 107,414,834	\$ 4,412,072	\$ 41,762,484	\$ 40,798,330	\$ 45,170,976	\$ 48,084,980	\$ 62,296,781	\$ 115,681,345
Business-type activities										
Net investment in capital assets ¹	\$ 375,763,776	\$ 368,742,602	\$ 401,468,909	\$ 443,267,179	\$ 434,302,299	\$ 430,555,601	\$ 436,753,431	\$ 431,093,455	\$ 429,469,640	\$ 454,332,686
Restricted for debt service	9,330,640	9,352,281	9,404,442	1,252,137	1,270,897	1,302,306	-	4,091,220	3,586,107	3,979,810
Unrestricted ⁴	252,831,152	224,972,741	208,565,893	182,771,075	140,727,380	140,945,824	158,795,748	148,886,083	164,136,575	150,981,502
Total business-type activities net position	\$ 637,925,568	\$ 603,067,624	\$ 619,439,244	\$ 627,290,391	\$ 576,300,576	\$ 572,803,731	\$ 595,549,179	\$ 584,070,758	\$ 597,192,322	\$ 609,293,998
Primary government										
Net investment in capital assets ¹	\$ 532,218,264	\$ 530,845,083	\$ 565,300,930	\$ 615,378,040	\$ 607,685,475	\$ 594,870,303	\$ 597,205,701	\$ 591,924,350	\$ 586,116,878	\$ 606,813,913
Restricted for:										
General government	-	-	-	-	-	-	-	-	-	29,000,000
Public safety	4,233,960	231,622	353,801	617,492	707,867	669,477	590,284	614,223	595,848	753,202
Community development	107,259	1,051,042	628,926	1,069,540	1,326,957	1,312,617	1,575,961	1,065,698	1,042,709	801,568
Tourism related expenditures	3,155,058	6,127,487	6,551,888	7,646,425	5,599,829	5,715,193	5,275,638	8,477,418	11,256,726	16,426,917
Parks and recreation	-	-	-	-	-	-	-	-	-	2,500,000
Debt service	12,670,188	13,331,213	13,617,592	5,217,544	4,532,452	4,794,107	3,532,006	7,618,576	7,086,816	7,323,016
Capital projects	19,833,612	42,264,148	13,276,860	11,246,571	11,685,189	14,649,565	16,641,752	42,358,238	33,965,392	42,228,878
Unrestricted ^{2,3,4}	279,737,793	115,632,534	127,124,081	(9,473,149)	(13,474,709)	(8,409,201)	15,898,813	(19,902,765)	19,424,734	19,127,849
Total primary government net position	\$ 851,956,134	\$ 709,483,129	\$ 726,854,078	\$ 631,702,463	\$ 618,063,060	\$ 613,602,061	\$ 640,720,155	\$ 632,155,738	\$ 659,489,103	\$ 724,975,343

¹ Net of related liabilities.

² Year 2016 has been restated to reflect the adoption of GASB Statement 68.

³ Year 2017 has been restated to reflect the adoption of GASB Statement 75.

⁴ 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)

	2014	2015	2016	2017 **	2018 * **	2019	2020	2021	2022	2023
Expenses										
Governmental Activities: *										
General government	\$ 8,049,816	\$ 8,050,355	\$ 16,584,496	\$ 21,967,466	\$ 23,203,693	\$ 24,646,183	\$ 23,829,739	\$ 24,216,858	\$ 26,105,195	\$ 21,265,562
Judicial	2,615,194	2,749,136	2,821,703	3,515,045	3,594,550	3,243,546	3,388,992	3,500,993	3,598,939	3,923,129
Finance department	1,726,481	1,886,778	1,872,071	1,857,440	1,906,543	1,873,596	2,055,884	2,085,404	1,850,771	2,012,655
Community promotions	12,872,657	10,660,364	14,374,726	8,847,034	347,449	259,673	343,746	55,255	127,977	164,134
Planning and development	-	-	-	4,267,580	4,314,300	4,495,177	4,708,218	4,256,319	4,045,394	14,752,041
Public safety	84,053,096	87,251,472	93,500,619	92,143,229	97,240,671	100,864,885	105,007,457	109,125,861	107,445,145	108,049,195
Parks and recreation	12,290,401	13,081,872	13,936,365	13,884,956	14,862,563	15,452,425	14,941,915	14,836,783	14,620,575	15,208,077
Public services	21,960,858	24,282,518	23,134,424	16,558,862	18,569,541	19,565,757	21,844,507	19,696,659	19,223,731	19,887,938
General services	4,933,285	5,269,511	5,423,712	2,539,388	2,585,254	2,680,538	2,758,595	2,843,703	3,778,925	3,294,818
Tourism and community development	5,787,850	5,791,062	5,523,831	14,411,919	22,250,372	21,965,449	20,324,371	16,731,313	17,910,339	26,551,607
Interest and other charges	2,955,994	4,491,254	4,289,910	3,732,649	3,814,060	2,719,188	2,743,988	4,817,145	4,796,553	4,455,109
Non departmental	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	1,531,898	1,585,594
Total governmental activities expense	159,760,816	165,655,632	185,117,956	188,709,926	196,054,100	199,295,500	203,479,310	203,698,191	205,035,442	221,149,859
Business-type Activities: *										
Water and sewer facilities	100,389,819	113,273,814	133,177,028	138,965,008	148,618,415	163,192,833	142,242,080	174,296,353	167,364,714	174,900,707
Hydro-electric plant	3,012,376	2,422,544	525,056	2,116,008	3,941,247	1,308,062	1,444,795	1,275,708	718,094	747,137
Stormwater	5,668,819	4,814,419	6,371,047	6,755,544	6,211,028	9,029,891	10,513,908	12,934,746	10,991,543	13,413,140
Parking facilities	6,162,449	7,678,876	7,300,521	7,424,017	8,138,572	8,886,953	7,750,072	7,853,666	7,555,164	8,682,339
Redevelopment programs	848,141	835,812	811,683	1,092,578	1,043,347	1,206,148	2,330,965	707,797	1,180,320	413,144
Parks and recreation camps	324,209	306,219	325,053	362,485	406,390	476,156	353,720	209,286	275,209	6,327
Total business-type expenses	116,405,813	129,331,684	148,510,388	156,715,640	168,358,999	184,100,043	164,635,540	197,277,556	188,085,044	198,162,794
Total primary government expenses	\$ 276,166,629	\$ 294,987,316	\$ 333,628,344	\$ 345,425,566	\$ 364,413,099	\$ 383,395,543	\$ 368,114,850	\$ 400,975,747	\$ 393,120,486	\$ 419,312,653
Program revenues										
Governmental Activities **										
Charges for services										
General government	\$ 758,177	\$ 726,487	\$ 810,592	\$ 40,714,948	\$ 41,914,647	\$ 42,512,489	\$ 42,932,789	\$ 44,824,660	\$ 45,882,104	\$ 45,453,703
Finance	31,467,056	37,837,666	38,659,299	-	-	-	-	-	-	-
Community promotions	-	-	-	-	165,358	-	-	-	-	-
Tourism and community development	832,159	799,663	908,359	619,541	71,225	85,626	200,780	357,718	7,322	-
Public safety	22,040,936	22,811,461	23,078,568	47,392,478	48,314,997	47,734,678	56,722,229	52,690,415	53,542,994	53,976,926
Parks and recreation	818,304	822,319	779,008	833,501	876,137	880,984	608,012	225,924	537,830	795,842
Public services	344,718	258,211	169,512	615,441	596,340	728,323	839,825	556,079	642,409	662,476
General services	-	-	-	888,200	212,115	229,196	263,793	144,378	235,466	326,162
Operating grants and contributions	34,448,202	34,980,295	38,004,041	9,680,648	9,918,979	13,591,723	11,275,019	9,871,785	17,267,342	23,167,731
Capital grants and contributions	766,837	3,069,436	6,399,622	10,004,812	4,926,131	1,402,970	2,051,383	1,185,676	2,387,159	41,444,346
Total Governmental Activities Program Revenue	91,476,389	101,305,538	108,809,001	110,749,569	106,995,929	107,165,989	114,893,830	109,856,635	120,502,626	165,827,186
Business-type Activities *										
Charges for services										
Water and sewer facilities	116,644,423	119,716,789	133,482,271	137,198,161	133,114,566	147,913,149	158,583,218	158,205,156	177,729,161	173,553,605
Hydro-electric plant	4,843,922	3,037,971	54,435	151,890	993,569	-	-	-	-	-
Stormwater facilities	6,958,281	7,521,149	7,316,201	7,432,103	12,708,897	14,260,785	15,491,908	15,593,201	17,287,609	17,360,822
Parking facilities	6,495,064	7,145,520	7,365,470	8,250,439	8,450,211	8,719,441	7,280,010	6,681,542	8,667,720	9,168,354
Redevelopment programs	564,456	680,111	543,626	574,908	561,668	620,775	595,981	618,613	876,729	509,241
Parks and recreation camps	275,182	300,931	320,265	335,505	319,316	353,166	236,878	13,063	169,102	256,269
Operating grants and contributions	-	-	6,248,115	6,029,439	127,343	1,289,286	2,495,143	4,196,356	1,341,049	14,088
Capital grants and contributions	5,431,910	3,872,664	16,229,517	10,159,405	6,089,880	5,894,028	6,976,485	10,901,680	7,147,240	8,150,965
Total Business-type Activities Revenues	141,213,238	142,275,135	171,559,900	170,131,850	162,365,450	179,050,630	191,659,623	196,209,611	213,218,610	209,013,344
Total Primary Government Revenues	\$ 232,689,627	\$ 243,580,673	\$ 280,368,901	\$ 280,881,419	\$ 269,361,379	\$ 286,216,619	\$ 306,553,453	\$ 306,066,246	\$ 333,721,236	\$ 374,840,530
Net (expense) revenue										
Governmental activities	\$ (68,284,427)	\$ (64,350,094)	\$ (76,308,955)	\$ (77,960,357)	\$ (89,058,171)	\$ (92,129,511)	\$ (88,585,480)	\$ (93,841,556)	\$ (84,532,816)	\$ (55,322,673)
Business-type activities	24,807,425	12,943,451	23,049,512	13,416,210	(5,993,549)	(5,049,413)	27,024,083	(1,067,945)	25,133,566	10,850,550
Total Primary Government Net Expense	\$ (43,477,002)	\$ (51,406,643)	\$ (53,259,443)	\$ (64,544,147)	\$ (95,051,720)	\$ (97,178,924)	\$ (61,561,397)	\$ (94,909,501)	\$ (59,399,250)	\$ (44,472,123)

* 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)

	2014	2015	2016	2017	2018 *	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
General property taxes	\$ 34,353,070	\$ 34,178,067	\$ 32,871,757	\$ 31,793,590	\$ 35,292,150	\$ 37,225,108	\$ 36,387,111	\$ 39,946,275	\$ 36,682,790	\$ 37,930,169
Local Option Sales Tax	16,465,463	16,385,254	18,152,618	20,946,748	20,811,587	20,775,337	21,070,529	23,900,908	25,051,931	26,842,273
Hospitality and admission taxes	-	-	-	11,990,432	12,287,708	12,716,579	11,175,818	11,733,436	13,502,823	14,253,665
Accommodations tax	-	-	-	2,496,308	2,753,342	2,944,112	2,456,870	1,950,190	3,083,993	3,337,336
Tourism development fee	-	-	-	3,911,428	4,080,751	3,924,883	3,481,978	2,604,061	4,149,233	4,428,815
Liquor permit fees	-	-	-	478,973	350,825	451,750	325,305	323,055	275,695	417,495
Sales tax	12,072,024	12,626,419	13,398,593	-	-	-	-	-	-	-
Motor fuel	1,381	3,348	3,054	-	-	-	-	-	-	-
State shared revenue	2,805,133	2,829,726	2,853,350	3,019,209	3,575,571	2,955,787	3,064,969	3,123,717	2,294,973	3,202,108
Investment income	89,001	163,175	227,683	(20,184)	267,877	2,289,589	1,519,336	213,778	(284,747)	4,826,075
Gain (loss) on sale of capital assets	-	-	-	-	-	134,786	77,101	267,285	175,813	568,547
Insurance recoveries	-	-	-	-	-	129,260	272,080	177,040	31,494	143,012
Other	109,361	254,447	222,106	-	-	535,077	745,452	272,947	167,013	467,964
Special items	-	-	-	2,592,856	-	-	-	-	-	-
Donation of capital assets	-	-	-	-	-	-	-	907,360	3,589,277	869,524
Transfers	9,031,340	8,889,857	9,566,317	6,758,489	8,036,037	7,083,089	12,381,577	11,335,508	10,024,329	11,420,254
Total Governmental Activities	<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>	<u>98,744,617</u>	<u>108,707,237</u>
Business-type Activities										
Investment income	1,158,475	1,226,558	2,511,346	1,193,414	1,992,506	8,496,571	8,011,044	800,707	(2,289,790)	12,526,333
Gain (loss) on sale of capital assets	322,133	103,766	377,079	-	-	139,086	17,990	124,325	302,117	145,047
Insurance recoveries	-	-	-	-	-	-	73,908	-	-	-
Transfers	(9,031,340)	(8,889,857)	(9,566,317)	(6,758,489)	(8,036,037)	(7,083,089)	(12,381,577)	(11,335,508)	(10,024,329)	(11,420,254)
Total Business-type Activities	<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>	<u>(12,012,002)</u>	<u>1,251,126</u>
Total Primary Government	<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>	<u>\$ 86,732,615</u>	<u>\$ 109,958,363</u>
Change in Net Position										
Governmental activities	\$ 6,642,346	\$ 10,980,199	\$ 986,523	\$ 6,007,492	\$ (1,602,323)	\$ (964,154)	\$ 4,372,646	\$ 2,914,004	\$ 14,211,801	\$ 53,384,564
Business-type activities	17,256,693	5,383,918	16,371,620	7,851,135	(12,037,080)	(3,496,845)	22,745,448	(11,478,421)	13,121,564	12,101,676
Total Primary Government	<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>	<u>\$ 27,333,365</u>	<u>\$ 65,486,240</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)

	2014	2015	2016	2017***	2018****	2019	2020	2021	2022	2023
General Fund ****										
Nondisposable	\$ 233,945	\$ 696,389	\$ 433,224	\$ 445,780	\$ 436,052	\$ 684,418	\$ 1,093,509	\$ 858,471	\$ 764,861	\$ 528,454
Restricted	-	4,880,662	1,579,244	4,837,243	4,637,457	9,259,223	10,647,375	2,531,473	5,160,744	9,819,419
Committed	72,975	4,810,356	4,876,045	5,207,060	4,874,733	4,963,776	4,751,764	4,854,449	4,560,420	5,286,352
Assigned	3,627,442	3,654,109	3,603,701	4,054,048	2,205,351	9,160,058	1,517,616	124,308	3,780,922	8,587,213
Unassigned	25,059,965	22,352,224	19,412,644	15,076,661	20,947,063	17,428,534	29,895,222	41,855,330	41,463,199	24,612,854
Total general fund	\$ 28,994,327	\$ 36,393,740	\$ 29,904,858	\$ 29,620,792	\$ 33,100,656	\$ 41,496,009	\$ 47,905,486	\$ 50,224,031	\$ 55,730,146	\$ 48,834,292
County Services Fund										
Nondisposable	\$ 56,905	\$ 64,376	\$ 66,437	\$ 74,580	\$ 74,677	\$ 89,329	\$ 101,271	\$ 103,533	\$ 85,338	\$ 76,482
Assigned	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)	(2,620,137)	(5,224,774)
Total county services fund	\$ 2,146,806	\$ (951,729)	\$ (3,131,013)	\$ (2,487,495)	\$ (2,658,360)	\$ (3,424,942)	\$ (1,326,064)	\$ (972,720)	\$ (2,534,799)	\$ (5,148,292)
State Appropriations Fund *****										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,674,500
General Capital Projects Fund *****										
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,804,899	\$ -	\$ -
Miscellaneous Projects ***										
Restricted	\$ -	\$ -	\$ 5,407,629	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds ****										
Nondisposable	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,038	\$ 5,048	\$ 5,064	\$ 5,269
Restricted	28,565,017	48,767,569	18,032,753	19,703,192	18,280,050	16,574,430	16,963,228	53,506,412	45,195,576	49,554,583
Assigned	12,668,482	16,570,606	13,198,560	17,971,311	13,088,926	9,911,402	11,672,845	9,483,508	17,193,686	32,070,313
Unassigned	-	-	-	-	-	-	(1,157,365)	(1,290,725)	(1,257,032)	(1,254,747)
Total all other governmental funds	\$ 41,238,499	\$ 65,343,175	\$ 31,236,313	\$ 37,679,503	\$ 31,373,976	\$ 26,490,832	\$ 27,483,746	\$ 61,704,243	\$ 61,137,294	\$ 80,375,418

*** 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 Funds.

***** The State Appropriations Fund was a new fund in fiscal year 2023 and was therefore not included in the other years presented above.

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)

	2014	2015	2016	2017	2018 *	2019	2020	2021	2022	2023
Revenues: *										
General property taxes	\$ 50,884,644	\$ 50,563,321	\$ 51,024,375	\$ 31,689,159	\$ 35,322,061	\$ 36,648,599	\$ 37,503,057	\$ 38,472,357	\$ 36,678,086	\$ 37,877,585
Local option sales tax	-	-	-	20,946,748	20,811,587	20,775,337	21,070,529	23,900,908	25,051,931	26,842,273
Hospitality and admission taxes	12,072,024	12,626,419	13,398,593	11,990,432	12,287,708	12,716,579	11,175,818	11,733,436	13,502,823	14,253,665
Accommodations tax	-	-	-	2,496,308	2,753,342	2,944,112	2,456,870	1,950,190	3,083,993	3,337,336
Tourism development fee	-	-	-	3,911,428	4,080,751	3,924,883	3,481,978	2,604,061	4,149,233	4,428,815
Liquor permit fee	-	-	-	478,973	350,825	451,750	325,305	323,055	275,695	417,495
License and permits	31,466,856	37,837,446	38,659,049	26,580,332	27,889,578	28,404,652	28,997,482	30,183,111	29,409,618	28,768,422
Franchise fees	-	-	-	13,133,923	12,904,332	11,974,635	11,345,082	10,924,209	11,401,049	13,215,879
Intergovernmental revenue	14,380,520	15,682,389	15,970,472	19,529,145	19,124,990	16,623,178	21,557,013	17,973,492	18,002,983	20,052,421
Charges for services	12,692,387	12,622,954	12,579,623	13,134,829	13,179,834	13,379,462	15,714,840	15,539,956	16,398,275	16,850,741
Fines and forfeitures	1,334,420	1,237,153	941,713	1,262,355	1,477,142	1,045,043	735,862	807,620	347,065	426,749
Federal revenues	3,942,851	3,434,392	4,965,775	6,979,415	6,641,747	9,888,496	8,109,909	7,794,350	14,368,039	20,817,747
State revenues	1,010,674	3,381,680	1,074,349	35,593	291,930	1,360,090	168,045	243,352	10,000	40,799,400
County revenues	27,742,117	25,652,150	30,232,460	26,788,407	26,475,088	26,260,956	29,107,164	26,808,785	27,531,059	26,500,996
Promotions	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	2,398,453	39,641
Confiscated funds	267,863	279,147	274,392	-	-	-	-	-	-	-
Investment income	89,104	163,266	227,762	(20,184)	267,877	790,822	644,040	99,960	-	3,196,025
Rental income	-	-	-	103,343	133,873	99,943	284,818	1,872,234	2,923,866	1,567,973
Other revenues	1,415,305	1,738,208	4,241,505	2,036,909	113,725	535,077	745,452	272,947	167,013	467,964
Total revenues	157,376,812	165,340,453	173,699,323	181,899,966	185,079,730	188,849,983	195,364,302	192,337,266	205,699,181	259,861,127
Expenditures:										
Current:										
General government	7,109,837	7,184,601	8,280,304	12,306,378	12,437,453	14,234,889	13,342,402	12,482,011	16,233,428	12,276,880
Judicial	2,481,917	2,539,958	2,601,829	3,334,061	3,358,803	3,025,420	3,179,221	3,127,814	3,480,385	3,786,629
Finance department	1,668,970	1,779,283	1,756,891	1,787,470	1,807,673	1,782,499	1,965,276	1,899,630	1,822,380	1,974,750
Planning and development	4,013,337	3,228,917	3,071,520	4,106,820	4,090,523	4,276,616	4,500,715	3,877,154	3,983,337	14,474,214
Public safety	76,120,091	78,340,960	85,837,873	85,707,105	92,212,995	92,621,598	96,762,036	95,733,738	102,312,738	101,762,747
Parks and recreation	10,075,127	10,525,782	11,367,618	11,631,927	12,209,569	12,751,899	12,377,366	11,580,933	12,422,863	13,025,920
Public services	17,476,210	16,958,389	19,979,648	15,413,189	17,162,014	18,305,617	20,666,285	17,723,361	18,767,494	19,368,212
General services	4,757,553	4,680,453	5,189,301	2,416,883	2,424,484	2,524,071	2,611,303	2,564,284	3,691,671	3,207,054
Tourism and community development	-	-	-	20,154,312	20,824,343	20,892,517	19,424,706	15,236,858	17,635,591	26,051,558
Community promotion	15,149,073	13,409,862	17,175,029	748,739	245,080	247,048	328,597	50,333	126,014	161,043
Nondepartmental	2,835,449	2,279,518	3,785,304	-	-	-	-	-	-	-
Debt service:										
Principal payment on bonds	8,989,992	9,326,791	10,334,259	24,947,898	11,195,130	11,146,888	11,123,406	16,091,778	38,221,059	17,713,118
Interest payments on bonds	2,909,808	3,172,846	3,832,744	3,793,816	3,084,562	2,914,946	2,876,316	2,972,143	4,176,348	3,984,541
Fiscal agent charges	4,587	5,461	5,732	15,499	15,032	14,297	15,938	16,442	24,059	23,252
Debt issuance costs	243,479	904,310	580,569	129,500	-	-	44,500	1,800,616	3,823,435	273,385
Capital outlay:										
Capital outlay:	8,425,531	20,507,125	45,467,704	15,426,860	13,315,272	10,590,294	15,597,102	35,786,077	17,600,532	12,891,954
Total expenditures	162,260,961	174,844,256	219,266,325	201,920,457	194,382,933	195,328,599	204,815,169	220,943,172	244,321,334	230,975,257
Excess of revenues over (under) expenditures	(4,884,149)	(9,503,803)	(45,567,002)	(20,020,491)	(9,303,203)	(6,478,616)	(9,450,867)	(28,605,906)	(38,622,153)	28,885,870

* 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)

	2014	2015	2016	2017 **	2018 *	2019	2020	2021	2022	2023
Other financing sources (uses):										
Transfers in	\$ 26,160,749	\$ 30,526,833	\$ 34,532,789	\$ 27,615,263	\$ 23,076,665	\$ 24,176,492	\$ 34,359,463	\$ 49,642,210	\$ 33,188,943	\$ 52,127,876
Transfers out	(21,206,734)	(29,926,951)	(38,628,587)	(31,893,386)	(21,156,513)	(23,265,656)	(29,262,923)	(46,275,622)	(32,719,992)	(56,374,040)
Issuance of bonds	7,315,000	26,175,000	10,645,000	1,460,000	-	-	4,200,000	64,425,000	29,900,000	10,755,000
Issuance of finance leases	-	7,000,000	-	8,100,000	4,000,000	8,000,000	9,250,000	-	9,000,000	9,000,000
Premium on debt issued	816,175	3,747,839	1,707,916	-	-	-	-	-	-	-
Refunding bonds issued	-	-	6,260,000	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	(6,666,502)	-	-	-	-	-	-	-
Investment loss	-	-	-	-	-	-	-	-	(430,663)	-
Insurance recoveries	-	-	-	92,831	149,573	129,260	272,080	177,040	31,494	143,012
Proceeds from sale of general capital assets	382,589	386,636	348,987	167,063	236,949	184,147	133,516	334,563	224,559	865,559
Total other financing sources (uses)	<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>	<u>39,194,341</u>	<u>16,517,407</u>
Special items**										
Collections on finance leases	-	-	-	13,280,875	-	-	-	-	-	-
Rental income	-	-	-	2,592,856	-	-	-	-	-	-
Total special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,873,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<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>	<u>\$ 572,188</u>	<u>\$ 45,403,277</u>
Debt service as a percentage of noncapital expenditures	<u>8%</u>	<u>8%</u>	<u>8%</u>	<u>15%</u>	<u>8%</u>	<u>8%</u>	<u>7%</u>	<u>10%</u>	<u>19%</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 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		
2014	2013	\$ 404,719,630	\$ 8,212,659,856	\$ 110,356,777	\$ 1,315,979,478	\$ 515,076,407	\$ 9,528,639,334	5.41%	98.1
2015	2014	394,221,790	7,949,097,129	117,043,195	1,709,777,055	511,264,985	9,658,874,184	5.29%	98.1
2016	2015	406,028,080	8,164,834,273	123,473,420	1,480,591,620	529,501,500	9,645,425,893	5.49%	96.1
2017	2016	414,181,670	8,319,747,629	122,245,699	1,472,158,558	536,427,369	9,791,906,187	5.48%	96.1
2018	2017	436,835,680	8,704,879,877	128,818,907	1,625,411,781	565,654,587	10,330,291,658	5.48%	98.1
2019	2018	451,617,910	9,033,830,822	127,188,740	1,501,121,493	578,806,650	10,534,952,315	5.49%	98.1
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
2022	2021	521,331,210	10,431,704,118	127,460,351	1,535,315,549	648,791,561	11,967,019,667	5.44%	93.8
2023	2022	543,428,190	10,869,049,894	133,473,981	1,608,537,097	676,902,171	12,477,586,991	5.42%	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
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	98.1	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
2022	93.8	125.7	121.2	330.5	435.7	315.6
2023	93.8	125.9	123.2	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 One.

See accompanying independent auditor's report.

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

Current Year and Ten Years Ago

Taxpayer	2023			2014		
	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 (Formerly South Carolina Electric and Gas)	\$19,202,380	1	2.84%	\$14,584,300	1	2.83%
SC Telecomm Group Holdings	6,224,170	2	0.92%			
GGP-Columbiana Trust	3,825,880	3	0.57%	2,954,110	3	0.57%
South Carolina Student Housing	3,360,000	4	0.50%			
Trea Greene Crossing LLC	3,270,610	5	0.48%			
Core Campus Columbia LLC	2,982,910	6	0.44%			
HPT Sunbelt Portfolio LLC	2,930,040	7	0.43%			
EOSII at 1221 Main Street LLC	2,925,000	8	0.43%			
908 Scannell Columbia LLC	2,490,550	9	0.37%			
UNUM Group	2,400,940	10	0.35%	2,257,210	7	0.44%
Bellsouth Telecommunications LLC				5,377,710	2	1.04%
Assembly Station Columbia LLC				2,737,470	4	0.53%
CW Meridian Inc.				2,700,000	5	0.52%
Bottling Group LLC				2,698,110	6	0.52%
US REIF/MJW Capital Center Fee				2,181,610	8	0.42%
Colonial Life and Accident				1,828,440	9	0.35%
Main & Gervais LLC				1,818,480	10	0.35%
	<u>\$ 49,612,480</u>		<u>7.33%</u>	<u>\$ 39,137,440</u>		<u>7.57%</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 \$676,902,171.

² Total assessed valuation was \$515,076,407.

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
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%	719,760	62,714,723	105.10%
2022	60,882,331	59,963,974	98.49%	936,256	60,900,230	100.03%
2023	63,516,396	62,736,043	98.77%	-	62,736,043	98.77%

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	Notes Payable	Finance Lease	Revenue Bonds ¹	Lease Liability	Subscription Liability	Total Governmental Activities Debt
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	18,029,686	102,491,267	-	-	138,034,318
2022	14,487,546	300,000	21,663,626	99,150,000	310,384	-	135,911,556
2023	24,007,107	225,000	24,680,508	88,430,000	238,516	3,526,608	141,107,739

¹ 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			Business-type Activities	Primary Government	of Personal Income ¹	Per Capita ²
	Revenue Bonds ³	Lease Liability	Subscription Liability				
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	482,521,107	-	-	482,521,107	597,689,967	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	660,982,096	-	-	660,982,096	749,039,634	12.35%	5,330
2020	792,533,381	-	-	792,533,381	882,457,775	14.53%	6,633
2021	818,568,075	-	-	818,568,075	956,602,393	17.02%	7,001
2022	795,381,247	5,361,896	-	800,743,143	936,654,699	13.82%	6,769
2023	848,854,609	5,198,401	16,662,907	870,715,917	1,011,823,656	13.25%	7,061

¹ Personal income is disclosed on Schedule 17

² Population is disclosed on Schedule 17

³ 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		
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	3,532,005	16,585,423	0.15%	125.96
2021	17,138,365	3,527,356	13,611,009	0.12%	99.62
2022	14,487,546	3,500,709	10,986,837	0.09%	79.73
2023	24,007,107	3,348,655	20,658,452	0.17%	147.88

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, 2023

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	\$ 676,902,171	\$ 676,902,171	\$ 141,107,739	100.00%	<u>\$ 141,107,739</u>
Overlapping					
Counties:					
Richland County	1,888,461,770	650,186,101	650,186,101	34.43%	223,855,189
Lexington County	1,513,356,942	26,716,070	13,800,000	1.77%	243,619
School Districts:					
Lexington Richland SD 5	374,754,660	26,716,070	170,640,000	7.13%	12,164,839
Richland School District One	976,781,915	558,946,129	284,780,000	57.22%	162,960,305
Richland School District Two	661,557,899	66,111,392	500,336,216	9.99%	50,000,043
Special Districts:					
Airport District	1,888,461,770	650,186,101	3,480,000	34.43%	1,198,143
Riverbanks Park District	3,401,818,712	676,902,171	25,225,000	19.90%	<u>5,019,332</u>
Total Overlapping Debt					<u>455,441,470</u>
Total Direct and Overlapping Debt					<u><u>\$ 596,549,209</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>
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%
2022	52,436,708	13,335,000	39,101,708	25.43%
2023	54,685,557	22,995,000	31,690,557	42.05%

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, 2023:

Assessed value in Richland County	\$ 650,186,101
Assessed value in Lexington County	26,716,070
Subtotal	<u>676,902,171</u>
Business inventory 1987 assessed value	6,667,290
Total assessed value	<u>683,569,461</u>
	8.00%
Debt Limit	<u>54,685,557</u>
Net debt outstanding subject to the debt limit	<u>22,995,000</u>
Legal debt margin as of June 30, 2023	<u><u>\$ 31,690,557</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			Debt Coverage
		Principal	Interest	Total	
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	16,882,094	3,910,000	1,820,334	5,730,334	2.9
2021	15,634,345	8,110,000	1,844,162	9,954,162	1.6
2022	13,502,823	1,450,000	1,560,419	3,010,419	4.5
2023	14,249,168	1,545,000	1,053,805	2,598,805	5.5

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		
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	159,781,298	99,849,483	59,931,815	15,000,000	26,804,642	9,077	41,813,719	1.4
2022	176,139,671	96,220,846	79,918,825	18,505,000	24,404,939	8,515	42,918,454	1.9
2023	183,018,335	96,913,078	86,105,257	22,045,000	26,290,919	327,036	48,662,955	1.8

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	
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	1,481,776	2,711,776	0.8
2022	7,191,140	2,976,504	4,214,636	1,375,000	1,439,033	2,814,033	1.5
2023	7,826,561	3,191,453	4,635,108	1,670,000	1,390,014	3,060,014	1.5

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

² 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
2022	16,884,201	7,258,927	9,625,274	685,000	1,803,850	2,488,850	3.9
2023	20,218,174	9,214,935	11,003,239	720,000	1,769,600	2,489,600	4.4

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>
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%
2022	137,541	6,735,520,311	48,971	22,151	2.90%
2023	139,698	7,443,947,628	53,286	22,037	3.40%

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 Ten Years Ago

Employer	2023 ¹			2014		
	Employees	Rank	Percentage to Total City Employment ²	Employees	Rank	Percentage to Total City Employment
Prisma Health (Palmetto Health)	15,000	1	11.12%	9,066	1	7.40%
University of South Carolina	6,456	2	4.78%	5,839	3	4.77%
S.C. Department of Corrections	4,478	3	3.32%			
SC Department of Social Services	4,272	4	3.17%			
Richland County School District One	4,265	5	3.16%	4,036	5	3.29%
SC Department of Transportation	4,004	6	2.97%	4,318	4	3.52%
S.C. Department of Mental Health	4,069	7	3.02%	3,917	6	3.20%
SC Department of Health and Environmental Control	3,023	8	2.24%	3,500	8	2.86%
City of Columbia	2,300	9	1.70%	2,711	9	2.21%
AT&T	2,100	10	1.56%	2,400	10	1.96%
Blue Cross Blue Shield of South Carolina				6,459	2	5.27%
Richland County School District Two				3,566	7	2.91%

Source of data:

¹ Central SC Alliance

² 134,948 total workers were reported living in Columbia, South Carolina.

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	105.00	104.25	97.25	99.25	105.75	111.65	111.65	111.65	116.00	119.00
Judicial	37.00	37.00	41.00	41.00	40.00	37.00	37.00	37.00	38.00	38.00
Finance	71.50	79.50	82.50	45.50	45.50	50.50	50.50	50.50	49.00	49.00
Procurement & Contracts	N/A	N/A	N/A	19.00	24.00	22.00	22.00	22.00	23.00	23.00
Customer Care	N/A	N/A	N/A	31.00	64.00	65.00	68.00	68.00	71.00	71.00
Development services and planning	63.00	43.00	43.00	42.00	43.00	43.00	43.00	43.00	41.00	41.00
Public safety	770.50	792.50	797.50	807.00	810.00	812.00	812.00	812.00	787.00	790.00
Parks and recreation	149.00	149.00	149.00	152.00	164.00	167.00	167.00	167.00	153.00	153.00
Public works	268.00	269.00	269.00	275.00	272.00	275.00	275.00	275.00	242.00	242.00
General services	14.00	17.00	17.00	17.00	17.00	16.00	16.00	16.00	29.00	28.00
Fleet services	48.00	48.00	48.00	48.00	51.00	53.00	53.00	53.00	43.00	44.00
Risk Management	2.00	2.00	6.00	6.00	7.00	5.00	5.00	5.00	4.00	4.00
County fire	235.50	235.50	235.50	235.00	247.00	252.00	252.00	252.00	252.00	252.00
County emergency communications	45.00	45.00	45.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
Economic & Community development	41.50	44.50	44.50	44.50	48.00	47.50	47.50	47.50	47.00	46.00
Parking	43.00	44.25	41.25	45.25	50.68	40.25	40.25	40.25	38.00	38.00
Utilities & Engineering	504.00	504.50	504.50	543.50	543.50	573.00	576.00	576.00	472.00	472.00
Summer Programs	23.50	23.50	23.50	23.75	28.00	33.00	33.00	33.00	56.00	58.00
Total	<u>2,420.50</u>	<u>2,438.50</u>	<u>2,444.50</u>	<u>2,522.75</u>	<u>2,608.43</u>	<u>2,650.90</u>	<u>2,656.90</u>	<u>2,656.90</u>	<u>2,509.00</u>	<u>2,516.00</u>

Source: City's Human Resource department
Year 2014 has been re-stated to reflect budgeted positions.

See accompanying independent auditor's report.

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

Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police physical arrests	5,301	5,658	5,230	4,453	5,134	5,034	5,261	3,310	2,768	3,247
Citations written	37,307	32,497	24,288	23,436	25,655	22,952	17,556	11,013	10,112	10,370
911 call volume	1,222,436	1,096,117	1,122,002	1,205,005	1,106,060	998,183	1,033,471	1,215,917	1,204,334	991,026
Fire calls answered	35,785	34,500	40,374	34,926	33,529	35,394	33,209	33,383	40,749	38,219
Number of inspections	5,292	6,482	4,618	6,825	5,494	6,552	2,854	2,509	4,766	6,146
Sanitation										
Refuse collected (in tons)	51,106	43,924	47,370	45,344	33,837	42,869	43,549	52,888	48,395	53,462
Recyclables collected (in tons)	4,591	4,021	5,672	5,805	5,624	5,494	5,812	5,312	5,338	5,042
Fleet Management										
Fleet maintained	2,893	3,005	3,165	3,298	3,075	3,581	3,115	2,934	3,007	3,067
Fleet workdays	12,052	12,048	12,587	12,466	11,037	12,160	9,344	9,286	10,707	11,000
Streets and highways										
Potholes repaired	1,453	1,598	1,361	805	843	835	254	105	230	472
Water										
Number of service connections	140,009	140,036	140,970	143,317	145,304	145,466	151,023	159,224	151,194	154,127
Average daily consumption (in millions of gallons)	45.800	44.900	45.200	45.100	44.400	45.500	46.449	45.431	51.788	45.408
Sewer										
Number of service connections	60,239	59,676	60,777	61,352	62,117	62,685	62,558	63,383	65,095	63,543
Average daily treatment (in millions of gallons)	18.900	18.200	32.700	20.200	19.230	20.100	34.574	18.356	21.546	19.420
Economic development										
Permits issued	4,262	5,438	7,675	5,892	6,990	5,836	5,536	5,190	5,865	6,465
Building inspections	14,514	10,025	11,355	10,231	11,265	11,986	11,192	11,863	15,008	16,167

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Police stations	12	13	13	13	13	17	17	17	16	18
Patrol units	238	296	264	323	311	328	353	346	363	363
Vehicles	395	483	449	523	522	554	235	239	232	232
Fire										
Fire stations	12	12	12	12	12	12	12	12	12	12
Vehicles	270	270	283	315	299	314	331	306	313	313
Public works										
Vehicles	600	626	640	684	673	672	651	621	662	652
Streets (miles)	275.00	275.00	195.00	194.20	198.00	201.00	201.00	201.00	207.00	207.00
Sidewalks (miles)	139.46	139.50	145.00	145.50	147.00	152.00	152.00	152.00	152.00	168.00
Traffic signals	364	331	356	356	356	414	414	414	415	417
Traffic signals	11,363	11,483	11,669	11,805	11,833	12,065	12,369	12,369	12,369	12,434
Parks and recreation										
Parks - acreage	600	600	600	600	600	625	642	662	662	662
Park facilities	60	60	60	60	60	60	60	61	61	61
Tennis courts	55	55	55	55	55	57	57	57	55	55
Swimming pools/splash pads	16	16	17	17	17	16	16	16	16	16
Playground**	31	31	31	31	31	85	85	85	85	84
Parking										
Garages	8	8	8	8	8	8	9	9	11	11
Lots	4	5	5	5	5	5	8	8	12	12
Metered spaces*	4,487	4,198	4,690	4,940	4,940	4,987	5,064	3,804	5,147	5,145
Stormwater										
Storm drains (miles)	254.00	366.00	356.32	356.35	360.79	362.48	362.74	420.88	484.27	521.00
Vehicles	64	68	66	68	67	72	74	67	79	79
Wastewater										
Sanitary sewer (miles)	1,077.00	1,109.00	1,125.53	1,135.27	1,142.05	1,160.62	1,163.74	1,181.98	1,188.87	1,115.00
Vehicles	277	278	287	282	273	300	320	284	292	292
Treatment plants	1	1	1	1	1	1	1	1	1	1
Solid Waste										
Vehicles	125	127	124	137	126	130	136	133	142	142
Water										
Water lines (miles)	2,301.00	2,356.00	2,403.50	2,425.15	2,438.01	2,459.84	2,480.75	2,510.91	2,583.86	2,611.00
Vehicles	285	298	318	334	338	362	361	356	364	364
Fire hydrant	4,300	4,390	4,494	4,546	4,593	4,602	4,611	4,768	5,334	5,439
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.

SUPPLEMENTAL FEDERAL FINANCIAL REPORTS

City of Columbia, South Carolina
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identification Number	Expenditures to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Direct Programs				
Soil and Water Conservation	10.902		\$ -	\$ 550
Total Direct Program	Total ALN 10.902		-	550
Total U.S. Department of Agriculture			-	550
U.S. DEPARTMENT OF COMMERCE				
Direct Programs				
Economic Adjustment Assistance	11.307		-	1,918,389
CARES Act - Economic Adjustment Assistance - COVID-19	11.307		-	2,758,479
Total Direct Program	Total ALN 11.307	Economic Development Cluster	-	4,676,868
Total U.S. Department of Commerce			-	4,676,868
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs				
Community Development Block Grant	14.218		-	1,306,045
	Total ALN 14.218	CDBG - Entitlement Grants Cluster	-	1,306,045
Community Block Grants/State's Program - DR	14.228		-	8,947,244
Community Block Grants/State's Program - MIT	14.228		-	125,177
		Total ALN 14.228	-	9,072,421
HOME Investment Partnership Program	14.239		-	69,449
HOME Investment Partnership Program - American Rescue Plan	14.239		-	29,845
		Total ALN 14.239	-	99,294
Housing Opportunities for Persons with AIDS	14.241		-	1,589,994
		Total ALN 14.241	-	1,589,994
Total Direct Programs			-	12,067,754
Total U.S. Department of Housing and Urban Development			-	12,067,754
U.S. DEPARTMENT OF JUSTICE				
Direct Programs				
Equitable Sharing Program	16.922		-	76,898
		Total ALN 16.922	-	76,898
Total Direct Programs			-	76,898

*See accompanying notes to the schedule of expenditures of federal awards.
See accompanying independent auditor's report.*

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identification Number	Expenditures to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE (continued)				
Passed through South Carolina Public Safety:				
Project Safe Neighborhoods - NIBIN Analyst	16.609	1P19002	-	12,724
		Total ALN 16.609	-	12,724
Public Safety Partnership and Community Policing	16.710	SR-63-CF001-9915000022	-	308,418
Public Safety Partnership and Community Policing	16.710	15JCOPS-22-GG-04842-TECP-9234000022	-	105,485
			-	413,903
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-DG-BX-0005	-	135,449
		Total ALN 16.738	-	135,449
Total Pass-Through South Carolina Public Safety			-	562,076
Passed through South Carolina State Office of Victim Assistance:				
Crime Victim Assistance	16.575	1V19103	-	6,407
Crime Victim Assistance	16.575	1V20053	-	7,243
Crime Victim Assistance	16.575	1V21054	-	51,253
		Total ALN 16.575	-	64,903
Total Pass-Through South Carolina State Office of Victim Assistance			-	64,903
Passed through Richland County:				
Edward Byrne Memorial Justice Assistance Grant	16.738	1G18029	-	10,272
Edward Byrne Memorial Justice Assistance Grant	16.738	1G18029	-	117,890
		Total ALN 16.738	-	128,162
Total Pass-Through Richland County			-	128,162
Total U.S. Department of Justice			-	832,039
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through South Carolina Public Safety:				
State and Community Highway Safety (Fifth Judicial Circuit)	20.600	2JC22005	-	7,488
	Total ALN 20.600	Highway Safety Cluster	-	7,488
Total Pass-Through South Carolina Public Safety		Total Highway Safety Cluster	-	7,488
Total U.S. Department of Transportation			-	7,488
U.S. DEPARTMENT OF THE TREASURY				
Direct Programs				
Coronavirus State and Local Fiscal Recovery Funds	21.027		-	5,697,008
Total Direct Program		Total ALN 21.027	-	5,697,008
Total U.S. Department of the Treasury			-	5,697,008
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through South Carolina Emergency Management Division:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4241-PA-SC	-	1,945,860
		Total ALN 97.036	-	1,945,860
Total Passed through South Carolina Emergency Management Division			-	1,945,860
Passed through South Carolina State Law Enforcement Division:				
Homeland Security Grant Program	97.067	18SHSP17	-	90,856
		Total ALN 97.067	-	90,856
Total Pass-Through South Carolina State Law Enforcement Division			-	90,856
Total U.S. Department of Homeland Security			-	2,036,716
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 25,318,423

See accompanying notes to the schedule of expenditures of federal awards.
See accompanying independent auditor's report

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of City of Columbia, South Carolina (the “City”) and is presented on the modified accrual basis of accounting. The information in the Schedule is presented in accordance with the 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”). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements. For purposes of the Schedule, federal programs include all federal awards and procurement relationships entered into directly between the primary government, the City, and the federal government, and sub-grants from non-federal organizations made under federally sponsored agreements. Because the Schedule presents only a selected portion of the operations of the City of Columbia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Columbia.

Note B - Summary of Significant Accounting Policies

1 – The financial information shown in the Schedule of Expenditures of Federal Awards reflects amounts recorded by the City during its fiscal year July 1, 2022 through June 30, 2023. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

2 – The City has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

Note C - Economic Adjustment Assistance Loan Program (CFDA # 11.307)

The City maintains revolving loan funds pursuant to an Economic Development Administration Loan Grant of the U.S. Department of Commerce grant #04-39-03312 and CFDA #11.307. The accounts for these loan funds are reported in the basic financial statements under the Redevelopment Program Fund. The amount reported on the Schedule of Expenditures of Federal Awards is calculated in accordance with the EDA’s final rule issued on January 27, 2010, and published in the Federal Register (75 FR 4529). This rule requires that each EDA RLF grant be calculated as follows: (1) Balance of RLF loans outstanding at year-end (\$2,302,245) plus, (2) the cash and investment balance in the revolving loan fund as of year-end (\$767,311) plus, (3) administrative expenses paid out of RLF income during the year ended June 30, 2023 (\$24,619) plus, (4) the unpaid principal of all loans written off during the year ended June 30, 2023 (\$0). The federal participation rate for the Economic Adjustment Assistance grant is 62.00%. The federal share of the RLF is the sum of the preceding four items multiplied by the federal participation rate percentage (\$1,918,389), which is reported as the amount of expenditures of the Economic Adjustment Assistance program on the Schedule of Expenditure of Federal Awards.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Note C - Economic Adjustment Assistance Loan Program (CFDA # 11.307) (continued)

The City received a CARES Act Economic Development Administration revolving loan funds pursuant to an Economic Development Administration Loan Grant of the U.S. Department of Commerce grant #04-79-07548 and CFDA #11.307. The accounts for these loan funds are reported in the basic financial statements under the Redevelopment Program Fund. The amount reported on the Schedule of Expenditures of Federal Awards is calculated in accordance with the EDA's final rule issued on January 27, 2010 and published in the Federal Register (75 FR 4529). This rule requires that each EDA RLF grant be calculated as follows: (1) Balance of RLF loans outstanding at year-end (\$2,175,280) plus, (2) the cash and investment balance in the revolving loan fund as of year-end (\$479,686) plus, (3) administrative expenses paid out of RLF income during the year ended June 30, 2023 (\$46,661) and administrative funds paid using award funds designated for administrative expenses during the year ended June 30, 2023 (\$56,852) plus, (4) the unpaid principal of all loans written off during the year ended June 30, 2023 (\$0). The federal participation rate for the Economic Adjustment Assistance grant is 100%. The federal share of the RLF is the sum of the preceding four items multiplied by the federal participation rate percentage (\$2,758,479), which is reported as the amount of expenditures of the CARES Act Economic Adjustment Assistance program on the Schedule of Expenditure of Federal Awards

Note D - Matching Costs

Matching costs, i.e., the non-federal share of certain program costs, are not included in the accompanying schedule.

Note E - Contingencies

The City of Columbia receives funds under various federal grant programs, and such awards are to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of non-compliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

To the Honorable Mayor and City Council
Columbia, South Carolina

We have audited, in accordance with the 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, the 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, South Carolina (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 8, 2023. Our report includes a reference to other auditors who audited the financial statements of the Experience Columbia SC, as described in our report on the City of Columbia, South Carolina's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Scott and Company LLC

Columbia, South Carolina
December 8, 2023

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Honorable Mayor and City Council
City of Columbia, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Columbia, South Carolina's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually

or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the 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, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 8, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Scott and Company LLC

Columbia, South Carolina
December 8, 2023

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I—Summary of Auditor’s Results

Financial Statements:

We have issued unmodified opinions dated December 8, 2023 on the financial statements of the City of Columbia, South Carolina.

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? None reported
- Noncompliance material to financial statements noted? None reported

Federal Awards:

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified? None Reported

We have issued an unmodified opinion dated December 8, 2023 on the City of Columbia, South Carolina’s compliance for its major programs.

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program</u>
14.228	Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii
21.027	Coronavirus State and Local Fiscal Recovery Funds
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to be distinguished between Type A and Type B Programs: \$750,000

Auditee qualified as low-risk auditee? No

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section II - Financial Statement Findings:

None Reported.

Section III - Federal Award Findings and Questioned Costs:

None Reported.

Summary Schedule of Prior Audit Findings:

None Reported.