

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

CITY OF COLUMBIA, SOUTH CAROLINA

FISCAL YEAR ENDED JUNE 30, 2014

**City Manager
Teresa B. Wilson**

**Chief Financial Officer
Jeffery M. Palen**

**Finance Director
Jan Alonso CGFO**

**Prepared by the
Finance Department**

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2014**

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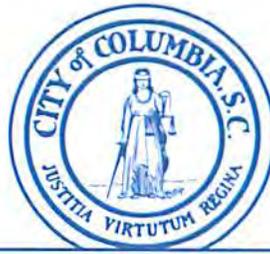
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INTRODUCTORY SECTION



We Are Columbia

December 23, 2014

The Honorable Stephen K. Benjamin, Mayor
The Honorable Members of the Columbia City Council
The Citizens of the City of Columbia

Ladies and Gentlemen:

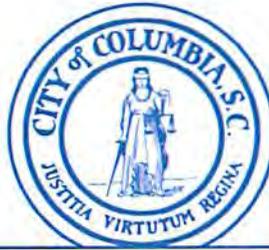
We are pleased to present the Comprehensive Annual Financial Report ("CAFR") of the City of Columbia, South Carolina (the "City") for the fiscal year ended June 30, 2014. South Carolina law requires that all local governments publish a complete set of audited financial statements, presented in conformity with generally accepted accounting principles in the United States of America ("GAAP"). The law further requires that these financial statements be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR has been prepared by the City in accordance with these principles and standards. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management Discussion & Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

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

The City's financial statements have been audited by WebsterRogers LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2014, 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, 2014, 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.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Columbia's MD&A can be found in the Financial Section of the CAFR.

Teresa Wilson • City Manager
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We Are Columbia

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

City of Columbia Overview

The City, incorporated in 1786, is located 13 miles northwest of South Carolina's geographic center. The City currently occupies a land area of 134.94 square miles with a population estimated at 132,000 in the City and 785,000 within the metropolitan statistical area according to the 2012 United States Census. Columbia is also combined with the Newberry micropolitan area to form the Columbia-Newberry Combined Statistical area which has approximately 914,000 people according to the 2012 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 vision of the City is to build a world-class city. The mission of the City is to provide bold leadership and exemplary services to advance the quality of life for everyone.

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

Primary City Functions

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

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

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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

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

Local Economy

The Columbia economy is the 69th largest metropolitan economy in the United States. Substantial concentrations of employers in government, manufacturing, education, finance, and health care provide high paying jobs and a relatively reliable tax revenue base. The vitality of these industries, combined with the increased interest in living in urban centers, will continue to support the City's revenue base.

The City is home to two airports. Columbia Metropolitan Airport enplaned approximately 429,800 passengers during fiscal year 2014. This was an increase of approximately 8,500 passengers from fiscal year 2013. Columbia Owens Downtown Airport primarily serves private, business, and military flights.

The City, in cooperation with the City Center Partnership, assisted with over 20 construction projects in the downtown area during fiscal year 2014. These projects include the Agape Senior corporate headquarters, an \$8,000,000 project; the HUB, a \$40,000,000 residential project; a \$12,000,000 updating of the Marriott Hotel as well as others.

The City continued to support IT-oLogy and POSSCON, an open source software development conference that attracted more than 450 technologists, IT decision makers, and educators from 16 states and 7 countries to Columbia in fiscal year 2014. IT-oLogy provides students graduating from the University of South Carolina, Columbia College, Benedict, and Midlands Tech with a minor in Applied Computing.

The City partners with EngenuitySC to focus on the development of local business clusters such as insurance technology and services, nuclear, and fuel cell development. The Fuel Cell Collaborative awarded \$75,000 to three USC student teams through the Fuel Cell Challenge V competition.

Columbia is also home to the main campus of the University of South Carolina as well as ten other colleges and universities.



We Are Columbia

Recreational Events

Maxcy Gregg Park pool re-opened during the summer of 2013 after undergoing extensive renovations. The total project cost approximately \$1.7 million and was partially funded with CDBG grant funds. Since its re-opening, over 2,500 Columbia residents have enjoyed the use of the facilities.

The Forrest Wood Cup 2014 was held on Lake Murray during the summer of 2014. The Forrest Wood Cup, the world championship of bass fishing, is the most lucrative and prestigious tournament of the year.

The 2014 Dixie Youth World Series was held at the Lexington Sports Complex during August 2014. The event drew over 8,000 visitors to the Columbia area.

Major Initiatives and Financial Planning

The City of Columbia Parks and Recreation Department's Creative Journey Program was awarded Best Neighborhood Program of 2014 at the Neighborhoods, USA annual conference in Eugene, Oregon. Creative Journey is an all-volunteer art resource that provides monthly art programs to veterans, members of the military, and military family members.

The National League of Cities ranked the City of Columbia number one in the country in addressing childhood obesity after completing key health and wellness goals for Let's Move! Cities, Towns and Counties. Five gold medals were awarded to the City for action taken to improve access to healthy affordable food and increase opportunities for physical activity. The medals were awarded because of the City's achievements in promoting healthy eating habits and physical activity and expanding access to nutritious meals.

Public safety is one area the City intends to focus on in fiscal year 2015. The City plans to add six telecommunicators and two call takers in the 911 Emergency Communications Center to help address the increased service levels. The City will increase funding for residential demolitions for removal of neighborhood blight. A ministerial recorder position will be added to allow the Municipal Court to issue arrest, search, and bench warrants 24 hours a day, seven days a week.

The City intends to purchase \$7,000,000 in new rolling stock and technology equipment in fiscal year 2015. The expenditures are expected to be financed under a capital leasing agreement. The City intends to spend approximately \$5,568,500 in general capital projects, with approximately \$4,168,500 being spent on parks and recreation projects and \$1,400,000 on public safety projects. Funding for these projects will come from the \$802,000 remaining from the 2003 Hospitality Bond proceeds with the balance coming from funds on hand.

The City expects slight increases in both hospitality tax revenues and accommodations tax revenues as the overall economy continues to show improvement.

The City expects a 10% growth in water sales due to growth on the system and renegotiating service contracts. Sewer sales are expected to decrease 16% due to the sale of a portion of the system. The

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We Are Columbia

two together are expected to result in a decrease of approximately \$623,000 for the combined system. Expenses are expected to be consistent with fiscal year 2014

The City has not implemented any rate increases for fiscal year 2015.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Columbia, South Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

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

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

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

Respectfully submitted,

Teresa B. Wilson
City Manager

Jeffery M. Palen
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**City of Columbia
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013



Executive Director/CEO

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

As of June 30, 2014

Mayor

Stephen K. Benjamin

Council Members

District 1	Sam Davis
District 2	Brian DeQuincey Newman
District 3	Moe Baddourah
District 4	Leona Plough
At Large	Tameika Isaac-Devine
At Large	Cameron Runyan

City Manager

Teresa Wilson

Assistant City Managers

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

Department Directors

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

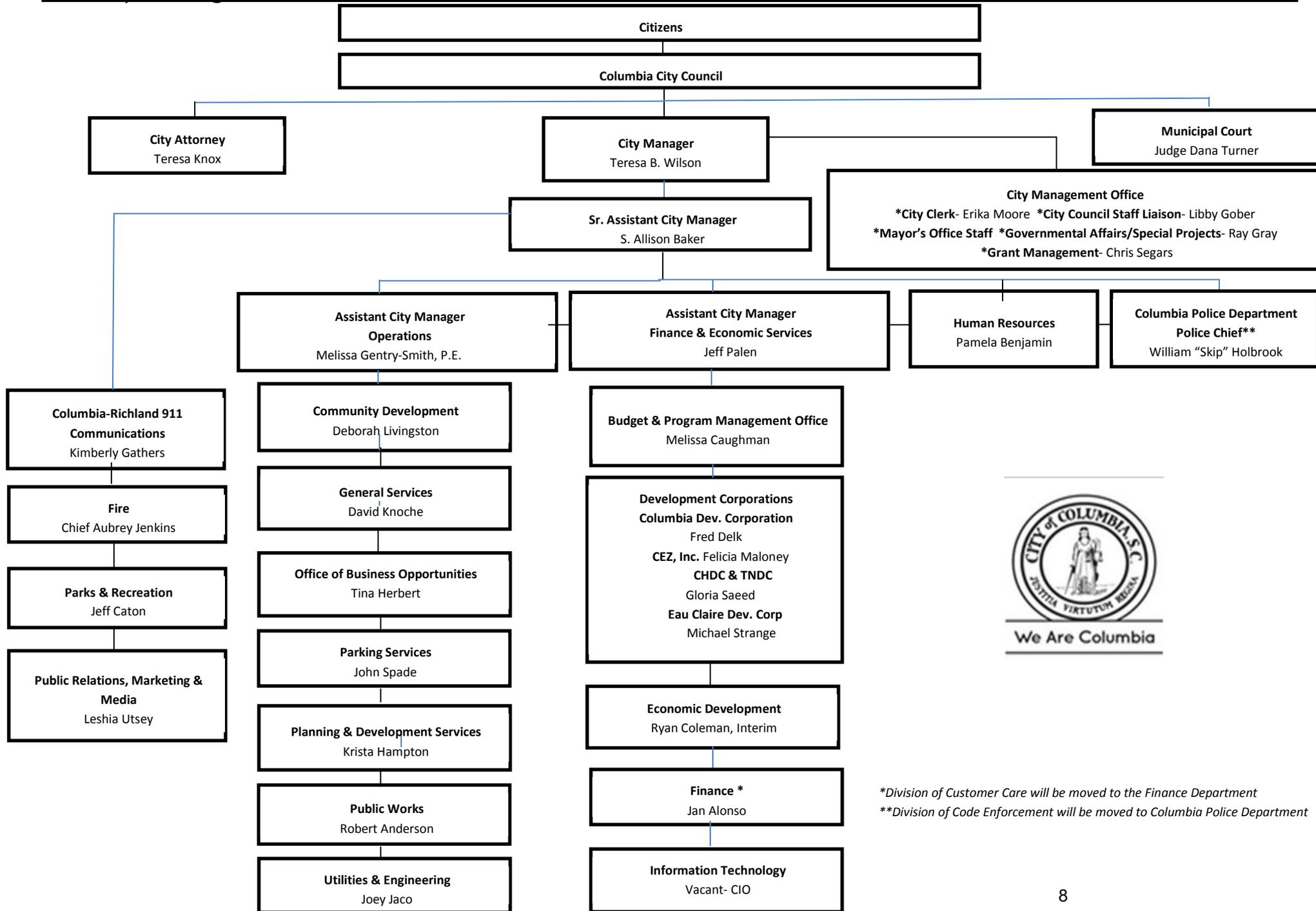
Development Corporation Directors

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

Other Directors

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

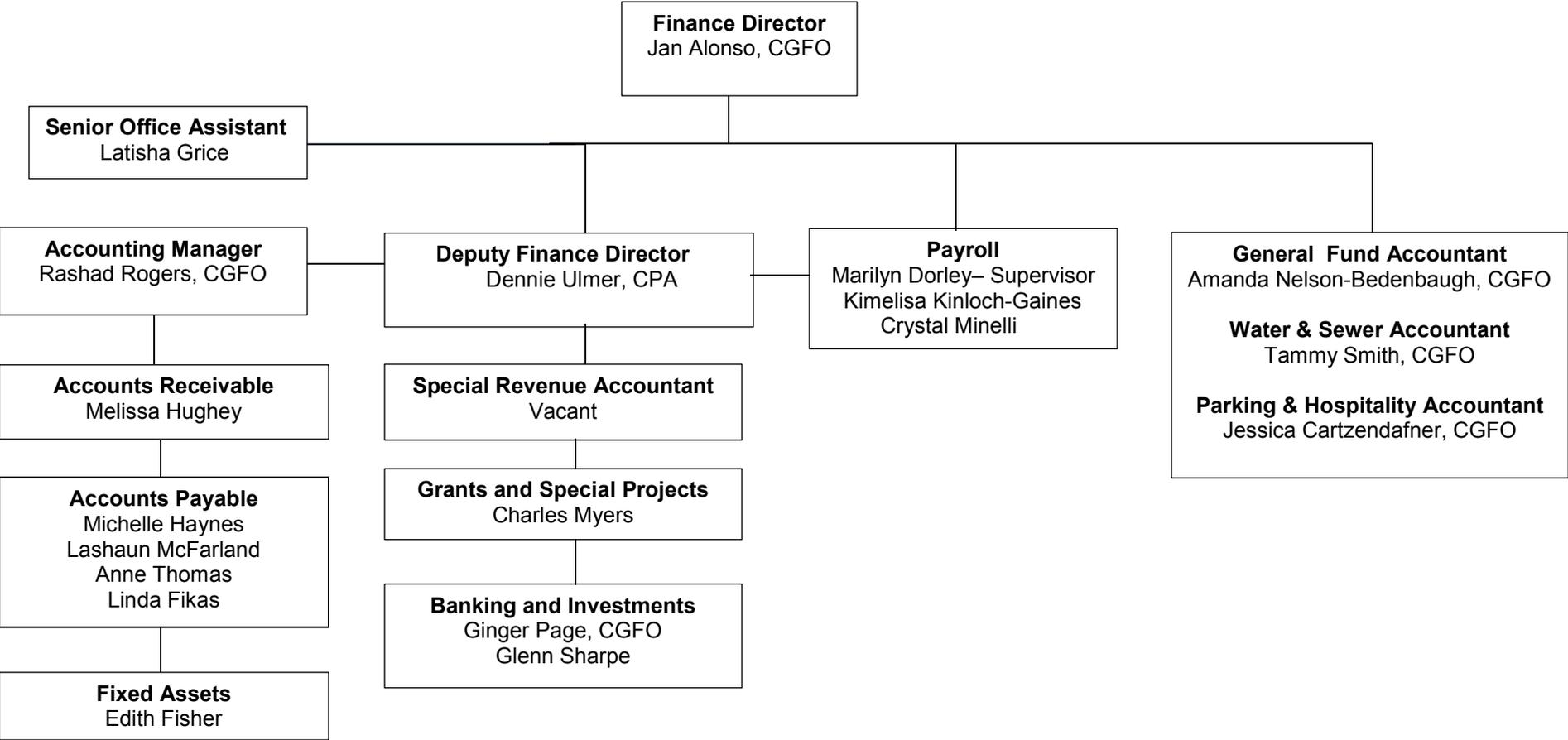
City of Columbia
FY 2014/2015 Organizational Chart



**Division of Customer Care will be moved to the Finance Department*
***Division of Code Enforcement will be moved to Columbia Police Department*

CITY OF COLUMBIA, SOUTH CAROLINA
Finance Department
Organizational Chart

As of June 30, 2014



FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the City of Columbia (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Midlands Authority for Conventions, Sports, and Tourism, a discretely presented component unit of the City of Columbia, which represent 34.82%, 50.23%, and 77.35%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Midlands Authority for Convention, Sports and Tourism is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Columbia as of June 30, 2014, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Members

SC Association of Certified Public Accountants

NC Association of Certified Public Accountants

Member

Division for CPA Firms, AICPA

An Independently Owned Member
MCGGLADREY ALLIANCE



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Columbia, South Carolina

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www.websterrogers.com

Emphasis of Matter

As discussed in Note VII. C. to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective July 1, 2013. Our audit opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance and should be read in conjunction with this report in assessing the results of our audit.



Columbia, South Carolina
December 22, 2014

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
June 30, 2014

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, 2014, as part of the overall Comprehensive Annual Financial Report (CAFR). This overview compares the year ended June 30, 2014, with the year ended June 30, 2013. 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 2014 by \$851,956,134. This amount represents the City's net position. Of this amount, \$279,737,793 in unrestricted net position may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$23,899,039 (\$6,642,346 from governmental activities and \$17,256,693 from business-type activities) as total revenues of \$300,065,668 exceeded total expenses of \$276,166,629. This increase in net position for the current year is approximately \$7,109,400 less than the prior year and is due primarily to a one time gain on the sale of infrastructure in the water and sewer fund of approximately \$10,975,000.
- As of June 30, 2014, the City's governmental funds reported combined ending fund balances of \$72,379,632. The unrestricted General Fund balance of \$28,760,382 is available for spending at the City's discretion and represents approximately 23.66% of the General Fund's actual expenditures and transfers out for the year ended June 30, 2014.
- The City's total capital assets were \$991,677,219 as of June 30, 2014, increasing \$31,385,034 (3.27%). This increase was the result of additions of \$9,042,671 in governmental activities and \$61,110,897 in business type activities offset by depreciation expense and net disposals of \$12,561,965 in governmental activities and \$26,206,569 in business-type activities.
- The City's long-term debt at June 30, 2014, totaled \$591,409,727, a net increase of \$67,769,116 or 12.94% from the balance at June 30, 2013, of \$523,640,611. This net increase was the result of \$19,475,601 in principal payments, \$1,860,954 in premium amortization, the issuance of a \$8,131,175 general obligation bond (including premium), and the issuance of a \$80,974,497 revenue bond (including premium) in the water and sewer fund.
- As of June 30, 2014, the City's General Obligation bonds were rated AA+ by Standard and Poor's and AA1 by Moody's. The City's Water and Sewer Facilities revenue bonds were rated AA by Standard and Poor's and AA1 by Moody's. The City's Parking Facilities revenue bonds were rated BBB+ by Standard and Poor's and A2 by Moody's.

Using This Annual Report

This discussion and analysis is intended to serve as an introduction to the City of Columbia's financial statements. This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on the pages identified in the table of contents) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 31. For

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
June 30, 2014

governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government. In addition to the financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the City of Columbia.

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

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

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

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

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

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

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Our analysis of the City's major funds begins on page 24. The fund financial statements beginning on page 31 provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council established many other funds to help it control and manage for particular purposes or to show it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's three kinds of funds – governmental, proprietary, and fiduciary – use different accounting approaches.

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

The City utilizes five generic governmental fund types (see Section I Note B in the notes to the financial statements). The City maintains 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 and county services fund which are considered to be major funds. Data from the 16 other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these 16 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 for the general fund to demonstrate compliance with this budget. The governmental funds financial statements immediately follow the government-wide financial statements.

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

Proprietary Funds – The City maintains two different types of proprietary funds. Enterprise funds 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, Parking system, Stormwater system, Hydro-electric plant, Redevelopment Programs, Parks and Recreation camps, and Economic Development activities.

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

Proprietary funds provide the same type of information as the business type activities in the government-wide financial statements. The City maintains seven enterprise type funds. The proprietary fund financial statements provide separate information for the water and sewer system and the parking system which are considered to be major funds of the City. Data from the other five funds are combined into a single aggregated presentation.

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Individual fund data for each of these nonmajor business-type funds is provided in the form of combining statements elsewhere in this report. Conversely, all three internal service funds are combined into a single aggregated position in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. Because the internal funds predominately benefit governmental rather than business-type activities, the internal service funds have been included within the governmental activities in the government-wide statements. The proprietary fund financial statements follow the governmental fund financial statements.

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

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

Other Information - In addition to the basic financial statements, this report also contains certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and a general fund budgetary comparison schedule to demonstrate compliance with the budget. 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 \$851,956,134 as of June 30, 2014. The City's overall financial position improved, and net position increased by \$23,899,039 during the year ended June 30, 2014. This increase of \$23,899,039 is a decrease from the prior year. This decrease is primarily the result, in the business activities, of a one-time sale of infrastructure in the Water and Sewer Facilities Fund. The sale of this infrastructure increased revenue in the prior year and resulted in less sewer revenue in the current year. While the increased rainfall during the current year resulted in more revenue for the hydro-electric fund, it was also responsible for less water sales in the current year as irrigation needs decreased with the increase in rainfall. In the governmental activities, the increase in collections from business licenses resulted from increased businesses locating in the downtown area and the continuing economic recovery. Improved economic conditions also resulted in an increase in the collection of sales taxes and hospitality taxes. A renegotiated agreement with Richland County, South Carolina for fire protection and E911 services resulted in more intergovernmental revenue. 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 has a whole.

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Table 1
City of Columbia
Statement of Net Position
As of June 30, 2014 and June 30, 2013

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2014	As of June 30, 2013	As of June 30, 2014	As of June 30, 2013	As of June 30, 2014	As of June 30, 2013
Current and other assets	\$169,701,591	\$161,315,657	\$385,437,503	\$342,567,439	\$555,139,094	\$503,883,096
Capital assets, net of depreciation	212,190,558	215,709,852	779,486,661	744,582,333	991,677,219	960,292,185
Total assets	381,892,149	377,025,509	1,164,924,164	1,087,149,772	1,546,816,313	1,464,175,281
Deferred outflow s of resources	3,950,107	2,427,262	27,741,893	19,309,536	31,692,000	21,736,798
Total assets and deferred outflow s of resources	385,842,256	379,452,771	1,192,666,057	1,106,459,308	1,578,508,313	1,485,912,079
Long-term liabilities outstanding	143,467,480	139,689,407	528,829,611	452,655,773	672,297,091	592,345,180
Other liabilities	25,822,238	30,703,232	25,910,878	28,802,427	51,733,116	59,505,659
Total liabilities	169,289,718	170,392,639	554,740,489	481,458,200	724,030,207	651,850,839
Deferred inflow of resources	2,521,972	-	-	-	2,521,972	-
Net position						
Net investment in capital assets	156,454,488	155,118,428	375,763,776	373,649,773	532,218,264	528,768,201
Restricted	30,669,437	26,429,362	9,330,640	9,315,421	40,000,077	35,744,783
Unrestricted	26,906,641	27,512,342	252,831,152	242,035,914	279,737,793	269,548,256
Total net position	\$214,030,566	\$209,060,132	\$637,925,568	\$625,001,108	\$851,956,134	\$834,061,240

As of June 30, 2014, the City is able to report positive balances for the government as a whole as well as for its governmental activities and business-type activities, respectively.

The largest portion of the City's net position, \$532,218,264 (62.47%), reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related debts used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

An additional portion of the City's net position, \$40,000,077 (4.70%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$279,737,793 (32.83%) in unrestricted net position may be used to meet the ongoing obligations of the City.

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For governmental activities, the City reported a positive balance in unrestricted net position of \$26,906,641. For business-type activities, the City reported a positive balance in unrestricted net position of \$252,831,152.

The City reported a positive balance of \$28,760,382 in unrestricted fund balance (committed plus assigned plus unassigned fund balance) for the general fund as of June 30, 2014. 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.

Revenue for the City for the year ended June 30, 2014, which totaled approximately \$300,065,700, decreased slightly from the year ended June 30, 2013. The decrease for the City as a whole was approximately \$10,448,100 which was a decrease of 3.36%. Revenues for the business-type activities decreased approximately \$13,471,300 (9.44%). Water and sewer operating revenues decreased approximately \$5,086,900 (4.18%). This was primarily the result of a more rainfall during the fiscal year which decreased the need for irrigation and the sale of a portion of the sewer system in fiscal year 2013 which decreased the number of sewer customers on the system. The increased rainfall during the current year had a positive effect on the Hydro Electric Facilities Fund. Electricity generational capacity nearly doubled resulting in increased revenues of approximately \$2,112,400. Other business-type operating revenues were virtually unchanged when compared to the year ended June 30, 2013. Revenue from governmental activities for the year ended June 30, 2014, which totaled approximately \$157,371,800, represented a slight increase from the year ended June 30, 2013. The overall increase of approximately \$3,023,200 represented an increase of 1.96%. Business license revenue and sales tax collections provided the majority of the increase as the downtown revitalization continued to attract additional business and the overall general economy continued to show improvement.

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Table 2
City of Columbia's
Changes in Net Position
Years Ended June 30, 2014 and June 30, 2013

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year Ended June 30, 2014	Year Ended June 30, 2013	Year Ended June 30, 2014	Year Ended June 30, 2013	Year Ended June 30, 2014	Year Ended June 30, 2013
Revenues:						
Program revenues						
Charges for services						
General government	\$ 758,177	\$ 940,028	\$ -	\$ -	\$ 758,177	\$ 940,028
Finance	31,467,056	30,505,679	-	-	31,467,056	30,505,679
Community development	832,159	793,431	-	-	832,159	793,431
Public safety	22,040,936	21,387,115	-	-	22,040,936	21,387,115
Parks and recreation	818,304	728,247	-	-	818,304	728,247
Public services	344,718	247,570	-	-	344,718	247,570
Water/sewer facilities	-	-	116,644,423	121,723,711	116,644,423	121,723,711
Hydro-electric plant	-	-	4,843,922	2,731,475	4,843,922	2,731,475
Stormwater facilities	-	-	6,958,281	6,685,838	6,958,281	6,685,838
Parking facilities	-	-	6,495,064	6,864,323	6,495,064	6,864,323
Redevelopment programs	-	-	564,456	921,759	564,456	921,759
Parks and recreation camps	-	-	275,182	253,150	275,182	253,150
Operating grants and contributions						
General government	2,339,163	1,367,943	-	-	2,339,163	1,367,943
Community development	3,120,983	4,109,027	-	-	3,120,983	4,109,027
Public safety	23,203,634	22,752,780	-	-	23,203,634	22,752,780
Public services	298,722	291,335	-	-	298,722	291,335
Community promotion	5,485,700	5,180,687	-	-	5,485,700	5,180,687
Capital grants and contributions						
General government	393,750	457,500	-	-	393,750	457,500
Public services	373,087	838,165	-	-	373,087	838,165
Water/sewer facilities	-	-	5,431,910	5,831,240	5,431,910	5,831,240
General revenues						
General property taxes	34,353,070	34,462,835	-	-	34,353,070	34,462,835
Local Option Sales Tax	16,465,463	15,781,749	-	-	16,465,463	15,781,749
Sales taxes	12,072,024	11,498,370	-	-	12,072,024	11,498,370
Motor fuel taxes	1,381	3,566	-	-	1,381	3,566
State shared revenue	2,805,133	2,788,097	-	-	2,805,133	2,788,097
Unrestricted investment earnings	89,001	26,022	1,158,475	231,513	1,247,476	257,535
Gain (loss) on disposal of capital assets	109,361	188,511	322,133	10,922,099	431,494	11,110,610
Total revenues	\$157,371,822	\$154,348,657	\$142,693,846	\$156,165,108	\$300,065,668	\$310,513,765

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Table 2
City of Columbia's
Changes in Net Position (Continued)
Years Ended June 30, 2014 and June 30, 2013

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year Ended June 30, 2014	Year Ended June 30, 2013	Year Ended June 30, 2014	Year Ended June 30, 2013	Year Ended June 30, 2014	Year Ended June 30, 2013
Expenses:						
General government	\$ 8,049,816	\$ 17,577,215	\$ -	\$ -	\$ 8,049,816	\$ 17,577,215
Judicial	2,615,194	2,601,919	-	-	2,615,194	2,601,919
Finance	1,726,481	2,051,555	-	-	1,726,481	2,051,555
Community development	5,787,850	5,855,023	-	-	5,787,850	5,855,023
Public safety	84,053,096	73,682,870	-	-	84,053,096	73,682,870
Parks and recreation	12,290,401	11,329,817	-	-	12,290,401	11,329,817
Public services	21,960,858	23,483,659	-	-	21,960,858	23,483,659
General services	4,933,285	4,540,814	-	-	4,933,285	4,540,814
Community promotion	12,872,657	11,915,733	-	-	12,872,657	11,915,733
Interest on long-term debt	2,955,994	3,027,411	-	-	2,955,994	3,027,411
Non-departmental	2,515,184	2,455,260	-	-	2,515,184	2,455,260
Water/sewer facilities	-	-	100,389,819	107,410,948	100,389,819	107,410,948
Hydro electric plant	-	-	3,012,376	1,544,804	3,012,376	1,544,804
Stormwater facilities	-	-	5,668,819	4,692,223	5,668,819	4,692,223
Parking facilities	-	-	6,162,449	6,330,524	6,162,449	6,330,524
Redevelopment programs	-	-	848,141	734,283	848,141	734,283
Parks and recreation camps	-	-	324,209	271,271	324,209	271,271
Total expenses	159,760,816	158,521,276	116,405,813	120,984,053	276,166,629	279,505,329
Increase (decrease) in net position before transfers	(2,388,994)	(4,172,619)	26,288,033	35,181,055	23,899,039	31,008,436
Transfers	9,031,340	9,739,875	(9,031,340)	(9,739,875)	-	-
Increase (decrease) in net position	6,642,346	5,567,256	17,256,693	25,441,180	23,899,039	31,008,436
Net position, beginning of period *	207,388,220	203,492,876	620,668,875	599,559,928	828,057,095	803,052,804
Net position, end of period	<u>\$214,030,566</u>	<u>\$209,060,132</u>	<u>\$637,925,568</u>	<u>\$625,001,108</u>	<u>\$851,956,134</u>	<u>\$834,061,240</u>

* As restated for implementation of GASB 65 (see Note VII. C).

Total expenses for the City were approximately \$276,166,600 for the year ended June 30, 2014. This represents a decrease of approximately \$3,338,700 (1.19%) when compared to the year ended June 30, 2013. This overall decrease resulted from an increase of approximately \$1,239,500 in governmental activities and a decrease of approximately \$4,578,200 in business-type activities. Most of the increase in governmental activities is related to higher personnel related costs incurred resulting from the 2% cost of living adjustment given to employees during the current year. Continued monitoring of costs by management during the year ended June 30, 2014, enabled the City to manage overall costs for all departments. Expenses for business-type activities decreased by approximately \$4,578,200, or 3.93%, compared to the year ended June 30, 2013. The overall decrease in expenses was primarily due to continued cost monitoring by management and less repair and maintenance expense in the water and sewer fund as the completion of major construction project upgrades have decreased the repairs to the system required in recent years. This resulted in a decrease of approximately \$7,021,000 in expenses in the Water and Sewer Facilities Fund. The Hydro Electric Facilities fund expenses increased by approximately \$1,544,800. This increase is primarily due to the way the contract with the company that operates

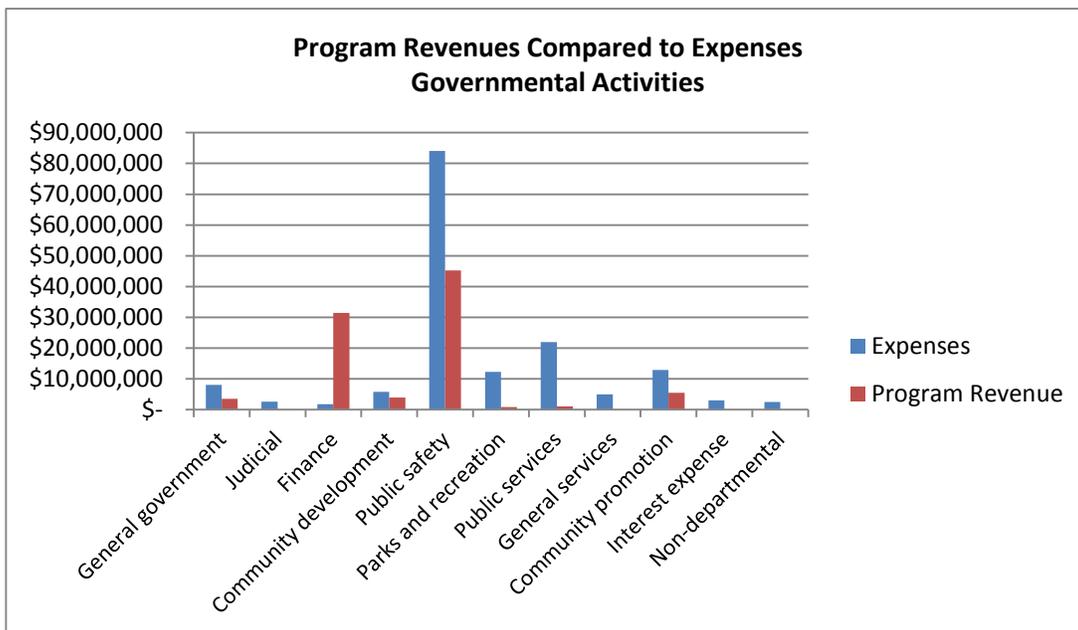
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the hydro-electric plant for the City is structured. The operating company's compensation is based on a percentage of revenue generated. Therefore, as operating revenue increase, operating costs will likewise increase. When compared to the prior year, the Stormwater Facilities Fund expenses increased by approximately \$976,600. This increase was a result of the cost of living adjustment given to the employees and additional employees added during fiscal year 2014. The expenses for the remaining programs remained virtually unchanged compared to the year ended June 30, 2013.

The City's net position increased by \$23,899,039 during the year ended June 30, 2014. The net position for governmental funds increased by \$6,642,346, while the change in net position of business-type funds increased by \$17,256,693. The overall net position increase of the City was approximately \$7,109,400 less when compared to the prior fiscal year. This overall decrease was the combination of an approximately \$1,075,100 increase in the governmental activities and an approximately \$8,184,500 decrease in business-type activities. The main factor in the overall decrease was the one time gain from the sale of a portion of the sewer system in fiscal year 2013.

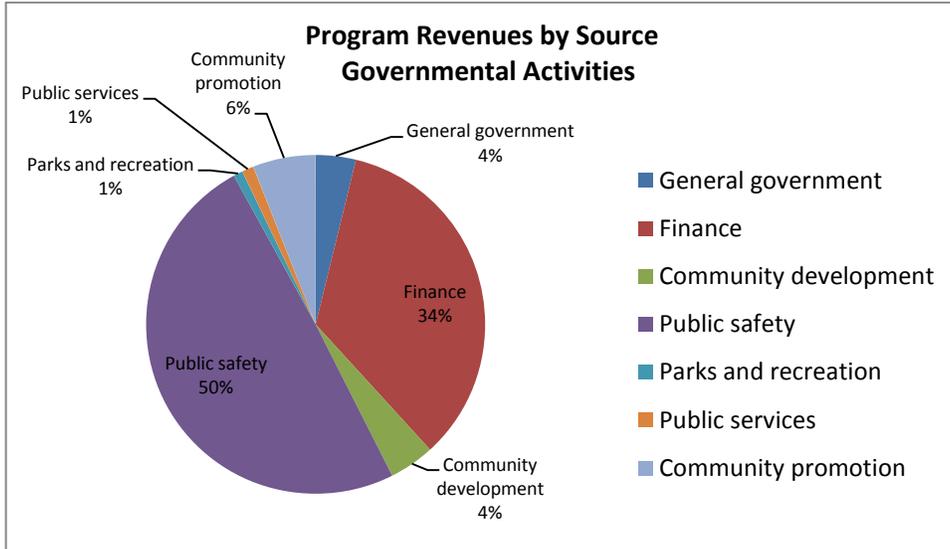
Governmental Activities – A comparative analysis of the governmental activities expenses and program revenues is presented below.

Figure 1
Program Revenues Compared to Expenses
Governmental Activities
Year Ended June 30, 2014



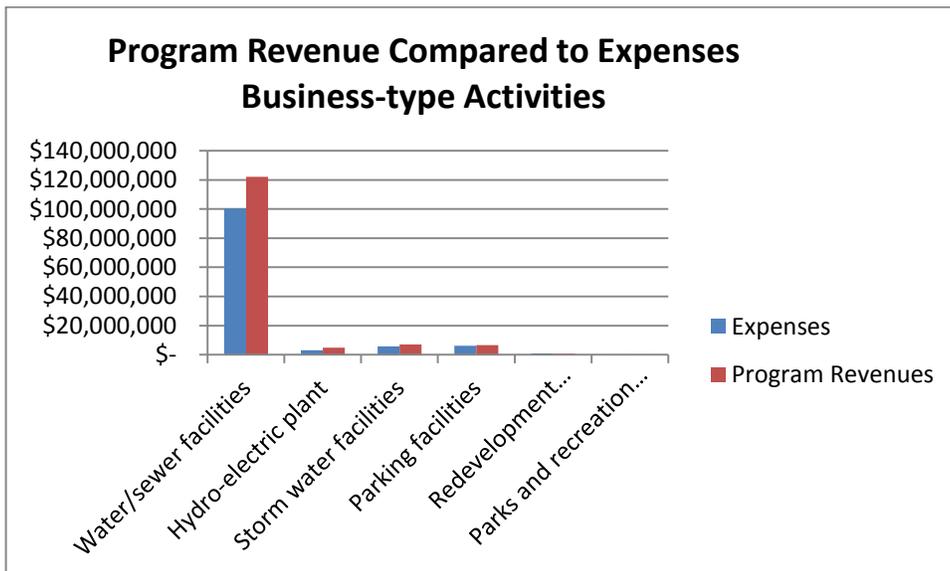
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Figure 2
Program Revenues by Source
Governmental Activities
Year Ended June 30, 2014



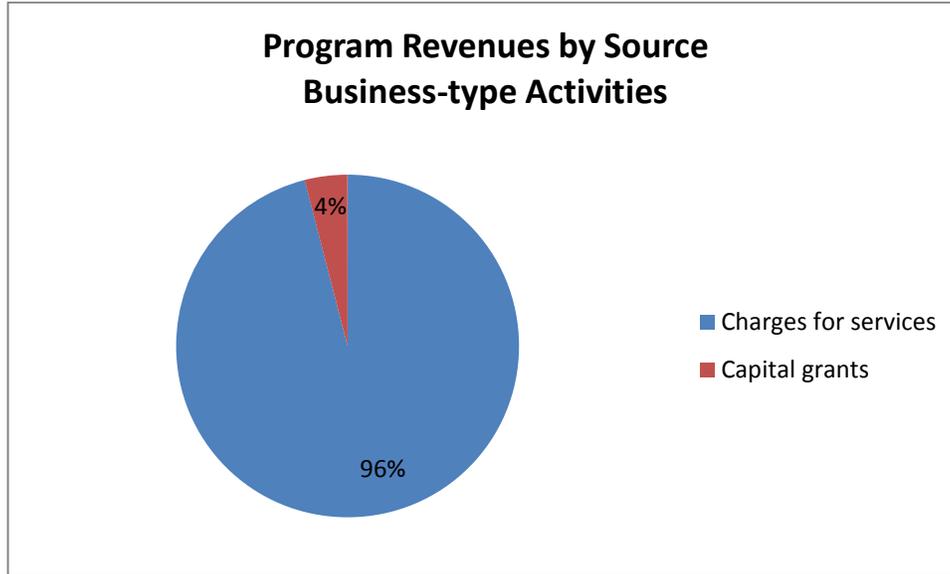
Business-type Activities – The net position of the City's business-type activities increased by approximately \$17,256,700 for the year ended June 30, 2014. This growth is primarily attributable to the operations of the water and sewer department. A comparative analysis and discussion of expenses and program revenues for these enterprise operations is presented below.

Figure 3
Program Revenue Compared to
Expenses for Business-type Activities
Year Ended June 30, 2014



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Figure 4
Program Revenues by Source
for Business-type Activities
Year Ended June 30, 2014



Water and Sewer Facilities Fund – The net position for the water and sewer facilities fund for the year ended June 30, 2014, increased by approximately \$15,946,000.

Table 3
Water and Sewer Facilities Fund Revenues and Expenses
Years Ended June 30, 2014 and June 30, 2013

	Year Ended June 30,	
	2014	2013
Revenues		
Total operating revenues	\$ 116,498,720	\$ 121,585,575
Non-operating revenues	1,425,545	11,268,394
Development contributions	5,431,910	5,831,240
Total revenues	123,356,175	138,685,209
Expenses		
Total operating expenses	89,855,344	96,838,580
Interest and amortization expense	9,496,543	9,253,470
Transfers, net	8,058,247	7,650,952
Total expenses	107,410,134	113,743,002
Change in net position	\$ 15,946,041	\$ 24,942,207

Total operating revenues, which primarily consist of water and sewer fees, decreased by approximately \$5,086,900, or 4.18%, to \$116,498,720. The decrease in operating revenues was due primarily to more rainfall during the fiscal year which decreased the need for irrigation which resulted in less water consumption. Sewer fees also decreased due to a sale of a portion of the system during fiscal year 2013 to a private contractor. This

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sale was the primary reason current year non-operating revenue decreased by approximately \$9,842,800 when compared to the prior year non-operating revenue. Contributed infrastructure revenue decreased approximately \$399,000 from the year ended June 30, 2013, as new construction decreased from prior year. Total revenues for the year ended June 30, 2014, decreased approximately \$15,329,000, or 11.05%, to \$123,356,175.

Total operating expenses decreased by approximately \$6,983,200, or 7.21%, to \$89,855,344 when compared to the year ended June 30, 2013. This decrease was primarily the result of decrease in repair expenses to the system in fiscal 2014. This decrease in repair cost was attributable to the completion of some major upgrades to the aging water and sewer infrastructure system. The decrease in operating expenses exceeded the decrease in operating revenue resulting in an operating margin increase of approximately \$1,896,400 compared to the year ended June 30, 2013.

Interest expense incurred increased by approximately \$1,742,600 as additional debt was issued in fiscal year 2014. Net transfers in fiscal year 2014 increased by approximately \$407,300 from fiscal year 2013 as there was no transfer in from the internal service fund to cover a portion of the cost of software upgrades. Total expenses decreased by approximately \$6,332,900, or 5.57%, to \$107,410,134. The decrease in water and sewer repair costs and the contributed infrastructure were the primary reasons change in net position increased by \$15,946,041 for the year ended June 30, 2014.

The restricted portion of the water and sewer facilities fund's net assets represents debt service reserve funds that are restricted under various bond ordinances.

Table 4
Parking Facilities Fund Revenue and Expenses
Years Ended June 30, 2014 and June 30, 2013

	Year Ended June 30,	
	2014	2013
Revenues		
Total operating revenues	\$ 6,386,389	\$ 6,685,850
Non-operating revenues	206,066	226,135
Gain (loss) on sale of assets	-	(177,204)
Total revenues	6,592,455	6,734,781
Expenses		
Total operating expenses	4,556,545	4,528,336
Interest and amortization expense	1,508,716	1,678,686
Transfers, net	178,323	21,783
Total expenses	6,243,584	6,228,805
Change in net position	\$ 348,871	\$ 505,976

Parking Facilities Fund - Total operating revenues, which primarily consist of parking fees and fines, decreased by approximately \$299,500, or 4.48%, to \$6,386,400. The decrease in operating revenues was due primarily to a temporary loss of parking spaces in the downtown area during fiscal year 2014 due to construction activity. Non-operating revenue decreased by approximately \$20,100 due primarily to a continued decline in interest rates and less unspent bond proceeds to invest. Total revenues for the year ended June 30, 2014, decreased approximately \$142,300, or 2.11%, to \$6,592,455 primarily as a result of a loss in available parking spaces and not incurring a loss on property sales.

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Total operating expenses remained virtually unchanged increasing by approximately \$28,200, or 0.62%, to \$4,556,545 when compared to the year ended June 30, 2013. This was primarily the result of management's continuing monitoring of costs. The decrease in operating revenues along with the slight increase in operating expenses resulted in an operating margin decrease of approximately \$327,700 compared to the year ended June 30, 2013.

Interest and amortization expense decreased in fiscal year 2014 by approximately \$170,000, or 10.13%, when compared to fiscal year 2013 due to reduction of debt outstanding. Net transfers increased in fiscal year 2014 by approximately \$156,500 when compared to fiscal year 2013. The increase was due to no transfer in of grant funds to help fund parking projects. Total expenses were virtually unchanged from the prior year, increasing by approximately \$14,800, or 0.24%, to \$6,243,584. Continued cost monitoring by management and no significant change in operations resulted in total expenses remaining consistent with prior year.

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, 2014, the City's governmental funds reported combined ending fund balances of approximately \$72,379,600, an increase of approximately \$8,583,600. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2014, the City has an unassigned fund balance of approximately \$25,060,000, an increase of approximately \$2,831,800 compared to the year ended June 30, 2013.

The general fund is the chief operating fund of the City. During the year ended June 30, 2014, the fund balance of the general fund increased by approximately \$4,155,500 to approximately \$28,994,300. The increase in fund balance was made possible by revenue collections that were consistent with the adopted budget along with closely monitored spending. The major portion of the 2014 surplus was due to increased collections from business licenses and permits, fire rebates, and hydrant fees. There was approximately a \$975,500 increase in business license and permits, approximately \$384,700 in fire rebate fees, and approximately a \$462,500 increase from hydrant fees. The unassigned fund balance, which is available for use without restriction, increased by approximately \$2,679,200 to approximately \$25,060,000. Unrestricted fund balance is the combination of unassigned fund balance (\$25,060,000), assigned fund balance (\$3,627,400), and committed fund balance (\$73,000), and totals approximately \$28,760,400. The remainder of the fund balance in the general fund is comprised of approximately \$233,900 in nonspendable fund balance. As a measure of liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The County Services fund is used to report funds received from Richland County, South Carolina to offset costs incurred by the City of Columbia in providing fire services and 911 emergency communications services to Richland County citizens living outside the incorporated area of the City of Columbia. Collections for the year ended June 30, 2013, increased by approximately \$887,200, or 4.31%, due to a new agreement with Richland County, South Carolina. Expenditures for the year ended June 30, 2014, increased by approximately \$1,427,800 primarily due to increased personnel costs and costs related to maintaining an additional fire station for a full year.

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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Management's Discussion and Analysis (Unaudited)
June 30, 2014

General Fund Budgetary Highlights

The general fund is the principal operating fund of the City and is used to account for all activities of the City not otherwise accounted for by a specified fund. It is also the largest of the City's funds and is mostly comprised of general tax revenues and license and permit fees. Over the course of the fiscal year, the City revises its budget to address unanticipated changes in revenues and expenditures. The City provides basic city services such as police, fire, parks and recreation, and other public services. Each department budget must be developed and justified annually during the legally required budget adoption process. Total general fund revenues for the year ended June 30, 2014, were approximately \$111,404,300, approximately \$4,524,000, or 4.23%, more than the final budget of approximately \$106,580,200. This overall revenue increase was the result of a modest increase in license and permit fees due to an improving economy and increases in intergovernmental revenues resulting from a one-time allocation of highway improvement funds. These increases were offset by a decrease in general property taxes and charges for services.

Total general fund expenditures were approximately \$109,232,400 for the year ended June 30, 2014, approximately \$2,860,200, or 2.55%, less than the final budgeted expenditures of approximately \$112,092,600. Closely monitoring of expenditures resulted in most city departments being under budget. The most significant exception was savings in personnel related expenses of approximately \$3,075,200 resulting from position vacancies.

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, 2014, totaled \$991,677,219 net of accumulated depreciation. This investment in capital assets includes land, buildings, infrastructure, construction in progress, machinery, and equipment. The net increase in the City's investment in capital assets for the year ended June 30, 2014, was approximately \$31,385,000, or 3.27%.

Major capital asset events during the year ended June 30, 2014, included the following:

- Construction in progress (CIP) decreased by a net \$38,515,621 due mostly to work on a \$13 million dollar project to upgrade the clarifiers at the main waste water treatment plant, a \$9 million dollar sanitary sewer force main project along the Congaree River, a \$20 million dollar project to upgrade the West Columbia and Saluda pump stations, a \$24 million dollar project to improve the raw water and high service pumps at the Columbia Canal Water Treatment Plant, \$2 million in renovations to City Hall and the Bellfield Cultural Center, and a \$14 million dollar project to build a new City Center parking garage being completed and placed in service during the current year. There was approximately \$3,311,000 added to the governmental CIP balance related to various governmental projects. There was approximately \$53,104,000 added to the business-type activities CIP balance.
- Buildings and improvements additions totaled approximately \$93,801,800 during the year ended June 30, 2014. Most of these were the result of completed construction projects started in prior years. Significant additions included renovations to City Hall, renovations to the Bellfield Cultural Center, improvements to the Broad River pump station, the North Columbia pump station, contributed water and sewer lines, various sewer lines, as well as various improvements to the Columbia Canal Water Treatment plant. The main decrease resulted from the disposal of raw water pumps at the Columbia Canal Water Treatment plant.
- Machinery and equipment additions totaled approximately \$12,823,800 during the year ended June 30, 2014. These additions consisted mainly of police vehicles, garbage trucks, fire trucks, other items of rolling stock, pumps, actuators, and other water treatment equipment. Disposals consisted mainly of fully depreciated items.
- Depreciation expense totaled approximately \$38,496,800 for the City as a whole.

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June 30, 2014

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, 2014 and June 30, 2013

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	As of June 30, 2014	As of June 30, 2013	As of June 30, 2014	As of June 30, 2013	As of June 30, 2014	As of June 30, 2013
Land	\$ 32,647,161	\$ 32,679,661	\$ 30,111,133	\$ 30,136,133	\$ 62,758,294	\$ 62,815,794
Construction in progress	6,425,233	6,867,679	153,937,441	192,010,616	160,362,674	198,878,295
Buildings and improvements	144,615,099	149,617,574	573,875,162	504,299,380	718,490,261	653,916,954
Infrastructure	13,392,943	12,383,839	-	-	13,392,943	12,383,839
Machinery and equipment	15,110,122	14,161,099	21,562,925	18,136,204	36,673,047	32,297,303
Total	\$212,190,558	\$215,709,852	\$779,486,661	\$744,582,333	\$991,677,219	\$960,292,185

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

Long-term debt – The City's long-term debt, including contracts payable, reflected a net increase of approximately \$67,769,100, or 12.94%, after restating 2013 amounts to reflect the adoption of GASB Statement 65. This net increase was the result of \$19,475,601 in principal payments and \$1,860,955 in amortization of bond premiums. The City also received proceeds of \$8,131,175 (including a premium of \$816,175) from the issuance of additional general obligation bonds. These bonds are backed by the full faith and credit of the City. The City also received proceeds of \$80,974,496 (including a premium of \$5,669,496) from the issuance of additional revenue bonds. These bonds are backed by revenues from the water and sewer system. Principal payments of \$9,840,000 were made on business-type activity revenue bonds. Principal payments of \$645,601 were made on business-type contracts payable. Total governmental activities had a net decrease of approximately \$1,051,100, while business-type activities debt had a net increase of approximately \$68,820,200. The Series 2013 general obligation debt was issued to fund the purchase of police cars and other capital assets. The Series 2013 revenue bonds were issued to fund improvements to the water and sewer system.

Table 6
Outstanding Indebtedness
As of June 30, 2014 and June 30, 2013

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	As of June 30, 2014	As of June 30, 2013	As of June 30, 2014	As of June 30, 2013	As of June 30, 2014	As of June 30, 2013
Notes payable	\$ 5,229,142	\$ 5,424,142	\$ -	\$ -	\$ 5,229,142	\$ 5,424,142
General obligation bonds	35,680,000	33,515,000	-	-	35,680,000	33,515,000
Bond premiums	1,814,897	1,190,979	-	-	1,814,897	1,190,979
Revenue bonds	43,580,000	47,225,000	-	-	43,580,000	47,225,000
Bond premiums	-	-	-	-	-	-
Parking Facilities revenue bonds	-	-	43,190,000	44,220,000	43,190,000	44,220,000
Bond premiums	-	-	44,046	45,989	44,046	45,989
Waterworks and Sewer System revenue bonds	-	-	432,210,000	365,715,000	432,210,000	365,715,000
Bond premiums	-	-	29,661,642	25,658,900	29,661,642	25,658,900
Contracts payable	-	-	-	645,601	-	645,601
Total	\$ 86,304,039	\$ 87,355,121	\$505,105,688	\$ 436,285,490	\$591,409,727	\$523,640,611

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
June 30, 2014

As noted earlier, the City's underlying bond rating for its general obligation debt issues and water and sewer revenue bonds as of June 30, 2014, 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, 2014, were rated "BBB+" by Standard and Poor's Rating Service and "A2" by Moody's Investor Service, Inc.

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, 2014, had \$35,680,000 in debt subject to this limitation which is less than the \$41,564,012 allowed without approval by the voters in the City.

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

Economic Factors and Next Year's Budget

Based on overall economic forecasts for South Carolina, the City expects to see a slow but steady recovery in fiscal year 2015. Economic forecasts project the Columbia metropolitan area will add more jobs than the national average. The unemployment rate for metro Columbia decreased from 8.00% in July 2013 to 5.50% in June 2014. Job growth in South Carolina is expected to increase 1.9% in fiscal year 2015. Real income for workers in South Carolina is expected to increase 1.8% in fiscal year 2015. The unemployment rate in South Carolina is expected to continue to decrease in fiscal year 2015. Fiscal year 2015 is expected to be very similar to fiscal year 2014.

General fund revenues are budgeted at \$111,029,947 for fiscal year 2015, an increase of approximately \$4,149,700 or 3.88% over fiscal year 2014. Property tax collections and fines and forfeitures collections are expected to increase slightly. General fund expenditures are budgeted at \$112,167,832 for fiscal year 2015, an increase of approximately \$75,200 or 0.07% over fiscal year 2014 final budget.

Key items that factored into the preparation of the budget for the year ending June 30, 2015, are listed below:

- The budget provides for either the implementation of the compensation and classification study or a 2% cost of living adjustment for employees.
- There will be no property tax increase for fiscal year 2015, and property tax revenues are expected to increase approximately \$596,400 or 1.20%.
- While the median sales price of a house increased approximately 5% in the second quarter of 2014 as compared to the second quarter of 2013, the sales volume decreased approximately 4% during the same time period.
- Initial unemployment claims in June 2014 was 8.4% less than in June 2013.
- The average hourly wage for the Columbia Metropolitan Statistical Area was \$22.49 in June 2014. This represents an increase of \$1.49 per hour when compared to June 2013.
- The number of building permits increased during 2014 and the number of foreclosure filings decreased suggesting the real estate market is continuing to improve.
- Increases are expected in health insurance premiums as well as pension and other employee benefit costs.
- Increased costs in maintaining the water and sewer system are expected as the City complies with the Consent Decree agreement entered into with the Environmental Protection Agency.

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, 2014

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and equivalents	\$ 107,135,594	\$ 172,489,645	\$ 279,625,239	\$ 8,308,850
Certificates of deposit	-	-	-	500,000
Investments	10,755,887	90,477,114	101,233,001	7,098,315
Receivables				
Property taxes, net of allowance	1,874,447	-	1,874,447	-
Federal government	1,582,998	-	1,582,998	-
State government	4,806,870	-	4,806,870	-
County government	648,631	-	648,631	-
Accounts, net of allowance	505,701	7,753,656	8,259,357	726,146
Accrued interest	20,340	154,925	175,265	35,958
Notes, net of allowance	1,969,763	573,517	2,543,280	127,774
Due from component units	-	871,833	871,833	-
Internal balances	12,054,227	(12,054,227)	-	-
Prepaid expenses	398,152	96,595	494,747	211,911
Inventory	673,027	2,671,032	3,344,059	-
Capital lease receivable	540,000	-	540,000	-
Real estate held for sale and development	-	404,350	404,350	2,035,092
Restricted assets				
Real estate held for sale and development	-	-	-	6,359,139
Total current assets	142,965,637	263,438,440	406,404,077	25,403,185
Noncurrent Assets				
Cash on deposit with escrow agent	-	1,300,166	1,300,166	50,000
Investments	11,828,067	93,711,379	105,539,446	-
Mortgage notes receivable, net of current portion	-	26,565,008	26,565,008	3,517,002
Deposits	78,745	-	78,745	-
Other assets				
Prepaid bond insurance costs	-	422,510	422,510	-
Organizational costs	-	-	-	5,731
Real estate held for sale or development	-	-	-	667,360
Security deposits	-	-	-	7,500
Capital lease receivable, net of current portion	14,829,142	-	14,829,142	-
Capital assets not being depreciated				
Land	32,647,161	30,111,133	62,758,294	2,767,568
Construction in progress	6,425,233	153,937,441	160,362,674	-
Capital assets net of accumulated depreciation				
Buildings, improvements and utility plant	144,615,099	573,875,162	718,490,261	7,074,614
Infrastructure	13,392,943	-	13,392,943	-
Machinery and equipment	15,110,122	21,562,925	36,673,047	-
Total noncurrent assets	238,926,512	901,485,724	1,140,412,236	14,089,775
TOTAL ASSETS	381,892,149	1,164,924,164	1,546,816,313	39,492,960
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	2,120,741	7,671,424	9,792,165	-
Accumulated decrease in fair value of hedging derivatives	1,829,366	20,070,469	21,899,835	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,950,107	27,741,893	31,692,000	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 385,842,256	\$ 1,192,666,057	\$ 1,578,508,313	\$ 39,492,960

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION (CONTINUED)
June 30, 2014

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	\$ 7,273,769	\$ 12,668,239	\$ 19,942,008	\$ 920,593
Accrued salaries and benefits	2,605,278	1,228,158	3,833,436	-
Accrued liability for claims	15,407,065	23,600	15,430,665	-
Accrued interest	336,787	9,350,894	9,687,681	-
Retainage payable	85,637	2,613,987	2,699,624	-
Unearned revenue	-	500,000	500,000	1,016,633
Due to primary government	-	-	-	500,000
Refundable advances	76,403	-	76,403	-
Due to related party	-	-	-	406
Due to grantor agency	-	-	-	15,172
Compensated absences	1,344,272	369,937	1,714,209	21,007
Deposits payable	37,299	26,000	63,299	57,476
Current notes and mortgages payable	195,000	-	195,000	1,224,355
General obligation bonds, current portion	5,015,000	-	5,015,000	-
Revenue bonds, current portion	3,720,000	9,160,000	12,880,000	-
Liabilities payable from restricted assets				
Due to primary government	-	-	-	371,833
Total current liabilities	36,096,510	35,940,815	72,037,325	4,127,475
Noncurrent liabilities				
Unearned revenue	-	1,303,766	1,303,766	-
Compensated absences	5,377,099	1,479,751	6,856,850	84,033
OPEB liability	48,612,704	-	48,612,704	-
Mortgages payable, net of current portion	-	-	-	10,491,852
General obligation bonds, net of current portion	77,374,039	-	77,374,039	-
Revenue bonds, net of current portion	-	495,945,688	495,945,688	-
Derivative instrument liability, interest rate swap	1,829,366	20,070,469	21,899,835	-
Total noncurrent liabilities	133,193,208	518,799,674	651,992,882	10,575,885
TOTAL LIABILITIES	169,289,718	554,740,489	724,030,207	14,703,360
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue - deferred property tax credit	2,521,972	-	2,521,972	-
NET POSITION				
Net investment in capital assets	156,454,488	375,763,776	532,218,264	4,883,048
Restricted for				
Capital projects	19,833,612	-	19,833,612	-
Debt service	3,339,548	9,330,640	12,670,188	-
Tourism	3,155,058	-	3,155,058	-
Public safety	4,233,960	-	4,233,960	-
Community development				
Expendable	102,259	-	102,259	742,164
Nonexpendable	5,000	-	5,000	-
Unrestricted	26,906,641	252,831,152	279,737,793	19,164,388
TOTAL NET POSITION	214,030,566	637,925,568	851,956,134	24,789,600
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$ 385,842,256	\$ 1,192,666,057	\$ 1,578,508,313	\$ 39,492,960

See accompanying Notes to Financial Statements

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

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	\$ 8,049,816	\$ 758,177	\$ 2,339,163	\$ 393,750	\$ (4,558,726)	\$ -	\$ (4,558,726)	\$ -
Judicial	2,615,194	-	-	-	(2,615,194)	-	(2,615,194)	-
Finance department	1,726,481	31,467,056	-	-	29,740,575	-	29,740,575	-
Community development	5,787,850	832,159	3,120,983	-	(1,834,708)	-	(1,834,708)	-
Public safety	84,053,096	22,040,936	23,203,634	-	(38,808,526)	-	(38,808,526)	-
Parks and recreation	12,290,401	818,304	-	-	(11,472,097)	-	(11,472,097)	-
Public services	21,960,858	344,718	298,722	373,087	(20,944,331)	-	(20,944,331)	-
General services	4,933,285	-	-	-	(4,933,285)	-	(4,933,285)	-
Community promotion	12,872,657	-	5,485,700	-	(7,386,957)	-	(7,386,957)	-
Interest and other charges	2,955,994	-	-	-	(2,955,994)	-	(2,955,994)	-
Non departmental	2,515,184	-	-	-	(2,515,184)	-	(2,515,184)	-
Total governmental activities	<u>159,760,816</u>	<u>56,261,350</u>	<u>34,448,202</u>	<u>766,837</u>	<u>(68,284,427)</u>	<u>-</u>	<u>(68,284,427)</u>	<u>-</u>
Business-type activities								
Water/sewer facilities	100,389,819	116,644,423	-	5,431,910	-	21,686,514	21,686,514	-
Hydro-electric plant	3,012,376	4,843,922	-	-	-	1,831,546	1,831,546	-
Stormwater facilities	5,668,819	6,958,281	-	-	-	1,289,462	1,289,462	-
Parking facilities	6,162,449	6,495,064	-	-	-	332,615	332,615	-
Redevelopment programs	848,141	564,456	-	-	-	(283,685)	(283,685)	-
Parks and recreation camps	324,209	275,182	-	-	-	(49,027)	(49,027)	-
Total business-type activities	<u>116,405,813</u>	<u>135,781,328</u>	<u>-</u>	<u>5,431,910</u>	<u>-</u>	<u>24,807,425</u>	<u>24,807,425</u>	<u>-</u>
Total Primary Government	<u>\$ 276,166,629</u>	<u>\$ 192,042,678</u>	<u>\$ 34,448,202</u>	<u>\$ 6,198,747</u>	<u>(68,284,427)</u>	<u>24,807,425</u>	<u>(43,477,002)</u>	<u>-</u>
COMPONENT UNITS	<u>\$ 10,713,532</u>	<u>\$ 7,607,463</u>	<u>\$ 59,838</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,046,231)</u>
General revenues:								
General property taxes					34,353,070	-	34,353,070	-
Local Option Sales Tax					16,465,463	-	16,465,463	-
Sales taxes					12,072,024	-	12,072,024	-
Motor fuel taxes					1,381	-	1,381	-
State shared revenue					2,805,133	-	2,805,133	-
Appropriations - City of Columbia					-	-	-	4,192,510
Unrestricted investment earnings					89,001	1,158,475	1,247,476	97,145
Gain on disposal of capital assets					109,361	322,133	431,494	7,707
Transfers					9,031,340	(9,031,340)	-	-
Total general revenues and transfers					<u>74,926,773</u>	<u>(7,550,732)</u>	<u>67,376,041</u>	<u>4,297,362</u>
Change in net position					<u>6,642,346</u>	<u>17,256,693</u>	<u>23,899,039</u>	<u>1,251,131</u>
Net position - beginning of period as previously reported					209,060,132	625,001,108	834,061,240	23,538,469
Restatement (Note VII. C.)					<u>(1,671,912)</u>	<u>(4,332,236)</u>	<u>(6,004,148)</u>	<u>-</u>
Net position - beginning of period as restated					<u>207,388,220</u>	<u>620,668,875</u>	<u>828,057,095</u>	<u>23,538,469</u>
Net position - end of period					<u>\$ 214,030,566</u>	<u>\$ 637,925,568</u>	<u>\$ 851,956,134</u>	<u>\$ 24,789,600</u>

See accompanying Notes to Financial Statements.

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

June 30, 2014

	General Fund	County Services	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 24,883,258	\$ 2,746,325	\$ 26,555,852	\$ 54,185,435
Investments	10,146,467	-	12,437,487	22,583,954
Receivables				
Property taxes, net	1,874,447	-	-	1,874,447
Federal government	-	-	1,582,998	1,582,998
State government	4,042,824	-	764,046	4,806,870
County	-	-	648,631	648,631
Accounts, net	195,788	-	-	195,788
Accrued interest receivable	20,325	-	15	20,340
Note receivable	-	-	1,969,763	1,969,763
Capital lease receivable	15,369,142	-	-	15,369,142
Due from other funds	-	-	2,948,761	2,948,761
Prepaid charges	233,945	56,905	-	290,850
TOTAL ASSETS	\$ 56,766,196	\$ 2,803,230	\$ 46,907,553	\$ 106,476,979
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 4,066,876	\$ 247,320	\$ 1,003,007	\$ 5,317,203
Accrued salaries and benefits	2,043,004	409,104	25,992	2,478,100
Retainage payable	-	-	85,637	85,637
Refundable advances	-	-	76,403	76,403
Due to other funds	1,589,930	-	4,478,015	6,067,945
Customer deposits	37,299	-	-	37,299
Advances from other funds	1,150,042	-	-	1,150,042
Total liabilities	8,887,151	656,424	5,669,054	15,212,629
Deferred inflows of resources				
Unearned revenue - deferred property tax credit	2,521,972	-	-	2,521,972
Unavailable revenue - property taxes	993,604	-	-	993,604
Unavailable revenue - capital lease receivable	15,369,142	-	-	15,369,142
Total deferred inflows of resources	18,884,718	-	-	18,884,718
Fund balances				
Nonspendable	233,945	56,905	5,000	295,850
Restricted	-	-	28,565,017	28,565,017
Committed	72,975	-	-	72,975
Assigned	3,627,442	2,089,901	12,668,482	18,385,825
Unassigned	25,059,965	-	-	25,059,965
Total fund balances	28,994,327	2,146,806	41,238,499	72,379,632
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 56,766,196	\$ 2,803,230	\$ 46,907,553	\$ 106,476,979

See accompanying Notes to Financial Statements.

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

June 30, 2014

Total fund balance, governmental funds \$ 72,379,632

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	\$	32,647,161	
Construction in progress		5,949,583	
Buildings and improvements, net		143,711,513	
Infrastructure, net		13,392,943	
Machinery and equipment, net		15,036,868	210,738,068

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

Unamortized deferred loss on refunding			2,120,741
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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.

993,604

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.

(5,104,570)

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.

10,702,891

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

Accrued compensated absences	\$	(6,528,116)	
Accrued interest payable		(336,787)	
Bonds and notes payable		(84,489,142)	
Unamortized premium		(1,814,897)	(93,168,942)

Capital leases receivable does not provide current financial resources and, therefore, is deferred in the fund financial statements.

15,369,142

Net position of governmental activities in the statement of net position

\$ 214,030,566

See accompanying Notes to Financial Statements.

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

Year Ended June 30, 2014

	General Fund	County Services	Other Governmental Funds	Total Governmental Funds
REVENUES				
General property taxes	\$ 50,884,644	\$ -	\$ -	\$ 50,884,644
Sales, hospitality and admission taxes	237,876	-	11,834,148	12,072,024
Licenses and permits	31,466,856	-	-	31,466,856
Intergovernmental revenue	14,380,520	-	-	14,380,520
Charges for services	12,660,051	-	32,336	12,692,387
Fines and forfeitures	1,164,759	-	169,661	1,334,420
Federal government	-	-	3,942,851	3,942,851
State government	-	-	1,010,674	1,010,674
County government	-	21,487,666	6,254,451	27,742,117
Promotions	-	-	78,047	78,047
Confiscated funds	-	-	267,863	267,863
Interest	75,840	-	13,264	89,104
Other revenues	151,130	-	1,264,175	1,415,305
Total revenues	111,021,676	21,487,666	24,867,470	157,376,812
EXPENDITURES				
Current				
General government	6,950,028	-	159,809	7,109,837
Judicial	2,481,917	-	-	2,481,917
Finance department	1,668,970	-	-	1,668,970
Planning and development	4,013,337	-	-	4,013,337
Public safety	53,515,209	20,958,391	1,395,276	75,868,876
Parks and recreation	10,075,127	-	-	10,075,127
Public services	16,544,599	-	931,611	17,476,210
General services	4,757,553	-	-	4,757,553
Community promotion	537,983	-	14,611,090	15,149,073
Non departmental	2,835,449	-	-	2,835,449
Debt service				
Principal payment on bonds	540,000	-	8,449,992	8,989,992
Interest on bonds	891,719	-	2,018,089	2,909,808
Fiscal agent charges	-	-	4,587	4,587
Debt issuance costs	-	-	243,479	243,479
Capital outlay				
Capital outlay	4,420,483	-	4,256,263	8,676,746
Total expenditures	109,232,374	20,958,391	32,070,196	162,260,961
Excess (deficiency) of revenues over (under) expenditures	1,789,302	529,275	(7,202,726)	(4,884,149)
OTHER FINANCING SOURCES (USES)				
Transfers in	14,314,514	-	11,846,235	26,160,749
Transfers (out)	(12,330,917)	(158,730)	(8,717,087)	(21,206,734)
Sale of general capital assets	382,589	-	-	382,589
Proceeds from borrowing	-	-	7,315,000	7,315,000
Premium on bond issuance	-	-	816,175	816,175
Total other financing sources (uses)	2,366,186	(158,730)	11,260,323	13,467,779
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	4,155,488	370,545	4,057,597	8,583,630
Beginning fund balances	24,838,839	1,776,261	37,180,902	63,796,002
Ending fund balances	\$ 28,994,327	\$ 2,146,806	\$ 41,238,499	\$ 72,379,632

See accompanying Notes to Financial Statements.

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

Year Ended June 30, 2014

Net change in fund balances - total governmental funds	\$	8,583,630
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	\$ 8,676,746	
Depreciation expense	<u>(12,027,889)</u>	(3,351,143)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales and disposals) is to decrease net position.</p>		
Disposition of capital assets	\$ 237,763	
Proceeds from the sale of capital assets	<u>(382,589)</u>	(144,826)
<p>Internal service funds are used by management to charge costs of certain activities to individual funds. The net revenue of the internal service funds is included in governmental activities in the statement of activities.</p>		
		379,285
<p>Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental fund statements because they are not financial resources.</p>		
		393,750
<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>		
Collections on capital lease receivable	\$ (540,000)	
Property taxes	<u>(66,111)</u>	(606,111)
<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 payable issued	\$ (7,315,000)	
Proceeds from bond premium	(816,175)	
Principal retirement of long-term debt	8,990,000	
Amortization of premium	(192,256)	
Amortization of bond refunding deferred charge	<u>(239,342)</u>	427,227
<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	\$ (274,420)	
Accrued interest payable	<u>(2,639)</u>	(277,059)
<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>		
		<u>1,237,593</u>
Change in net position of governmental activities	\$	<u>6,642,346</u>

See accompanying Notes to Financial Statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

	Business-type Activities			Total	Governmental
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 142,308,439	\$ 8,742,819	\$ 21,438,387	\$ 172,489,645	\$ 52,950,159
Investments	78,946,142	5,517,937	6,013,035	90,477,114	-
Accounts receivable, net	7,333,325	41,337	378,994	7,753,656	309,913
Mortgage notes receivable, net	159,850	-	413,667	573,517	-
Accrued interest receivable	128,201	14,679	12,045	154,925	-
Due from other funds	4,498,622	-	-	4,498,622	7,000,000
Due from component units	500,000	-	371,833	871,833	-
Inventory	2,531,118	139,914	-	2,671,032	673,027
Prepaid expenses	81,714	5,085	9,796	96,595	107,301
Real estate held for resale	-	-	404,350	404,350	-
Total current assets	236,487,411	14,461,771	29,042,107	279,991,289	61,040,400
Noncurrent Assets					
Mortgage notes receivable, net	386,122	-	26,178,886	26,565,008	-
Investments	92,866,515	844,864	-	93,711,379	-
Cash on deposit with escrow agent	1,300,166	-	-	1,300,166	-
Deposits	-	-	-	-	78,745
Unamortized bond insurance costs	-	422,510	-	422,510	-
Advances to other funds	1,150,042	-	-	1,150,042	-
Capital assets					
Land	13,919,668	15,845,287	346,178	30,111,133	-
Buildings, improvements and utility plant	838,386,800	56,520,924	25,318,318	920,226,042	903,586
Machinery and equipment	45,313,054	1,337,893	2,894,871	49,545,818	3,577,966
Less accumulated depreciation	(351,647,149)	(15,262,897)	(7,423,727)	(374,333,773)	(3,504,711)
Construction in progress	149,704,800	409,838	3,822,803	153,937,441	475,650
Net capital assets	695,677,173	58,851,045	24,958,443	779,486,661	1,452,491
Total noncurrent assets	791,380,018	60,118,419	51,137,329	902,635,766	1,531,236
TOTAL ASSETS	1,027,867,429	74,580,190	80,179,436	1,182,627,055	62,571,636
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	7,671,424	-	-	7,671,424	-
Accumulated decrease in fair value of hedging derivatives	20,070,469	-	-	20,070,469	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	27,741,893	-	-	27,741,893	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,055,609,322	\$ 74,580,190	\$ 80,179,436	\$ 1,210,368,948	\$ 62,571,636

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
June 30, 2014

	Business-type Activities			Total	Governmental
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
LIABILITIES AND NET POSITION					
Current Liabilities					
Accounts payable	\$ 11,510,297	\$ 360,605	\$ 797,337	\$ 12,668,239	\$ 1,956,566
Accrued salaries and benefits	1,039,784	72,419	115,955	1,228,158	127,178
Compensated absences	330,455	20,830	18,652	369,937	38,649
Retainage payable	2,424,371	-	189,616	2,613,987	-
Accrued interest payable	8,475,577	875,317	-	9,350,894	-
Revenue bonds payable	8,095,000	1,065,000	-	9,160,000	-
Due to other funds	-	-	7,000,000	7,000,000	1,379,438
Deposits payable	26,000	-	-	26,000	-
Unearned revenue	-	-	500,000	500,000	-
Accrued liability for claims	23,600	-	-	23,600	15,407,065
Total current liabilities	31,925,084	2,394,171	8,621,560	42,940,815	18,908,896
Noncurrent Liabilities					
Compensated absences	1,321,823	83,323	74,605	1,479,751	154,606
OPEB liability	-	-	-	-	48,612,704
Revenue bonds payable - net	453,776,642	42,169,046	-	495,945,688	-
Derivative instrument liability - interest rate swap	20,070,469	-	-	20,070,469	-
Unearned revenue	1,303,766	-	-	1,303,766	-
Total noncurrent liabilities	476,472,700	42,252,369	74,605	518,799,674	48,767,310
Total liabilities	508,397,784	44,646,540	8,696,165	561,740,489	67,676,206
Net Position					
Net investment in capital assets	334,343,470	16,461,863	24,958,443	375,763,776	1,452,491
Restricted for debt service	9,330,640	-	-	9,330,640	-
Unrestricted	203,537,428	13,471,787	46,524,828	263,534,043	(6,557,061)
Total net position	547,211,538	29,933,650	71,483,271	648,628,459	(5,104,570)
TOTAL LIABILITIES AND NET POSITION	\$ 1,055,609,322	\$ 74,580,190	\$ 80,179,436		\$ 62,571,636
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				(10,702,891)	
Net position of business-type activities				<u>\$ 637,925,568</u>	

See accompanying Notes to Financial Statements

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

Year Ended June 30, 2014

	Business-type Activities			Total	Governmental Activities
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
Operating revenues					
Charges for service	\$ 116,146,448	\$ 4,406,831	\$ 11,101,935	\$ 131,655,214	\$ 45,805,319
Other operating revenue	352,272	1,979,558	39,906	2,371,736	-
Total operating revenues	116,498,720	6,386,389	11,141,841	134,026,950	45,805,319
Operating expenses					
Personnel services	30,183,595	2,186,736	3,668,054	36,038,385	3,766,416
Materials and supplies	8,759,851	173,345	285,488	9,218,684	9,850,268
Other services and charges	19,739,467	337,326	4,375,256	24,452,049	5,481,754
Heat, light and power	7,127,184	342,970	-	7,470,154	50,985
Depreciation	23,665,647	1,483,042	1,023,896	26,172,585	296,311
Claims and premiums	-	-	-	-	30,059,199
Bad debt expense	379,600	33,126	401,879	814,605	-
Total operating expenses	89,855,344	4,556,545	9,754,573	104,166,462	49,504,933
Operating income (loss)	26,643,376	1,829,844	1,387,268	29,860,488	(3,699,614)
Nonoperating revenues (expenses)					
Investment income (loss)	972,514	97,391	88,570	1,158,475	-
Other nonoperating revenue	149,203	108,675	1,500,000	1,757,878	-
Gain (loss) from sale of assets	303,828	-	18,305	322,133	1,575
Interest expense	(8,933,009)	(1,482,784)	-	(10,415,793)	-
Amortization of deferred charges	(563,534)	(25,932)	-	(589,466)	-
Total nonoperating revenues (expenses)	(8,070,998)	(1,302,650)	1,606,875	(7,766,773)	1,575
Income (loss) before contributions and transfers	18,572,378	527,194	2,994,143	22,093,715	(3,698,039)
Capital contributions and transfers					
Transfers in	1,550	-	5,465,920	5,467,470	5,624,610
Transfers out	(8,059,797)	(178,323)	(6,260,689)	(14,498,809)	(1,547,286)
Development contributions	5,431,910	-	-	5,431,910	-
Total capital contributions and transfers	(2,626,337)	(178,323)	(794,769)	(3,599,429)	4,077,324
Change in net position	15,946,041	348,871	2,199,374	18,494,286	379,285
Net position - beginning as previously reported	535,099,215	30,083,297	69,283,897		(5,483,855)
Restatement (Note VII. C.)	(3,833,718)	(498,518)	-		-
Net position - beginning as restated	531,265,497	29,584,779	69,283,897		(5,483,855)
Net position - ending	\$ 547,211,538	\$ 29,933,650	\$ 71,483,271		\$ (5,104,570)
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				(1,237,593)	
Change in net position of business-type activities				<u>\$ 17,256,693</u>	

See accompanying Notes to Financial Statements.

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

Year Ended June 30, 2014

	Business-type Activities			Total	Governmental Activities
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
Cash Flows From Operating Activities					
Receipts from customers and users	\$ 116,625,547	\$ 6,390,338	\$ 11,139,635	\$ 134,155,520	\$ 1,895,488
Internal activity - receipts from other funds	-	-	-	-	44,260,499
Internal activity - payments to other funds	(9,265,795)	(543,966)	(798,324)	(10,608,085)	(556,647)
Payments to suppliers	(34,097,086)	(437,909)	(4,922,777)	(39,457,772)	(13,293,504)
Claims paid	(476,400)	-	-	(476,400)	(30,643,251)
Payments to employees	(24,667,048)	(1,779,908)	(3,205,233)	(29,652,189)	(2,538,497)
Net cash provided by (used in) operating activities	<u>48,119,218</u>	<u>3,628,555</u>	<u>2,213,301</u>	<u>53,961,074</u>	<u>(875,912)</u>
Cash Flows From Noncapital Financing Activities					
Advances to other funds	(1,626,220)	-	-	(1,626,220)	(447,317)
Advances from other funds	-	-	58,377	58,377	-
Payments on contracts payable	-	-	(645,600)	(645,600)	-
Other nonoperating revenues	149,203	108,675	-	257,878	-
Transfers in	1,550	-	5,465,920	5,467,470	5,624,610
Transfers out	(8,059,797)	(178,323)	(6,260,689)	(14,498,809)	(1,547,286)
Net cash provided by (used in) noncapital financing activities	<u>(9,535,264)</u>	<u>(69,648)</u>	<u>(1,381,992)</u>	<u>(10,986,904)</u>	<u>3,630,007</u>
Cash Flows From Capital And Related Financing Activities					
Principal paid on bonds and notes	(8,810,000)	(1,030,000)	-	(9,840,000)	-
Interest paid on debt	(16,180,274)	(2,139,182)	-	(18,319,456)	-
Proceeds from capital debt	80,974,496	-	-	80,974,496	-
Purchase of capital assets	(47,155,965)	(554,457)	(2,248,474)	(49,958,896)	(269,023)
Proceeds from sale of capital assets	198,879	-	-	198,879	1,575
Net cash provided by (used in) capital and related financing activities	<u>9,027,136</u>	<u>(3,723,639)</u>	<u>(2,248,474)</u>	<u>3,055,023</u>	<u>(267,448)</u>
Cash Flows From Investing Activities					
Sale of investments	-	313,027	157,997	471,024	-
Purchase of investments	(36,808,874)	-	-	(36,808,874)	-
Advances of mortgage notes receivable	(140,327)	-	(2,080,591)	(2,220,918)	-
Collections of mortgage notes receivable	221,425	-	1,863,451	2,084,876	-
Interest received	818,673	89,579	73,526	981,778	-
Net cash provided by (used in) investing activities	<u>(35,909,103)</u>	<u>402,606</u>	<u>14,383</u>	<u>(35,492,114)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	11,701,987	237,874	(1,402,782)	10,537,079	2,486,647
Cash and cash equivalents, July 1, 2013	131,906,618	8,504,945	22,841,169	163,252,732	50,463,512
Cash and cash equivalents, June 30, 2014	<u>\$ 143,608,605</u>	<u>\$ 8,742,819</u>	<u>\$ 21,438,387</u>	<u>\$ 173,789,811</u>	<u>\$ 52,950,159</u>

(Continued)

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

Year Ended June 30, 2014

	Business-type Activities			Total	Governmental Activities
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	<u>\$ 26,643,376</u>	<u>\$ 1,829,844</u>	<u>\$ 1,387,268</u>	<u>\$ 29,860,488</u>	<u>\$ (3,699,614)</u>
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	23,665,647	1,483,042	1,023,896	26,172,585	296,311
Bad debt expense	379,600	33,126	401,879	814,605	-
Change in operating assets and liabilities					
Accounts receivable	126,827	3,949	(378,780)	(248,004)	350,668
Inventory	(199,515)	(28,032)	-	(227,547)	(28,915)
Prepaid expenses	42,428	3,408	(1,165)	44,671	94,851
Accounts payable	716,573	326,456	(237,330)	805,699	(89,148)
Accrued salaries	(68,274)	(7,115)	(1,962)	(77,351)	(8,563)
Accrued compensated absences	(145,789)	(16,123)	19,495	(142,417)	(16,434)
OPEB liability	-	-	-	-	2,808,984
Accrued expenses	(2,565,655)	-	-	(2,565,655)	-
Accrued liability for claims	(476,000)	-	-	(476,000)	(584,052)
Total adjustments	<u>21,475,842</u>	<u>1,798,711</u>	<u>826,033</u>	<u>24,100,586</u>	<u>2,823,702</u>
Net cash provided by (used in) operating activities	<u><u>\$ 48,119,218</u></u>	<u><u>\$ 3,628,555</u></u>	<u><u>\$ 2,213,301</u></u>	<u><u>\$ 53,961,074</u></u>	<u><u>\$ (875,912)</u></u>
Noncash Investing, Capital and Financing Activities					
Water and sewer contributed assets	<u><u>\$ 5,431,910</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,431,910</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

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

June 30, 2014

	<u>Private- Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 12,561	\$ 33,484
Total assets	<u>12,561</u>	<u>\$ 33,484</u>
LIABILITIES		
Accounts payable	<u>128</u>	<u>\$ 33,484</u>
Total liabilities	<u>128</u>	<u>\$ 33,484</u>
NET POSITION		
Held in trust - other purposes	<u>\$ 12,433</u>	

See accompanying Notes to Financial Statements.

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

Year Ended June 30, 2014

	<u>Private- Purpose Trust Funds</u>
ADDITIONS	
Contributions:	
Private donations	\$ 16,819
Total contributions	<u>16,819</u>
 DEDUCTIONS	
Administrative expenses	<u>16,462</u>
Total deductions	<u>16,462</u>
Change in net position	357
Net position - beginning	<u>12,076</u>
Net position - ending	<u><u>\$ 12,433</u></u>

See accompanying Notes to Financial Statements.

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

June 30, 2014

	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	TN Development Corporation	Columbia Empowerment Zone, Inc.	Total
ASSETS							
Current Assets							
Cash and cash equivalents	\$ 263,096	\$ 209,965	\$ 274,067	\$ 5,254,442	\$ 1,059,681	\$ 1,247,599	\$ 8,308,850
Certificates of deposit	200,000	100,000	100,000	-	100,000	-	500,000
Investments	-	-	-	7,098,315	-	-	7,098,315
Accounts receivable, net	97,015	5,348	-	584,803	31,078	7,902	726,146
Accrued interest receivable	-	-	-	-	-	35,958	35,958
Mortgage notes receivable, current portion	3,170	39,320	-	-	-	85,284	127,774
Prepaid expenses	42,055	3,769	5,324	137,908	18,535	4,320	211,911
Real estate held for sale and development, net	827,348	551,577	656,167	-	-	-	2,035,092
Restricted Assets							
Real estate held for sale and development	5,764,497	556,397	38,245	-	-	-	6,359,139
Total current assets	<u>7,197,181</u>	<u>1,466,376</u>	<u>1,073,803</u>	<u>13,075,468</u>	<u>1,209,294</u>	<u>1,381,063</u>	<u>25,403,185</u>
Capital Assets							
Capital assets, not being depreciated	5,556	83,204	73,000	-	710,731	1,895,077	2,767,568
Capital assets, net of accumulated depreciation	-	614,368	362,781	674,240	3,250,831	2,172,394	7,074,614
Net capital assets	<u>5,556</u>	<u>697,572</u>	<u>435,781</u>	<u>674,240</u>	<u>3,961,562</u>	<u>4,067,471</u>	<u>9,842,182</u>
Other Assets							
Mortgage note receivable, net of allowance	760,461	684,702	-	-	-	2,071,839	3,517,002
Real estate held for sale and development	-	-	-	-	667,360	-	667,360
Organizational costs	-	-	-	-	-	5,731	5,731
Security deposits	-	-	-	2,500	5,000	-	7,500
Cash on deposit with escrow agent	50,000	-	-	-	-	-	50,000
Total other assets	<u>810,461</u>	<u>684,702</u>	<u>-</u>	<u>2,500</u>	<u>672,360</u>	<u>2,077,570</u>	<u>4,247,593</u>
TOTAL ASSETS	<u><u>\$ 8,013,198</u></u>	<u><u>\$ 2,848,650</u></u>	<u><u>\$ 1,509,584</u></u>	<u><u>\$ 13,752,208</u></u>	<u><u>\$ 5,843,216</u></u>	<u><u>\$ 7,526,104</u></u>	<u><u>\$ 39,492,960</u></u>

(Continued)

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

June 30, 2014

	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	TN Development Corporation	Columbia Empowerment Zone, Inc.	Total
LIABILITIES							
Current Liabilities							
Accounts payable	\$ 23,957	\$ 4,779	\$ 25,419	\$ 358,136	\$ 75,592	\$ 25,918	\$ 513,801
Accrued expenses	36,737	39,009	12,573	236,935	75,984	5,554	406,792
Customer deposits	-	4,963	2,100	-	41,544	8,869	57,476
Due to primary government	200,000	100,000	100,000	-	100,000	-	500,000
Due to related party	-	406	-	-	-	-	406
Due to grantor agency	-	15,172	-	-	-	-	15,172
Compensated absences	7,019	3,913	1,188	-	6,324	2,563	21,007
Mortgage/bonds/notes payable/ lines of credit - current portion	-	44,305	1,055,872	-	124,178	-	1,224,355
Unearned revenue	-	151,720	1,581	704,775	158,557	-	1,016,633
Liabilities payable from restricted assets							
Due to primary government	-	365,838	5,995	-	-	-	371,833
Total current liabilities	267,713	730,105	1,204,728	1,299,846	582,179	42,904	4,127,475
Noncurrent Liabilities							
Compensated absences	28,078	15,652	4,754	-	25,297	10,252	84,033
Mortgage/bonds/lines of credit payable	5,909,222	567,275	-	-	4,015,355	-	10,491,852
Total noncurrent liabilities	5,937,300	582,927	4,754	-	4,040,652	10,252	10,575,885
TOTAL LIABILITIES	6,205,013	1,313,032	1,209,482	1,299,846	4,622,831	53,156	14,703,360
Net Position							
Net investment in capital assets	5,556	-	135,781	674,240	-	4,067,471	4,883,048
Restricted							
Housing projects	-	742,164	-	-	-	-	742,164
Unrestricted	1,802,629	793,454	164,321	11,778,122	1,220,385	3,405,477	19,164,388
Total net position	1,808,185	1,535,618	300,102	12,452,362	1,220,385	7,472,948	24,789,600
TOTAL LIABILITIES AND NET POSITION	\$ 8,013,198	\$ 2,848,650	\$ 1,509,584	\$ 13,752,208	\$ 5,843,216	\$ 7,526,104	\$ 39,492,960

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES -
BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS
Year Ended June 30, 2014**

	Program Revenue				Net (Expense) Revenues and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	TN Development Corporation	Columbia Empowerment Zone, Inc.	Totals
Columbia Development Corporation											
Community Development	\$ 613,495	\$ 19,035	\$ -	\$ -	\$ (594,460)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (594,460)
Columbia Housing Development Corporation											
Community Development	487,805	33,703	28,126	-	-	(425,976)	-	-	-	-	(425,976)
Eau Claire Development Corporation											
Community Development	302,262	43,845	-	-	-	-	(258,417)	-	-	-	(258,417)
Midlands Authority for Convention, Sports, and Tourism											
Community Promotions	7,604,177	6,242,129	-	-	-	-	-	(1,362,048)	-	-	(1,362,048)
TN Development Corporation											
Community Development	1,311,896	959,758	31,712	-	-	-	-	-	(320,426)	-	(320,426)
Columbia Empowerment Zone, Inc.											
Community Development	393,897	308,993	-	-	-	-	-	-	-	(84,904)	(84,904)
Total component units	<u>\$ 10,713,532</u>	<u>\$ 7,607,463</u>	<u>\$ 59,838</u>	<u>\$ -</u>	<u>(594,460)</u>	<u>(425,976)</u>	<u>(258,417)</u>	<u>(1,362,048)</u>	<u>(320,426)</u>	<u>(84,904)</u>	<u>(3,046,231)</u>
General revenues:											
Appropriations - City of Columbia					310,109	220,176	191,628	2,952,182	406,576	111,839	4,192,510
Investment earnings					77,443	5,448	307	13,947	-	-	97,145
Gain from disposal of capital assets					-	7,707	-	-	-	-	7,707
Total general revenues					<u>387,552</u>	<u>233,331</u>	<u>191,935</u>	<u>2,966,129</u>	<u>406,576</u>	<u>111,839</u>	<u>4,297,362</u>
Change in net position					(206,908)	(192,645)	(66,482)	1,604,081	86,150	26,935	1,251,131
Net position - beginning (TNDC restated)					<u>2,015,093</u>	<u>1,728,263</u>	<u>366,584</u>	<u>10,848,281</u>	<u>1,134,235</u>	<u>7,446,013</u>	<u>23,538,469</u>
Net position - ending					<u>\$ 1,808,185</u>	<u>\$ 1,535,618</u>	<u>\$ 300,102</u>	<u>\$ 12,452,362</u>	<u>\$ 1,220,385</u>	<u>\$ 7,472,948</u>	<u>\$ 24,789,600</u>

See accompanying Notes to Financial Statements.

INDEX TO NOTES TO FINANCIAL STATEMENTS

CITY OF COLUMBIA, SOUTH CAROLINA
Index to Notes to Financial Statements
Year Ended June 30, 2014

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Year Ended June 30, 2014

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CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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 132,000 living within an area of 134.94 square miles. The Greater Columbia Metropolitan Area consists of Lexington and Richland Counties and has an estimated population of 785,000. The City's economy is driven by education, government, military, finance, and industry. In 1950, the City approved a charter adopting a Council-Manager form of government and is governed by a six member council and Mayor.

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

A. REPORTING ENTITY

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

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

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

Blended Component Units

Public Facilities Corporation

This is a single-purpose corporate entity that was formed in 2002 as a non-profit corporation to undertake certain obligations with respect to the acquisition of real and personal property and the design, construction, operation, and financing of a multipurpose conference/convention center and other improvements. Its board is comprised of the City Manager of Columbia, the Assistant City Manager for Development, and the Finance Director or the equivalent thereof. For details of the outstanding debt see Note III. H. The balances of this entity are reported in the Tourism Development Convention Center fund, a nonmajor special revenue fund. The Corporation does not issue separate financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Blended Component Units (Continued)

Columbia Parking Facilities Corporation

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

Discretely Presented Component Units

Columbia Empowerment Zone, Inc. (CEZ)

Incorporated in 2009, the CEZ was formed to carry out the mission of the Columbia Empowerment Zone, Inc., a federally designated area (1999-2009). The purpose of CEZ is to initiate, develop, and maintain projects and programs in economically depressed or blighted areas that encourage the attraction and utilization of both public and private investment capital. The Board of Directors is composed of nine members. New board members are appointed by the existing board. The entity promotes: the fostering of sustainable business; government and community alliances to help lessen the burdens of government; reduction of physical and economic blight; combating community deterioration by fostering business attraction, retention, and expansion in areas in need of permanent job opportunities; workforce advancement and general growth opportunities. Funding for the CEZ is derived from appropriations from the City of Columbia, loan repayments, rental income, and grant funds. The City from time to time 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 of Columbia.

Columbia Development Corporation (CDC)

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

Columbia Housing Development Corporation (CHDC)

The CHDC, an eleemosynary organization, was formed in 1980 to assist the City in the development of housing and to promote growth in the residential base of the community. The twelve-member Board of Directors is composed of three members of City Council, the Mayor, the City Manager, and seven members that are appointed by City Council. In an ex-officio capacity, city staff serves as the Secretary/Treasurer and the Executive Director. Funding for CHDC is derived from sale of properties, interest income, mortgages receivable, U.S. Department of Housing and Urban Development (HUD) grants passed through the South Carolina State Housing, Finance and Development Authority, and appropriations from the City.

Eau Claire Development Corporation (ECDC)

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Discretely Presented Component Units (Continued)

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

The MACST, originally incorporated as the Midlands Regional Convention Center in July 2001, was formed to oversee the development of a regional convention center and operate the convention center under a long-term management arrangement for the mutual benefit of the City and Richland and Lexington Counties of South Carolina (the Governmental Entities). The Governmental Entities have pledged their tourism development fees to support this project. However, outside of this pledge of revenues, the City issued the debt to fund this project and is responsible for the ongoing debt payments. The City owns the building where the MACST is located.

TN Development Corporation (TNDC)

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

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

B. BASIS OF PRESENTATION

GOVERNMENT WIDE FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS

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

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

Governmental Fund Types:

General Fund

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Special Revenue Funds

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

- County Services (a major fund) – accounts for fire services and 911 emergency communications provided to citizens outside the City limits and the reimbursement for expenditures from Richland County.
- 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 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.
- Confiscated Drug Program – accounts for the disposition of forfeited property and money seized in Columbia by law enforcement agencies.
- 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.
- Franchise Fee – accounts for the two percent increase in the SCE&G franchise fee to be used to fund public transportation.
- Community Development – accounts for the Community Development Block Grants and other community development type grants.
- Federal Grants – accounts for federal grant funds received except for Community Development Block Grants.
- Other Programs – provides for miscellaneous programs for park improvements and special events.
- Tourism Development Convention Center – accounts for the Tourism Development Fee imposed upon the rental of hotels, motels, and other lodging establishments in the City. This fee is dedicated to the attraction of and improving the services provided to tourists. This fund also accounts for the activities of the Public Facilities Corporation, a blended component unit.

Debt Service Fund

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Capital Projects Funds

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

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

Permanent Funds

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

- Dickson Trust – accounts for trust funds specifically intended for the income to be used for beautification of the parks. The funds are invested in an interest bearing account. The amount invested equals the fair value.

Proprietary Fund Types:

Business-type Funds

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

- Water/Sewer Facilities Fund (a major fund) -- accounts for water and sewer utility activities.
- Parking Facilities Fund (a major fund) -- accounts for parking garage and parking ticket activities.
- Hydro-Electric Facilities Fund -- accounts for hydro-electric plant activities.
- Stormwater Facilities Fund -- accounts for stormwater utility activities.
- Redevelopment Programs Fund -- accounts for various home rehabilitation and mortgage lending programs funded from various sources.
- Parks and Recreation Camp Fund -- accounts for parks and recreation camp activities.
- Economic Development Fund – accounts for economic develop activities.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Internal Service Funds

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

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

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

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

Agency Fund

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

Private-Purpose Trust Funds

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

Major Funds

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

- The Water and Sewer Facilities Fund accounts for the activities of the water and sewer facilities.
- The Parking Facilities Fund accounts for the activities of the parking facilities.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

The City implemented Governmental Accounting Standards Board Statement No. 65, "*Items Previously Reported as Assets and Liabilities*" ("GASBS 65") during the year ended June 30, 2014. GASBS 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The requirements of this statement will improve financial reporting by clarifying the appropriate use of the financial statement elements "deferred outflows of resources" and "deferred inflows of resources" to ensure consistency in financial reporting.

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

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

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

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

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

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

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

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

Deposits

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Investments

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

Inventory and Prepaid Assets

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Real Estate

Real estate held for sale and development is recorded at the lower of cost or net realizable value.

Mortgage Notes and Notes Receivable and Allowance for Loan Losses

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

Accounts Receivable and Allowance for Bad Debt

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

Interfund Balances

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

Capital Assets

In the government-wide financial statements, capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed net of interest earned on the invested proceeds during the same period.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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 using the "Capital Assets of Local Governments Suggested Useful Lives."

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

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

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

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

Capital Lease Receivable

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

Restricted Assets

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

Compensated Absences

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

The liability for compensated absences in the government-wide, proprietary, and fiduciary fund financial statements is calculated based upon recorded balances of unused leave for which the City would compensate employees if employment ended June 30, 2014. 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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 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/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. They are the deferred charge on refunding 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.

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Local Option Sales Tax Revenue

The City incorporated a Local Option Sales Tax during the year ended June 30, 2006, of 1% to offset a reduction in property taxes. In the governmental fund financial statements, this revenue is included in the general fund property tax revenue. On the government wide financial statements, this revenue is reported as general revenue separate from general property taxes. The tax generated approximately \$16.5 million during the year ended . There was a cap placed on the tax in order to prevent a windfall effect of taxes collected. This "cap" created deferred inflows of resources of approximately \$2.5 million in the General Fund and Statement of Net Position as of .

Investment Income

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

Grant Revenue

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. FUND BALANCE (Continued)

Committed fund balance

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

Assigned fund balance

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

Unassigned fund balance

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. FUND BALANCE (Continued)

<u>Classification / Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable		
General Fund	Prepaid charges	\$ 233,945
County Services	Prepaid charges	56,905
Dickson Trust	Nonspendable principal	5,000
Total nonspendable		<u>295,850</u>
Restricted		
Liquor Permit Fee	Tourism	148,973
Accommodations Tax	City promotions	567,427
Tourism Development Convention Center	Tourism	2,438,659
Hospitality Tax	City promotions	1,903,503
Confiscated Drug Program	Law enforcement	200,022
Other Programs	Community development	150,611
Debt Service Fund	Debt Service	3,339,548
Congaree Vista District	Construction of parks in Congaree Vista District	5,618,350
Miscellaneous Projects	General capital projects	14,197,343
Dickson Trust	Community development	581
Total restricted		<u>28,565,017</u>
Committed		
General Fund	Community Development	<u>72,975</u>
Assigned		
General Fund	Subsequent year expenditures	3,435,636
General Fund	Tourism	29,696
General Fund	Recreation	58,120
General Fund	Community development	103,990
County Services	Fire department operations	2,089,901
Streetscaping	Streetscaping capital projects	7,496,049
General Capital Projects	General capital improvements	5,172,433
Total assigned		<u>18,385,825</u>
Unassigned		
General Fund		<u>25,059,965</u>
Total fund balances		<u><u>\$ 72,379,632</u></u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. NET POSITION

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

Budgets are adopted on the modified accrual basis of accounting. The budget process begins with the development of the Annual Activity Work Plan by each department and division. These plans are due by the end of November. The City Manager reviews these plans in December and gives departments and divisions input on the City Manager's desired emphasis in the upcoming budget. Budgets are then developed in the departments and divisions and submitted to the City Manager by the beginning of February. The City Manager reviews these budgets in March, and the City Manager's recommended budget is submitted in April to City Council for final approval prior to the beginning of each fiscal year on July 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 and funds as necessary to achieve the goals of the budget. Such transfers are recorded on the City's records. All unused appropriations lapse at year end. Encumbrances are re-appropriated on a yearly basis and are reflected as an increase in budgeted expenditures in the next year.

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

B. DEFICIT FUND EQUITY

The Risk Management Internal Service Fund had a deficit fund balance of \$5,104,570 at June 30, 2014. Revenues and transfers from other funds in subsequent years are expected to fund this deficit.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. RISK MANAGEMENT

The City is self-insured for medical and dental coverage. Health claims for individuals are limited to an annual amount of \$2,000,000 with a stop-loss provision of \$400,000 per year. The accrued liability for prior year claims represents estimates for medical and dental claims incurred as of June 30, 2014. Some of these claims were reported at June 30, 2014, while others may not be reported until a later date. The incurred but not reported (IBNR) is estimated by the City's independent insurance administrator based on historical results.

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

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

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

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

Fiscal Year	Beginning Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending Liability
2013	\$15,938,244	\$29,401,964	(\$28,849,091)	\$16,491,117
2014	\$16,491,117	\$29,310,208	(\$30,370,660)	\$15,430,665

This liability is reported in both the risk management fund of the internal services funds (\$15,407,065) and the water and sewer facilities fund (\$23,600).

Fiscal year 2014 aggregate liability above includes the following amounts for legal claims: \$8,021,481 beginning liability, \$1,086,187 current year claims and changes in estimates, and \$2,064,295 claims payments. The ending liability for legal claims is \$7,043,373. See also Note VI. B.

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. DEPOSITS AND INVESTMENTS

As of June 30, 2014, the City, excluding component units, had the following investments:

Investment Type	Investment Maturities (in Years)		
	Fair Value	Less Than 1	Greater Than 1
Certificates of Deposit / Money Market	\$ 126,743,363	\$ 126,743,363	\$ -
Treasuries	52,318,099	6,619,781	45,698,318
Agencies	27,543,949	8,858,378	18,685,571
Municipals	167,036	-	167,036
Total	<u>\$ 206,772,447</u>	<u>\$ 142,221,522</u>	<u>\$ 64,550,925</u>

Investment Classification

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

Interest Rate Risk

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

Credit Risk for Investments

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

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

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

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.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

A. DEPOSITS AND INVESTMENTS (Continued)

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

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City's investment policy requires that securities be held by a third-party custodian in the name of the City. As of June 30, 2014, none of the City's security investments were exposed to custodial credit risk.

Reconciliation to the Financial Statements

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

Description	Amount
Carrying Amount of Deposits	\$ 280,971,450
Fair Value of Investments	<u>206,772,447</u>
Total Deposits and Investments	<u><u>\$ 487,743,897</u></u>
Statement of Net Position	
Cash and Equivalents	\$ 279,625,239
Investments - Current	101,233,001
Cash on Deposit with Escrow Agent	1,300,166
Investments - Noncurrent	105,539,446
Statement of Net Position - Fiduciary Funds	
Cash and Equivalents - Trust Funds	12,561
Cash and Equivalents - Agency Funds	<u>33,484</u>
Total Cash and Investments	<u><u>\$ 487,743,897</u></u>

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, 2014, are as follows:

General Fund	\$ 64,578
Water/Sewer Facilities	\$ 1,423,529
Parking Facilities	\$ 1,017,762
Nonmajor Business-type activities	\$ 1,950

Receivables for the component units consist of items totaling \$726,146 at June 30, 2014, which are net of allowances for doubtful accounts. As of June 30, 2014, the allowance for doubtful accounts was approximately \$37,910 for the component units.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

B. RECEIVABLES (Continued)

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

Primary government

Mortgage notes receivable in the various Community Development Revolving Loan programs are evaluated annually, and loan loss allowances are applied where appropriate. All mortgages are secured by the property. Delinquent mortgages receivable are estimated to be approximately \$1,942,800 of the total net mortgage notes receivable of approximately \$26,592,600 as of June 30, 2014.

Component units

The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of \$724,022, which is net of an allowance for uncollectible loans of \$75,654. Mortgage notes receivable consist of loans to individuals under various federal housing lending programs and have various interest rates and maturity dates. The Columbia Housing Development Corporation is considered a real estate development corporation, and revenue recognition is applied under the cost recovery method.

The Columbia Development Corporation (CDC) has mortgage notes receivable consisting of \$763,631, which is net of an allowance for uncollectible loans of \$400,000. Mortgage notes receivable consist of four loans to corporations for the purpose of community development and have various interest rates and maturity dates. The Columbia Development Corporation is considered a community development corporation, and revenue recognition is applied under the cost recovery method.

CEZ, Inc. has loans receivable amounting to \$2,157,123, which is the net of allowance for uncollectible loans of \$350,501. 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, 2014, are as follows:

	Interfund Receivables	Interfund Payables
Funds:		
Water/Sewer Facilities Fund	\$ 5,648,664	\$ -
General Fund	-	2,739,972
Other Governmental	2,948,761	4,478,015
Nonmajor Proprietary Fund	-	7,000,000
Internal Service	7,000,000	1,379,438
Total	\$15,597,425	\$15,597,425

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

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

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

The interfund transfers for the year ended June 30, 2014, are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$14,314,514	\$12,330,917
County Services	-	158,730
Nonmajor governmental funds	11,846,235	8,717,087
Water/Sewer	1,550	8,059,797
Parking	-	178,323
Nonmajor proprietary funds	5,465,920	6,260,689
Internal service funds	5,624,610	1,547,286
	<u>\$37,252,829</u>	<u>\$37,252,829</u>

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

E. OPERATING LEASES

The City is committed under various operating leases for real estate, office, and copier equipment. Operating lease expenditures for the year ended June 30, 2014, were approximately \$799,000. Future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 799,090
2016	510,791
2017	510,791
2018	92,437
2019	50,400
2020 - 2024	252,000
2025 - 2029	252,000
2030 - 2034	252,000
2035 - 2039	252,000
Total	<u>\$ 2,971,509</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

F. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, is as follows:

	Balance June 30, 2013	Increases	Transfers	Decreases	Balance June 30, 2014
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 32,679,661	\$ 7,500	\$ -	\$ (40,000)	\$ 32,647,161
Construction in progress	6,867,679	3,310,978	(3,753,424)	-	6,425,233
Total capital assets not being depreciated	<u>39,547,340</u>	<u>3,318,478</u>	<u>(3,753,424)</u>	<u>(40,000)</u>	<u>39,072,394</u>
Capital assets, being depreciated:					
Buildings and improvements	201,613,927	-	1,948,042	(313,059)	203,248,910
Machinery and equipment	46,360,040	3,688,130	1,805,382	(1,768,698)	50,084,854
Infrastructure	22,793,470	2,036,063	-	-	24,829,533
Total capital assets, being depreciated	<u>270,767,437</u>	<u>5,724,193</u>	<u>3,753,424</u>	<u>(2,081,757)</u>	<u>278,163,297</u>
Less accumulated depreciation:					
Buildings and improvements	(51,996,353)	(6,788,385)	-	150,927	(58,633,811)
Machinery and equipment	(32,198,941)	(4,508,858)	-	1,733,067	(34,974,732)
Infrastructure	(10,409,631)	(1,026,959)	-	-	(11,436,590)
Total accumulated depreciation	<u>(94,604,925)</u>	<u>(12,324,202)</u>	<u>-</u>	<u>1,883,994</u>	<u>(105,045,133)</u>
Total capital assets, being depreciated, net	<u>176,162,512</u>	<u>(6,600,009)</u>	<u>-</u>	<u>(197,763)</u>	<u>169,364,740</u>
Governmental activities capital assets, net	<u>\$215,709,852</u>	<u>\$ (3,281,531)</u>	<u>\$ -</u>	<u>\$ (237,763)</u>	<u>\$212,190,558</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

F. CAPITAL ASSETS (Continued)

	Balance June 30, 2013	Increases	Transfers	Decreases	Balance June 30, 2014
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 30,136,133	\$ -	\$ -	\$ (25,000)	\$ 30,111,133
Construction in progress	192,010,616	53,104,000	(91,177,175)	-	153,937,441
Total capital assets not being depreciated	<u>222,146,749</u>	<u>53,104,000</u>	<u>(91,177,175)</u>	<u>(25,000)</u>	<u>184,048,574</u>
Capital assets, being depreciated:					
Buildings and improvements	828,832,677	676,594	91,177,175	(460,404)	920,226,042
Machinery and equipment	43,231,790	7,330,303	-	(1,016,275)	49,545,818
Total capital assets, being depreciated	<u>872,064,467</u>	<u>8,006,897</u>	<u>91,177,175</u>	<u>(1,476,679)</u>	<u>969,771,860</u>
Less accumulated depreciation:					
Buildings and improvements	(324,533,297)	(22,269,005)	-	451,422	(346,350,880)
Machinery and equipment	(25,095,586)	(3,903,580)	-	1,016,273	(27,982,893)
Total accumulated depreciation	<u>(349,628,883)</u>	<u>(26,172,585)</u>	<u>-</u>	<u>1,467,695</u>	<u>(374,333,773)</u>
Total capital assets, being depreciated, net	<u>522,435,584</u>	<u>(18,165,688)</u>	<u>-</u>	<u>(8,984)</u>	<u>504,260,912</u>
Business-type activities capital assets, net	<u><u>\$744,582,333</u></u>	<u><u>\$ 34,938,312</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (33,984)</u></u>	<u><u>\$779,486,661</u></u>

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

Governmental Activities:	
General government	\$ 6,747,274
Public safety	2,888,688
Parks and recreation	1,560,017
Public services	736,370
Judicial	50,740
Community development	14,336
General services	28,278
Finance department	2,188
Internal service funds	296,311
Total depreciation expense - governmental activities	<u>\$ 12,324,202</u>
Business-type Activities:	
Water/Sewer facilities	\$ 23,665,647
Stormwater facilities	700,430
Parking facilities	1,483,042
Hydro electric plant	323,466
Total depreciation expense - business-type activities	<u>\$ 26,172,585</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

F. CAPITAL ASSETS (Continued)

During the year ended June 30, 2014, \$8,833,857 of interest expense in the Business-type activities was capitalized. The City has several ongoing construction projects as of June 30, 2014, for renovations and other construction projects. Total remaining commitments on these construction contracts as of June 30, 2014, totaled approximately \$51,787,600.

During the year ended June 30, 2014, the City recorded in the governmental activities \$393,750 in infrastructure contributed by private parties and in the business-type activities \$5,431,910 in infrastructure contributions by developers.

Columbia Parking Facilities Corporation – Capital Lease Receivable

In 2008, construction was completed on the Innovista parking garages. The parking garages and corresponding long-term debt were recorded by the Columbia Parking Facilities Corporation (the Corporation), a blended component unit as noted in Note I. A. The Corporation entered into an agreement with the University of South Carolina (the University) that provided the University use of the garages and, in return, the University would pay the debt service on the associated long term debt. A review of the terms of the agreement during 2010 determined that the agreement represented a capital lease with the University, and therefore, the parking garages were removed from the Corporation and recorded by the University. Additionally, a lease receivable from the University was also recorded in the amount of the outstanding associated debt. See Note III. H. for details of the related debt (Note payable \$4,329,142 and revenue bond payable of \$11,040,000). Total future minimum rentals to be received from the University under the capital lease agreement will be \$15,369,142.

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

Year Ending June 30,	Amount
2015	\$ 656,319
2016	691,879
2017	4,656,461
2018	595,000
2019	629,870
2020-2024	3,367,080
2025-2029	4,215,130
2030-2031	1,660,300
Total	16,472,039
Less amount representing interest	1,102,897
Total minimum future rentals	15,369,142
Less amount due within one year	540,000
Noncurrent capital lease receivable	\$ 14,829,142

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

G. OTHER POSTEMPLOYMENT BENEFITS

Plan Description and Funding Policy

The City provides postemployment health care benefits, in accordance with City policy, to all employees who retire from the City under early or regular retirement and have been employed by the City for 20 years or more. Currently, 778 retirees meet those requirements. The City pays all Medicare supplemental insurance premiums for all qualifying retirees. For the year ended June 30, 2014, premiums totaled approximately \$1,188,900. Retirees paid dependent coverage of approximately \$741,100. Currently, the City is financing the postemployment retirement benefits on a pay-as-you-go basis, and expenditures for these insurance premiums are recorded in all of the City's funds.

Prior to January 1, 2014, retirees under the age of 65 paid between \$37 and \$383 a month depending on the various coverage elections. The City's contributions during the same time period were \$800 a month for the retiree and \$600 per month for the retiree's domestic partner. After January 1, 2014, the retiree paid between \$37 and \$383 a month and the City paid \$300 a month. Prior to January 1, 2014, for retirees over the age of 65, the retiree paid \$105 per month for health care benefits. The City paid \$418 a month for retirees over 65. If the retiree elected to cover their spouse, the cost to the retiree was \$63 a month, and the cost to the City was \$227 a month. After January 1, 2014, the retiree paid \$105 a month for single coverage, and the cost to the City was \$300 a month. If the retiree elected to cover their spouse, the retiree paid an additional \$180 a month, and the City paid an additional \$225 a month. Surviving spouses of retirees may elect to continue health care benefits.

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

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Participants:					
Active	2,083	2,032	2,030	2,039	2,234
Retired	778	757	698	702	662
Total Employee Claims					
Active	\$ 15,727,732	\$15,880,782	\$13,999,800	\$11,903,954	\$13,043,628
Retired	\$ 5,548,464	\$ 5,754,566	\$ 5,868,443	\$ 3,557,000	\$ 5,811,854
% of Active Payroll					
Active	17.11%	17.63%	15.79%	13.47%	15.04%
Retired	<u>6.04%</u>	<u>6.39%</u>	<u>6.62%</u>	<u>4.03%</u>	<u>6.70%</u>
Total	<u>23.15%</u>	<u>24.02%</u>	<u>22.41%</u>	<u>17.50%</u>	<u>21.74%</u>

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

G. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB cost and Net OPEB Obligation

The City had an actuarial valuation performed for the plan as of July 1, 2013, to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended June 30, 2014. The City's annual OPEB cost and the net OPEB obligation for the year ended June 30, 2014, on the Statement of Net Position was as follows:

Employer Normal Cost	\$ 3,286,788
Amortization of UAAL*	<u>5,907,397</u>
Annual Required Contribution (ARC)	9,194,185
Interest on Net Obligation	2,404,695
Adjustment to the ARC	<u>(2,052,532)</u>
Annual OPEB Cost	9,546,348
Contributions made	<u>(6,737,364)</u>
Increase in Net OPEB Obligation	2,808,984
Net OPEB Obligation, July 1, 2013	<u>45,803,720</u>
Net OPEB Obligation June 30, 2014	<u><u>\$ 48,612,704</u></u>

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

A summary of the annual OPEB cost, percentage of the annual OPEB cost contributed, and the year end net OPEB obligation for the year ended June 30, 2014, and the two preceding years is as follows:

Trend Information			
Year ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 7,826,383	64.86%	\$42,650,241
2013	8,146,966	61.29%	45,803,720
2014	9,546,348	70.58%	48,612,704

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

G. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress

Funded status and funding progress of the plan as of July 1, 2013, was as follows:

Present Value of Future Benefits:	
Retirees & Beneficiaries	\$ 68,303,874
Participants Fully Eligible for Benefits	14,679,146
Participants Not Fully Eligible for Benefits	<u>48,844,730</u>
Total Present Value of Future Benefits	<u>\$ 131,827,750</u>
Present Value of Future Normal Costs	<u>\$ 9,546,348</u>
Actuarial Accrued Liabilities (AAL)	\$ 131,827,750
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 131,827,750</u>
Funded Ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of employees covered by the plan)	\$ 91,937,081
UAAL as a percentage of covered payroll	143.39%

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

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation, the projected unit credit cost method was used. The UAAL amortization payment is the level percent of payroll (assumed to increase 3%) required to fully amortize the UAAL over a 30-year period. As of June 30, 2014, 24 years of amortization remain on the UAAL. The actuarial assumptions included 5.25% rate of investment return. The valuation assumes an 8% health care trend inflation rate for 2014 and decreases 0.5% each year until 2017. General inflation is assumed to be 3% per year.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

H. LONG-TERM OBLIGATIONS

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Amount Due in 2015
Governmental Activities					
Notes payable	\$ 5,424,142	\$ -	\$ (195,000)	\$ 5,229,142	\$ 195,000
GO bonds	33,515,000	7,315,000	(5,150,000)	35,680,000	5,015,000
Revenue bonds	47,225,000	-	(3,645,000)	43,580,000	3,720,000
Unamortized bond premiums	1,190,979	816,175	(192,256)	1,814,898	-
Compensated absences	6,463,385	6,519,275	(6,261,289)	6,721,371	1,344,272
OPEB costs	45,803,720	9,546,348	(6,737,364)	48,612,704	-
Derivative instrument liability	2,427,262	-	(597,896)	1,829,366	-
Total governmental activities	<u>142,049,488</u>	<u>24,196,798</u>	<u>(22,778,805)</u>	<u>143,467,481</u>	<u>10,274,272</u>
Business-Type Activities					
Revenue bonds	409,935,000	75,305,000	(9,840,000)	475,400,000	9,160,000
Unamortized bond premiums	25,704,889	5,669,497	(1,668,698)	29,705,688	-
Compensated absences	1,992,105	2,002,102	(2,144,519)	1,849,688	369,937
Derivative instrument liability	19,309,536	760,933	-	20,070,469	-
Total business-type activities	<u>456,941,530</u>	<u>83,737,532</u>	<u>(13,653,217)</u>	<u>527,025,845</u>	<u>9,529,937</u>
Total all long-term obligations	<u>\$598,991,018</u>	<u>\$ 107,934,330</u>	<u>\$ (36,432,022)</u>	<u>\$670,493,326</u>	<u>\$ 19,804,209</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$193,255 of internal service funds compensated absences is included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund. The Series 2012 Certificates of Participation are liquidated by the Tourism Development Convention Center Fund. The remaining governmental debt is liquidated by the debt service fund. The entire other post-employment benefit liability is reported in the risk management fund internal service fund and will be liquidated by that fund.

**CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

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

H. LONG-TERM OBLIGATIONS (Continued)

The annual requirements to amortize all outstanding debt of the City as of June 30, 2014, including interest payments, but excluding accrued vacation payable and amortization of bond premiums, are as follows:

Governmental Activities:

Year Ending June 30,	General Obligation Bonds	Interest	Revenue Bonds	Interest	Note Payable	Interest	Total Principal	Total Interest
2015	\$ 5,015,000	\$ 1,174,974	\$ 3,720,000	\$ 880,719	\$ 195,000	\$ 7,829	\$ 8,930,000	\$ 2,063,522
2016	5,155,000	1,034,076	3,815,000	798,805	215,000	7,569	9,185,000	1,840,450
2017	5,300,000	889,374	3,945,000	714,742	4,144,142	7,569	13,389,142	1,611,685
2018	5,350,000	715,200	4,040,000	628,352	75,000	-	9,465,000	1,343,552
2019	3,810,000	517,275	4,165,000	539,824	75,000	-	8,050,000	1,057,099
2020-2024	8,835,000	1,191,776	16,920,000	1,357,302	375,000	-	26,130,000	2,549,078
2025-2029	2,215,000	181,695	5,335,000	228,020	150,000	-	7,700,000	409,715
2030-2034	-	-	1,640,000	20,300	-	-	1,640,000	20,300
	<u>\$ 35,680,000</u>	<u>\$ 5,704,370</u>	<u>\$ 43,580,000</u>	<u>\$ 5,168,064</u>	<u>\$ 5,229,142</u>	<u>\$ 22,967</u>	<u>\$ 84,489,142</u>	<u>\$ 10,895,401</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

H. LONG-TERM OBLIGATIONS (Continued)

Business-Type Activities:

Year Ending June 30,	Revenue Bonds	Interest
2015	\$ 9,160,000	\$ 22,442,146
2016	9,505,000	22,095,880
2017	9,930,000	21,671,820
2018	10,385,000	21,217,803
2019	10,835,000	20,765,753
2020-2024	61,750,000	96,314,566
2025-2029	77,825,000	80,376,572
2030-2034	100,410,000	59,688,682
2035-2039	122,565,000	33,624,653
2040-2043	<u>63,035,000</u>	<u>5,664,250</u>
	<u>\$ 475,400,000</u>	<u>\$ 383,862,125</u>

General Obligation Bonds

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

H. LONG-TERM OBLIGATIONS (Continued)

General Obligation Bonds outstanding as of June 30, 2014, are as follows:

Governmental Activities:

<p>\$9,085,000 City of Columbia General Obligation Bonds, Series 2007A Proceeds for: Defeasance of the 2006 Bond Anticipation Notes, construction and infrastructure improvements Annual principal installments of \$410,000 to \$770,000 through June 1, 2027 Interest rate: 3.75 to 4.05%</p>	<p>\$ 7,805,000</p>
<p>\$9,375,000 City of Columbia General Obligation Bonds, Series 2011A Proceeds for: Acquisition of capital assets Annual principal installments of \$225,000 to \$1,505,000 through Feb. 1, 2021 Interest rate: 2.00 to 3.00%</p>	<p>5,050,000</p>
<p>\$9,945,000 City of Columbia General Obligation Bonds, Series 2011B Proceeds for: Refund Series 2002 General Obligation Bonds Annual principal installments of \$10,000 to \$1,160,000 through Feb. 1, 2022 Interest rate: 2.00 to 3.00%</p>	<p>8,215,000</p>
<p>\$5,575,000 City of Columbia General Obligation Bonds, Series 2011C Proceeds for: Acquisition of capital assets Annual principal installments of \$115,000 to \$975,000 through June 1, 2021 Interest rate: 2.00 to 4.00%</p>	<p>3,105,000</p>
<p>\$6,375,000 City of Columbia General Obligation Bonds, Series 2012 Proceeds for: Acquisition of capital assets Annual principal installments of \$195,000 to \$1,235,000 through June 1, 2022 Interest rate: 2.00 to 3.00%</p>	<p>4,945,000</p>
<p>\$7,315,000 City of Columbia General Obligation Bonds, Series 2013 Proceeds for: Acquisition of capital assets Annual principal installments of \$215,000 to \$1,505,000 through February 1, 2021 Interest rate: 2.00 to 3.50%</p>	<p>6,560,000</p>
<p><i>Total Governmental Activities General Obligation Bonds</i></p>	<p><u>\$ 35,680,000</u></p>

Revenue Bonds, Notes and Certificates of Participation

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

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

H. LONG-TERM OBLIGATIONS (Continued)

The construction of the second of two Innovista garages was funded by the issuance of a \$13,070,000 tax-exempt South Carolina Jobs-Economic Development Authority Revenue Bonds, Series 2007. The Columbia Parking Facilities Parking Corporation, a component unit of the City, is responsible for the payment of the bonds. BB&T, the bond holder, also holds a first mortgage on both garages. Richland County was responsible for 50% of the construction costs. The garages are operated by the University, and the revenues from them are remitted by USC to the Corporation to retire this debt. This arrangement constitutes a capital lease agreement with the University, and as such, a receivable has been recorded for the amount of future debt service. The garages have been recorded by the University (see Note III. F. for more details). Interest payments began on April 1, 2007. The principal balance is payable in monthly installments beginning September 1, 2008, together with interest on the unpaid balance, with a final payment of all principal and interest, due and payable in full on March 1, 2031. Interest is at a rate per annum equal to 95% of the LIBOR Rate, which was 0.151% at June 30, 2014. The Corporation entered into an interest rate swap agreement in relation to the bond issue as detailed in Note V.

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

An additional \$5,185,000 taxable (based on percent of garage used for private purposes) construction and term loan was made to the Corporation by a bank for the second garage that enables the Corporation to draw down proceeds from the loan as needed during the construction of the second garage. The principal balance and any accrued interest are due in full on March 1, 2017. Interest is payable at an adjusted LIBOR rate which is a rate of interest per annum equal to the One Month Libor plus 1.5% per year. This rate is adjusted monthly on the first day of each month for each LIBOR interest period (0.151%, at June 30, 2014). At June 30, 2014, \$4,329,142 was outstanding on the term loan.

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

Notes Payable

Governmental Activities:

\$1,500,000 Note secured for development costs for Drew Wellness Center. Annual principal installments of \$75,000 through August 14, 2026. Interest rate 0.0%.	\$ 900,000
\$5,185,000 Construction note secured for the construction of a 1,450 parking space parking deck for Innovista. (Note III.F.) Annual principal installments of \$120,000 to \$140,000 through March 1, 2017, with balloon payment at maturity. Interest rate: Adjusted LIBOR rate (0.20%). (See Note V. for details regarding the interest rate swap related to this note issue.) Maximum draw amount: \$5,185,000.	4,329,142
<i>Total Governmental Activities Note Payable</i>	<u>\$ 5,229,142</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

H. LONG-TERM OBLIGATIONS (Continued)

Revenue bonds outstanding as of June 30, 2014, are as follows:

Governmental Activities:

<p>\$14,825,000 Revenue Bond - Hospitality Fee Pledge, Series 2012 Payable from revenues derived by the City from hospitality taxes Annual principal installments of \$1,000,000 to \$1,315,000 through Feb. 1, 2025 Interest rate: 2.50%</p>	\$ 12,820,000
<p>\$24,260,000 Certificates of Participation Series 2012 Payable from revenues derived by the City from tourism development fees Annual principal installments of \$2,225,000 to \$2,660,000 through June 1, 2022 Interest rate: 2.29%</p>	19,720,000
<p>\$13,070,000 South Carolina Jobs-Economic Development Authority Bond 2007 Payable from revenues derived by the City from operation of a garage (Note III.F.) Annual principal installments of \$250,000 to \$920,000 through March 1, 2031 Interest rate: Rate per annum equal to 95% of LIBOR (0.20%). See Note V. for details regarding the interest rate swap related to this bond issue.</p>	11,040,000
<i>Total Governmental Activities Revenue Bonds</i>	<u><u>\$ 43,580,000</u></u>

Business-Type Activities:

Parking Facilities Fund:

<p>\$39,895,000 Parking Facilities Revenue Bonds, Series 2005A Payable from revenues derived by the City from operation of off-street and on-street parking facilities Annual principal installments of \$1,240,000 to \$3,015,000 through Feb. 1, 2037 Interest rate: 4.375 to 5.0%</p>	\$ 39,895,000
<p>\$5,380,000 Parking Facilities Revenue Bonds, Series 2005B Payable from revenues derived by the City from operation of off-street and on-street parking facilities Proceeds for: Expand City parking facilities Annual principal installments of \$225,000 to \$1,120,000 through Feb. 1, 2017 Interest rate: 4.88 to 5.2%</p>	3,295,000
<i>Total Parking Facilities Revenue Bonds</i>	<u><u>43,190,000</u></u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

H. LONG-TERM OBLIGATIONS (Continued)

Business-Type Activities: (Continued)

Water and Sewer Fund:

<p>\$81,860,000 Waterworks and Sewer System Revenue Bonds, Series 2009 Payable from revenues derived from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$525,000 to \$10,840,000 through Feb. 1, 2038 Interest rate: 3.6 to 5.0% See Note V for details regarding the interest rate swap related to this bond issue</p>	<p>\$ 81,860,000</p>
<p>\$105,000,000 Waterworks and Sewer System Revenue Bonds, Series 2010 Payable from revenues derived from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$1,090,000 to \$17,855,000 through Feb. 1, 2040 Interest rate: 3.0 to 5.0%</p>	<p>102,795,000</p>
<p>\$100,000,000 Waterworks and Sewer System Revenue Bonds, Series 2011A Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$1,815,000 to \$23,520,000 through Feb. 1, 2041 Interest rate: 2.0 to 5.0%</p>	<p>96,045,000</p>
<p>\$27,265,000 Waterworks and Sewer System Revenue Bonds, Series 2011B Payable from revenues from the City's water and sewer system Proceeds for: Refunding portion of Series 2001 (\$30,345,000) Annual principal installments of \$3,420,000 to \$4,455,000 through Feb. 1, 2019 Interest rate: 4.0 to 5.0%</p>	<p>20,290,000</p>
<p>\$58,055,000 Waterworks and Sewer System Revenue Bonds, Series 2012 Payable from revenues from the City's water and sewer system Proceeds for: Refunding portion of Series 2005 (\$60,000,000) Annual principal installments of \$4,560,000 to \$6,115,000 through Feb. 1, 2030 Interest rate: 3.5 to 5.0%</p>	<p>58,055,000</p>
<p>\$75,305,000 Waterworks and Sewer System Revenue Bonds, Series 2013 Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$1,205,000 to \$4,600,000 through Feb. 1, 2043 Interest rate: 1.0 to 5.0%</p>	<p>73,165,000</p>
<p><i>Total Water and Sewer Revenue Bonds</i></p>	<p><u>432,210,000</u></p>
<p><i>Total Business-Type Activities Revenue Bonds</i></p>	<p><u><u>\$ 475,400,000</u></u></p>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

H. LONG-TERM OBLIGATIONS (Continued)

Defeasance Debt

During the year ended June 30, 2012, the City defeased a portion of the 2004 Hospitality Fee COPS and the 2005 Waterworks and Sewer System Revenue Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debts service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On June 30, 2014, the amount of debt considered defeased is approximately \$60,000,000.

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, 2014, the balance of this conduit debt was approximately \$2,841,800.

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, 2014, the City did not have any arbitrage profits due to the federal government.

IV. PENSION PLANS

The City's retirement plans are as follows:

Description of Plans

As a condition of employment, all eligible City employees are required to participate in a pension plan. All firemen and law enforcement officers must belong to the South Carolina Police Officers' Retirement System (SCPORS). All other eligible employees must belong to the South Carolina Retirement System (SCRS). Both plans are a cost-sharing multiple-employer Public Employee Retirement System (PERS). Effective July 1, 2012, the South Carolina General Assembly transferred administration of the SCRS and PORS to the Retirement Division of the newly created South Carolina Public Employee Benefit Authority ("PEBA"). The PEBA has the authority to establish and amend benefits and funding policy. Retirement costs are funded by withholding from the employees' salaries and by a contribution from the City of a percentage of the employees' salaries. As noted earlier, both Retirement Systems are administered by PEBA which is a state agency. While the City's reporting requirements will change with the adoption of GASB Statement No. 68, the City has no fiduciary responsibility for or legal liability under South Carolina law for either of the retirement plans beyond their current contributions. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and Police Officers Retirement System is issued and publicly available by writing the South Carolina Public Employee Benefit Authority, Post Office Box 11960, Columbia, South Carolina 29211-1960 or at its website www.retirement.sc.gov.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

IV. PENSION PLANS (Continued)

Basic Provisions

Benefit provisions are established under the authority of Title 9 of the South Carolina Code of Laws. Under current statutes pertaining to the SCRS, member employees who retire at age 65 or after 28 years of credited service are entitled to an annual full service retirement benefit, payable monthly for life, equal to 1.82% of the average final compensation (average compensation over the last three years of credited service) times years of credited service. A member with at least 25 years of credited service who terminates employment may continue to pay employee and employer contributions until 28 years of credited service credit is reached. The contributions will be made through the most recent employer on a regular basis and remitted to the South Carolina Retirement System.

Under current statutes pertaining to the SCPORS, member employees who retire at age 55 or after 25 years of credited service are entitled to an annual full service retirement benefit, payable monthly for life, equal to 2.14% of average final compensation times years of credited service.

Member employees who are at least 60 years of age may elect early retirement in which case the full service benefit is reduced by 5% for each year the employee's age at retirement is less than 65. Member employees who are at least age 55 with 25 years of service may also elect early retirement in which case the full service retirement benefit is reduced by 4% for each year of service under 28. In either case, any unrecovered contributions are payable upon death and cost of living adjustments are evaluated annually on an ad hoc basis. Full service or early retirees may elect other optional methods of benefit distributions, including lump sum distributions, benefit levels coordinated with the retiree's social security benefits and distributions to a named beneficiary. Benefits are fully vested on reaching 5 years of service. The SCRS and SCPORS also provide life insurance, survivor, and disability benefits to all member employees.

Funding Policy

South Carolina Retirement System (SCRS)

Effective July 1, 2013, the employer contribution rate became 10.60% which includes 0.15% towards group life insurance. City contributions to SCRS for the years ended June 30, 2014, 2013, and 2012 were approximately \$5,698,000, \$5,515,900, and \$4,943,900, respectively, equal to the actuarially required contributions for each year. Employees contributed at a rate of 7.50% for the year ended June 30, 2014.

Police Officers Retirement System (SCPORS)

Effective July 1, 2013, the employer contribution rate became 12.64% which includes 0.20% towards group life insurance. Contributions to SCPORS for the years ended June 30, 2014, 2013, and 2012 were approximately \$4,895,800, \$4,313,000, and \$4,227,800, respectively, equal to the actuarially required contribution rates for each year. Employees contributed at a rate of 7.84% for the year ended June 30, 2014.

Deferred Compensation Plan

The City has two approved deferred compensation plans administered by the South Carolina Public Employees Deferred Compensation Commission. Although the City makes no contributions to either plan, employees may elect to participate under either Internal Revenue Service Section 401K or 457. The amount of the deferred compensation is expensed as salaries and a like amount is remitted to the Deferred Compensation Commission. The City owns none of the plan assets and has no liability to its employees.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

V. INTEREST RATE SWAP AGREEMENTS

Swap One – The City maintains this variable-to-fixed interest rate swap to hedge exposure to rising interest rates. The City entered into an interest rate swap agreement related to the 2009 Waterworks and Sewer Bonds on September 20, 2007, with an effective date of September 15, 2009. The counterparty is J.P. Morgan. The City agreed to pay a fixed rate to J.P. Morgan and receive a variable rate while paying a variable rate to bond holders. Semi-annually the City pays a fixed rate of 4.354% to J.P. Morgan, and monthly receives a variable rate based on the average Securities Industry and Financial Markets Association (“SIFMA”) index rate. Interest payments to the bond holders are offset by the amount received by the City from J. P. Morgan under the swap. The purpose of the swap was to effectively change the variable rate bonds to fixed rate bonds. The bonds and related swap agreement mature February 2038. The notional amount of the swap equals the principal amount of the associated bonds and decreases simultaneously with the reduction in the principal amount of the associated bonds. As of June 30, 2014, the notional amount was \$81,860,000.

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

During the year ended , the City made variable bond interest payments in the amount of \$47,092 and fixed rate payments on the swap in the amount of \$3,564,184. The City also received variable payments on the swap in the amount of \$45,281. The net of variable payments on the bonds and receipts on the swap was \$1,811.

Swap Two and Three – One of the City’s blended component units, the Columbia Parking Facilities Corporation (the “Corporation”), maintains two interest rate swaps to hedge exposure to rising interest rates. The Corporation entered into two variable-to-fixed interest rate swap agreements related to a \$13,070,000 tax exempt revenue bond payable and \$5,185,000 taxable bond payable. The agreements were entered into February 23, 2007, and were effective on February 23, 2007, and March 1, 2008, respectively. The counterparty is Branch Bank and Trust Corporation. The purpose of the swaps was to effectively change the variable rate debt to fixed rate debt. The swap agreements mature on March, 1, 2017, and the related debt matures in 2031 and 2017, respectively. The notional amounts of the swaps equal the principal amounts of the associated debt and decrease simultaneously with the reduction in the principal amounts of the associated bonds. As of , the notional amounts were \$11,040,000 and \$4,329,142.

The swaps provide for monthly payment by the Corporation of a 5.085% and 6.815% fixed rate on a notional amount having an amortization schedule equal to that of the bonds. In return, the counterparty will pay the Corporation a variable rate equal to 95% of the one-month London Interbank Offered Rate (LIBOR) and LIBOR plus 1.50% on each swaps’ respective notional amount. At , 95% of LIBOR was 0.147% and LIBOR plus 1.50% was 1.655%. The Corporation also makes interest payments to the bondholders at 95% of LIBOR and LIBOR, respectively, (0.147% and 0.155% at) on the outstanding principal amount.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

V. INTEREST RATE SWAP AGREEMENTS (Continued)

Swap Two and Three (Continued) – The obligation of the Corporation to make regularly scheduled payments under the swaps ranks on a parity basis with the Corporation's obligation to make debt service payments on its outstanding bonds. Under certain circumstances, the swaps are subject to termination prior to their respective scheduled expiration dates and prior to the maturity of the bonds to which each such swaps relates, in which event the Corporation may be obligated to make a substantial payment to the respective counterparty ("Termination Payments"). The obligation of the Corporation to make any termination payments under the swaps is junior and subordinate to the obligation to make debt service payments on notes. Under the swaps, the counterparties have certain limited rights to consent to modifications to the master resolution, which modifications would affect the rights of the counterparties under the swaps. To minimize credit or repayment risk, the swap agreements contain varying collateral agreements with the counterparties. The swaps require collateralization of the fair value of the swaps should the counterparty's credit rating fall below the applicable thresholds. During the fiscal year, the Corporation made variable interest payments of \$92,774 and recovered offsetting variable payments on this swap in a like amount. The Corporation made fixed payments of \$798,944 under the swaps. The market value of the swaps was (\$1,276,799) and (\$552,567) at June 30, 2014, respectively.

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

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2014, classified by type, and the changes in fair value of such derivatives for the year then ended are as follows:

	Changes in Fair Value		Fair Value at June 30		
	Classification	Amount	Classification	Amount	Notional
Governmental activities					
Cash flow hedges:					
Pay-fixed interest rate swap					
Sw ap Two	Deferred outflow	\$ (420,817)	Debt	\$ 1,276,799	\$ 11,040,000
Pay-fixed interest rate swap					
Sw ap Three	Deferred outflow	\$ (177,079)	Debt	552,567	\$ 4,329,142
				<u>\$ 1,829,366</u>	
Business-type activity					
Cash flow hedges:					
Pay-fixed interest rate swap					
Sw ap One	Deferred outflow	\$ 760,932	Debt	<u>\$20,070,469</u>	\$ 81,860,000

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

V. INTEREST RATE SWAP AGREEMENTS (Continued)

The following table displays the objectives and terms of the City's hedging derivative instruments outstanding at June 30, 2014, along with the credit rating of the associated counterparty:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating*
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 2009 Water and Sewer Revenue Bonds	\$81,860,000	9/15/2009	2/1/2038	Receive monthly average SIFMA rate and pay fixed rate of 4.354%	Aa3 / A+ / A+
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 2007 JEDA Revenue Bonds	\$11,040,000	2/23/2007	3/1/2017	Receive 95% of one month LIBOR and pay fixed rate of 5.085%	A2 / A- / A+
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Inovista construction note payable	\$ 4,329,142	3/1/2007	3/1/2017	Receive 95% of one month LIBOR plus 1.5% and pay fixed rate of 6.815%	A2 / A- / A+
* Moody's, S&P, and Fitch, respectively.						

Future debt service requirements

The following schedules detail the debt service requirements to maturity for the underlying debt instruments related to the interest rate swaps. The interest rates in effect at , have been used for all future periods. These amounts assume the current interest rates on variable-rate bonds will remain the same for their terms. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary.

Year Ended June 30,	Waterworks and Sewer Bonds			
	Series 2009 (Sw ap One)		Hedging Derivatives, Net	Total
	Variable Rate Bonds			
	Principal	Interest		
2015	\$ -	\$ -	\$ 3,565,995	\$ 3,565,995
2016	-	-	3,565,995	3,565,995
2017	-	-	3,565,995	3,565,995
2018	-	-	3,565,995	3,565,995
2019	-	-	3,565,995	3,565,995
2020-2024	1,645,000	-	17,760,278	19,405,278
2025-2029	4,120,000	-	17,184,604	21,304,604
2030-2034	35,425,000	-	14,205,608	49,630,608
2035-2038	40,670,000	-	4,525,451	45,195,451
	<u>\$ 81,860,000</u>	<u>\$ -</u>	<u>\$ 71,505,916</u>	<u>\$ 153,365,916</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

V. INTEREST RATE SWAP AGREEMENTS (Continued)

Parking Facilities Corporation				
South Carolina JEDA Bond 2007 (Swap Two)				
Year Ended June 30,	Variable Rate Bonds		Hedging	
	Principal	Interest	Derivatives, Net	Total
2015	\$ 420,000	\$ 15,417	\$ 545,967	\$ 981,384
2016	440,000	14,831	525,196	980,027
2017	480,000	14,216	503,437	997,653
2018	500,000	13,546	479,699	993,245
2019	540,000	12,848	454,972	1,007,820
2020-2024	3,000,000	52,564	1,861,430	4,913,994
2025-2029	4,020,000	28,712	1,016,764	5,065,476
2030-2031	1,640,000	3,296	116,710	1,760,006
	\$ 11,040,000	\$ 155,430	\$ 5,504,175	\$ 16,699,605

Parking Facilities Corporation				
Innovista Note Payable (Swap Three)				
Year Ended June 30,	Variable Rate Bonds		Hedging	
	Principal	Interest	Derivatives, Net	Total
2015	\$ 120,000	\$ 6,364	\$ 223,730	\$ 350,094
2016	140,000	6,187	217,528	363,715
2017	4,069,142	5,982	210,293	4,285,417
	\$ 4,329,142	\$ 18,533	\$ 651,551	\$ 4,999,226

Risks

Credit Risk – Credit risk is the risk that the counterparty will not fulfill its obligations. As of , the three swaps were in liability positions; therefore, the City is not exposed to credit risks. However, should interest rates change and the fair market value of the swaps becomes an asset position, the City would be exposed to credit risks. Credit ratings of the counterparties are summarized in the table above.

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

Basis Risk – Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedge item are based on different reference rates. The City is exposed to basis risk on the interest rate swap hedging instrument related to the Waterworks and Sewer bonds because the variable-rate payments received by the City on these hedging derivative instruments are based on a rate or index other than interest rates the City pays on its hedge variable-rate debt. As of , the interest rate on the City's hedged variable-rate debt was 0.04%, while the SIFMA swap index rate was 0.16%.

Termination Risk – Termination risk is the risk that a hedging derivative instrument's unscheduled end will affect the City's asset and liability strategy or will present the City with potentially significant unscheduled termination payments to the counterparty. Termination events exist for the interest rate swaps. Under the City's interest rate swap (Swap One), a decline in either party's credit rating below BBB or Baa2 in the case of S&P and Moody's, respectively, can trigger termination in addition to events that are customary for these types of transactions. The Corporation's interest rate swaps (Swaps Two and Three) may be terminated if the counterparty ceases to be a party to the credit support documents and the Corporation fails to replace the counterparty with a credit support provider acceptable to the counterparty.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

V. INTEREST RATE SWAP AGREEMENTS (Continued)

Rollover Risk – Rollover risk is the risk that a hedging instrument associated with hedgeable item does not extend to the maturity of that hedgeable item. The Corporation is exposed to rollover risk because the hedging derivative instrument (Swap Two) associated with the hedgeable debt items do not extend to the maturity of the hedgeable debt items.

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

VI. COMMITMENTS AND CONTINGENCIES

A. FEDERAL GRANTS

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

B. 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).

During the current fiscal year, 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 12 years in order to meet the requirements of the Consent Decree. The City's five-year Capital Improvements Program, which the City believes is presently responsive to a portion of the capital improvements that are or will be required by the Consent Decree, is being further revised to enable the City to meet all of its obligations under the Consent Decree within the prescribed timeframes. In addition, the City paid a civil penalty in the amount of \$476,400 to resolve the alleged Clean Water Act violations. The City expects to pay for the cost of these improvements through revenues generated by the system and future and current bond proceeds.

C. DEVELOPMENT AGREEMENT

On July 9, 2013, the City executed a development agreement with a private developer to develop approximately 165 acres of land within the City of Columbia. Any City commitment is expected to occur during the first five years of the 20-year agreement. The agreement requires a minimum level of investment by the developer. Prior to the City being required to incur any of the preceding costs, the developer is required to have obtained funding and commitments to construct taxable improvements of various amounts ranging from \$25,000,000 to \$81,250,000. If these minimum amounts of taxable improvements are not obtained, the City is under no obligation to incur any costs.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

VI. COMMITMENTS AND CONTINGENCIES (Continued)

C. DEVELOPMENT AGREEMENT (Continued)

If the developer attains the minimum amount of investment, the City is obligated to provide infrastructure and other items at no cost to the developer. The costs are to be incurred in four phases. The City estimates the public infrastructure costs during phase one will approximate \$5,250,000. The City's parking facility commitment is estimated to cost approximately \$16,000,000. Public infrastructure costs during phase two are estimated to cost approximately \$7,965,800. During phase three, public infrastructure costs are estimated to cost approximately \$2,179,400. During phase four, public infrastructure costs are estimated to be approximately \$15,840,800. The City has not identified a definite funding source for these potential commitments. While the costs indicated in the agreement represent the City's best estimate at the time of signing the agreement, actual costs will probably be different.

VII. OTHER INFORMATION

A. SUBSEQUENT EVENTS

On October 30, 2014, the City issued \$26,175,000 in special obligation bonds (hospitality fee pledge), Series 2014. These bonds, including the interest thereon, are payable solely from and are secured by a pledge of the City's hospitality funds. The 2014 bonds are further secured by the Series 2014 Debt Service Reserve Fund which is to be satisfied by the purchase of the Reserve Policy. The 2014 bonds are being issued for the purposes of (i) financing a portion of the costs of acquisition, by construction or purchase, of a multi-use entertainment venue and facilities, equipment, appurtenances and improvements related thereto; (ii) satisfying the Series 2014 Debt Service Reserve Fund in an amount equal to the 2014 Reserve Fund Requirement as defined in the bond documents; and (iii) paying the cost of issuance of the 2014 bonds.

On December 4, 2014, the City issued \$12,210,000 in Series 2014 Parking Facilities Revenue Bonds. These bonds, including the interest thereon, are payable solely from, and are secured by, a pledge of the City's parking system revenue. The 2014 bonds are being issued to partially refund the Series 2005A and Series 2005B Parking Facilities Revenue Bonds.

On December 18, 2014 the City entered into a Master Equipment Lease/Purchase Agreement in an amount not to exceed \$7,000,000. Proceeds from the lease will be used to purchase various items of equipment and rolling stock. Lease payments will be made from annual appropriations.

B. PENDING IMPLEMENTATION OF GASB STATEMENTS

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, intends to improve financial reporting for most governments that provide their employees with pension benefits. The Statement is effective for financial statements for periods beginning after June 15, 2014. The City will implement the new guidance with the 2015 financial statements. The City, based on information received from PEBA using a 7.5% discount rate, estimates its share of the net pension liability as of June 30, 2014, for the SC Retirement System will be approximately \$111,826,000. The City estimates its share of the liability for the Police Officers Retirement System as of June 30, 2014, will be approximately \$68,682,000.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, intends to improve accounting and financial reporting of combinations and disposals of government operations of U.S. state and local governments. The Statement is effective for financial statements for periods beginning after December 15, 2013. The City will implement the new guidance with the 2015 financial statements. The City is currently evaluating the future effect of this Statement on its financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

VII. OTHER INFORMATION (Continued)

B. PENDING IMPLEMENTATION OF GASB STATEMENTS (Continued)

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. This statement will improve financial reporting by eliminating the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. The City will implement the new guidance with the 2015 financial statements. The City is currently evaluating the future effect of this Statement on its financial statements.

C. CHANGE IN ACCOUNTING PRINCIPLES AND OTHER RESTATEMENTS

GASB Statement 65 Restatement

The City implemented Governmental Accounting Standards Board (GASB) Statement 65, *Items Previously Reported as Assets and Liabilities*, in the fiscal year ended June 30, 2014. In accordance with GASB Statement 65, deferred costs from the refunding of debt, which were previously deferred and amortized, are now presented as deferred outflows of resources. This statement also requires that bond issuance costs which were previously deferred and amortized be expensed in the year they occurred. The net position of the government-wide activities and the Water and Sewer Facilities and the Parking Facilities enterprise funds have been restated in the following amounts:

Governmental activities -	<u>\$ 1,671,912</u>
Enterprise funds -	
Water and Sewer Facilities	3,833,718
Parking Facilities	<u>498,518</u>
Total Enterprise funds	<u>4,332,236</u>
Total	<u><u>\$ 6,004,148</u></u>

Restatement for Transfer

During the year ended June 30, 2013, the City transferred \$726,992 from the Miscellaneous Projects fund, a nonmajor capital projects fund, to the Debt Service fund that was not included in the transfers for fiscal year 2013. Both funds are included in the nonmajor governmental funds on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS -
OTHER POSTEMPLOYMENT BENEFITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
Primary Government						
7/1/2013	\$ -	\$ 131,827,750	\$ 131,827,750	0%	\$ 91,937,081	143.39%
7/1/2012	-	108,363,404	108,363,404	0%	90,099,630	120.27%
7/1/2011	-	104,195,581	104,195,581	0%	88,677,596	117.50%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Liability	Percent of OPEB Cost Contributed
Primary Government				
2014	\$ 9,546,348	\$ 6,737,364	\$ 48,612,704	70.58%
2013	8,146,966	4,993,487	45,803,720	61.29%
2012	7,826,383	5,076,142	42,650,241	64.86%

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
General property taxes	\$ 50,251,476	\$ 50,251,476	\$ 50,884,644	\$ 633,168
Admission taxes	-	-	237,876	237,876
License and permits	28,741,421	28,741,421	31,466,856	2,725,435
Intergovernmental revenue	12,265,828	12,265,828	14,380,520	2,114,692
Charges for services	13,838,040	13,838,040	12,660,051	(1,177,989)
Fines and forfeitures	1,472,000	1,472,000	1,164,759	(307,241)
Revenues from use of money and property	50,000	50,000	75,840	25,840
Other revenues	97,000	97,000	151,130	54,130
Total revenues	106,715,765	106,715,765	111,021,676	4,305,911
EXPENDITURES:				
General government	7,399,640	7,447,285	6,950,028	497,257
Judicial	2,566,229	2,614,801	2,530,489	84,312
Finance department	1,869,126	1,869,126	1,668,970	200,156
Development services and planning	4,962,705	5,132,705	4,380,030	752,675
Public safety	54,527,219	57,444,315	56,347,504	1,096,811
Parks and recreation	10,638,450	10,687,808	10,364,413	323,395
Public works	17,902,956	18,937,861	17,605,376	1,332,485
General services	5,290,311	5,387,869	4,902,617	485,252
Community promotion	100,000	160,000	249,980	(89,980)
Nondepartmental	2,945,817	2,410,817	4,232,967	(1,822,150)
Total expenditures	108,202,453	112,092,587	109,232,374	2,860,213
Excess (deficiency) of revenues over (under) expenditures	(1,486,688)	(5,376,822)	1,789,302	7,166,124
OTHER FINANCING SOURCES (USES)				
Transfers in	17,775,000	18,119,844	14,314,514	(3,805,330)
Transfers (out)	(16,452,787)	(12,907,497)	(12,330,917)	576,580
Sale of capital assets	164,475	164,475	382,589	218,114
Total other financing sources (uses)	1,486,688	5,376,822	2,366,186	(3,010,636)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	-	-	4,155,488	4,155,488
Fund balance - beginning	24,838,839	24,838,839	24,838,839	-
Fund balance - ending	\$ 24,838,839	\$ 24,838,839	\$ 28,994,327	\$ 4,155,488

See accompanying Notes to Budgetary Comparison Schedule.

**CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO BUDGETARY COMPARISON SCHEDULE (UNAUDITED)
YEAR ENDED JUNE 30, 2014**

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. Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations lapse at year end.

The final budget amendments presented are necessary based on the operating activities of the City. These amendments have been approved by City Council authorizations.

**Schedule of Changes in Appropriated Budget
For Year Ended June 30, 2014**

	Original Adopted Budget	Final Budget Amendments	Revised Budget
General Fund	\$ 124,655,240	\$ 344,844	\$ 125,000,084

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

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

For the Year Ended June 30, 2014

REVENUES	Original Budget	Final Budget	Actual	Variance
General property taxes				
General property taxes - current	\$ 48,498,524	\$ 48,498,524	\$ 46,293,243	\$ (2,205,281)
Real estate tax - Lexington County - current	-	-	2,030,285	2,030,285
Real estate tax - Lexington County - prior	-	-	16,610	16,610
Personal tax - Lexington County - current	-	-	166,110	166,110
Homestead exemption	1,050,000	1,050,000	1,081,584	31,584
Payment in lieu of taxes	-	-	537,652	537,652
Merchants inventory tax	702,952	702,952	759,160	56,208
Total general property taxes	50,251,476	50,251,476	50,884,644	633,168
Admission taxes	-	-	237,876	237,876
License and permits				
Business license	8,650,000	8,650,000	10,006,018	1,356,018
Business license - Telecommunications	1,050,000	1,050,000	1,032,882	(17,118)
Business license - Insurance	9,750,000	9,750,000	10,800,477	1,050,477
Delinquent business license	73,000	73,000	143,035	70,035
Business license franchise fees	7,735,621	7,735,621	7,876,781	141,160
Franchise fees - vendors	1,200	1,200	-	(1,200)
Business license sales tax audit	1,700	1,700	-	(1,700)
Arts and craft permits	1,200	1,200	2,130	930
New business list sales	-	-	294	294
Business license ordinance sales	-	-	1,700	1,700
Business license contractor's decals	24,000	24,000	28,415	4,415
Group event license/permit	7,000	7,000	8,080	1,080
Building permits	918,500	918,500	978,630	60,130
Electrical permits	126,400	126,400	168,587	42,187
Plumbing permits	47,000	47,000	61,043	14,043
Gas permits	9,000	9,000	6,550	(2,450)
Sign permits	19,000	19,000	20,848	1,848
Heat permits	130,200	130,200	113,235	(16,965)
Zoning permits	48,000	48,000	44,629	(3,371)
Dog license	36,000	36,000	42,740	6,740
Chauffeur license	-	-	4,530	4,530
Other miscellaneous - business	111,200	111,200	124,970	13,770
Other miscellaneous - non-business	2,400	2,400	1,282	(1,118)
Total license and permits	28,741,421	28,741,421	31,466,856	2,725,435
Intergovernmental revenues				
State shared	2,809,494	2,809,494	2,805,133	(4,361)
School resource officer services	190,000	190,000	190,565	565
SC Motor fuel tax reimbursement	-	-	1,381	1,381
USC parking garage revenues	-	-	1,642,052	1,642,052
Highway signal maintenance	291,334	291,334	298,722	7,388
Fire rebate - Richland County	8,975,000	8,975,000	9,442,667	467,667
Total intergovernmental revenues	12,265,828	12,265,828	14,380,520	2,114,692

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance
Charges for services				
Trade publication renewals	\$ 7,700	\$ 7,700	\$ 7,905	\$ 205
Support services	2,270,000	2,270,000	-	(2,270,000)
Return check service charges	-	-	1,888	1,888
Duplicated business licenses	-	-	200	200
Compost sales	5,000	5,000	6,510	1,510
Recycling sales	100,000	100,000	118,735	18,735
Solid waste disposal fees	15,000	15,000	14,622	(378)
Storm water inspection fees	-	-	476	476
Commercial bulk container disposal	-	-	1,467	1,467
Commercial roll cart disposal	59,000	59,000	57,167	(1,833)
Eleemosynary roll cart collection	30,000	30,000	54,713	24,713
Eleemosynary roll cart disposal	7,500	7,500	7,185	(315)
Eleemosynary homeowner collection	10,000	10,000	6,872	(3,128)
Eleemosynary homeowner disposal	2,500	2,500	1,703	(797)
Six night service disposal	20,000	20,000	21,162	1,162
Tree and forestry lot clearance fees	50,000	50,000	96,133	46,133
Animal shelter fees - Richland County	280,000	280,000	316,288	36,288
Animal shelter fees	132,000	132,000	133,969	1,969
Employee animal clinic fees	1,000	1,000	67	(933)
Hydrant fees	9,500,000	9,500,000	10,841,064	1,341,064
Police accident report copies	33,000	33,000	34,705	1,705
Reimbursement police services	-	-	87,947	87,947
False fire alarm charges	20,000	20,000	33,250	13,250
Maxcy Gregg admission fees	25,000	25,000	31,181	6,181
Drew Park admission fees	310,000	310,000	333,334	23,334
Recreation athletics	47,100	47,100	58,203	11,103
Tennis court fees	57,500	57,500	69,994	12,494
Other parks/recreation fees	340,740	340,740	298,960	(41,780)
Hazardous Materials Recovery Fee	500,000	500,000	12,000	(488,000)
Finlay Park ground reservation	15,000	15,000	12,351	(2,649)
Total charges for services	13,838,040	13,838,040	12,660,051	(1,177,989)
Fines and forfeitures				
Criminal court fines	220,000	220,000	1,164,297	944,297
Traffic court fines	1,239,000	1,239,000	-	(1,239,000)
Late fees	10,000	10,000	462	(9,538)
Uniform ordinance inspections	1,000	1,000	-	(1,000)
Uniform ordinance animal control	2,000	2,000	-	(2,000)
Total fines and forfeitures	1,472,000	1,472,000	1,164,759	(307,241)

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance
Revenues from use of money and property				
Interest on investments general	\$ 50,000	\$ 50,000	\$ 74,414	\$ 24,414
Interest gain (loss) cost/market	-	-	1,426	1,426
Total revenues from use of money and property	50,000	50,000	75,840	25,840
Other revenues				
Miscellaneous revenue	47,000	47,000	46,317	(683)
Rents and royalties	50,000	50,000	104,813	54,813
Total other revenues	97,000	97,000	151,130	54,130
TOTAL REVENUES	106,715,765	106,715,765	111,021,676	4,305,911
OTHER FINANCING SOURCES				
Sale of capital assets	164,475	164,475	382,589	218,114
Transfers from				
Water and sewer operating fund	4,250,000	4,250,000	6,520,000	2,270,000
Hospitality fund	3,000,000	3,000,000	3,000,000	-
Accommodations fund	25,000	25,000	25,000	-
Other funds	8,500,000	8,500,000	4,769,514	(3,730,486)
Unappropriated surplus transfer	2,000,000	2,344,844	-	(2,344,844)
Total transfers	17,775,000	18,119,844	14,314,514	(3,805,330)
Total other financing sources	17,939,475	18,284,319	14,697,103	(3,587,216)
Total revenues and other financing sources	\$ 124,655,240	\$ 125,000,084	\$ 125,718,779	\$ 718,695

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

For the Year Ended June 30, 2014

EXPENDITURES	Original Budget	Final Budget	Actual	Variance
General Government				
Legislative				
Personnel services	\$ 403,891	\$ 403,891	\$ 396,307	\$ 7,584
Supplies	26,000	27,500	32,138	(4,638)
Other services and charges	213,300	239,445	149,843	89,602
Total legislative	<u>643,191</u>	<u>670,836</u>	<u>578,288</u>	<u>92,548</u>
Executive/Administration				
Personnel services	457,572	457,572	522,139	(64,567)
Supplies	23,700	20,668	18,864	1,804
Other services and charges	51,862	72,862	93,015	(20,153)
Total executive/administration	<u>533,134</u>	<u>551,102</u>	<u>634,018</u>	<u>(82,916)</u>
Governmental Affairs				
Personnel services	431,394	291,394	278,313	13,081
Supplies	13,505	13,505	13,863	(358)
Other services and charges	85,300	225,300	160,459	64,841
Total governmental affairs	<u>530,199</u>	<u>530,199</u>	<u>452,635</u>	<u>77,564</u>
Chief Financial Officer				
Personnel services	154,769	154,769	164,415	(9,646)
Supplies	3,135	3,135	49	3,086
Other services and charges	22,776	22,776	14,479	8,297
Total administrative operations	<u>180,680</u>	<u>180,680</u>	<u>178,943</u>	<u>1,737</u>
Senior Assistant City Manager				
Personnel services	248,401	248,401	250,273	(1,872)
Supplies	6,655	6,665	3,267	3,398
Other services and charges	55,409	54,396	52,727	1,669
Total senior assistant city manager	<u>310,465</u>	<u>309,462</u>	<u>306,267</u>	<u>3,195</u>
Assistant City Manager for Operations				
Personnel services	324,780	289,780	284,375	5,405
Supplies	6,700	6,700	5,702	998
Other services and charges	5,185	40,185	42,933	(2,748)
Total assistant city manager for operations	<u>336,665</u>	<u>336,665</u>	<u>333,010</u>	<u>3,655</u>
Citizen's Support Services				
Personnel services	362,824	362,824	370,957	(8,133)
Supplies	17,500	17,500	21,353	(3,853)
Other services and charges	145,980	148,012	148,859	(847)
Total citizen's support services	<u>526,304</u>	<u>528,336</u>	<u>541,169</u>	<u>(12,833)</u>

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance
Community and Economic Development				
Personnel services	\$ 345,977	\$ 369,653	\$ 343,314	\$ 26,339
Supplies	27,025	27,531	28,572	(1,041)
Other services and charges	187,975	163,793	146,602	17,191
Total community and economic development development	<u>560,977</u>	<u>560,977</u>	<u>518,488</u>	<u>42,489</u>
Human Resources and Training				
Personnel services	821,153	821,153	817,870	3,283
Supplies	45,787	44,287	29,197	15,090
Other services and charges	46,705	48,205	31,320	16,885
Total human resources and training	<u>913,645</u>	<u>913,645</u>	<u>878,387</u>	<u>35,258</u>
Budget and Program				
Personnel services	230,895	230,895	231,719	(824)
Supplies	3,750	3,750	3,049	701
Other services and charges	59,650	59,650	21,268	38,382
Total budget and program	<u>294,295</u>	<u>294,295</u>	<u>256,036</u>	<u>38,259</u>
Legal				
Personnel services	1,025,331	1,025,331	911,625	113,706
Supplies	60,487	60,487	31,800	28,687
Other services and charges	959,307	959,307	822,150	137,157
Total legal	<u>2,045,125</u>	<u>2,045,125</u>	<u>1,765,575</u>	<u>279,550</u>
Public Information				
Personnel services	399,128	399,128	377,223	21,905
Supplies	54,203	51,706	51,186	520
Other services and charges	71,629	75,129	78,803	(3,674)
Total public information	<u>524,960</u>	<u>525,963</u>	<u>507,212</u>	<u>18,751</u>
Total General Government	<u>7,399,640</u>	<u>7,447,285</u>	<u>6,950,028</u>	<u>497,257</u>
Judicial				
Municipal Court				
Personnel services	2,250,464	2,250,464	2,194,775	55,689
Supplies	63,595	75,788	77,204	(1,416)
Other services and charges	252,170	239,977	209,938	30,039
Capital outlay	-	48,572	48,572	-
Total municipal court	<u>2,566,229</u>	<u>2,614,801</u>	<u>2,530,489</u>	<u>84,312</u>
Total Judicial	<u>2,566,229</u>	<u>2,614,801</u>	<u>2,530,489</u>	<u>84,312</u>

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance
Finance Department				
Administration				
Personnel services	\$ 139,906	\$ 139,906	\$ 125,227	\$ 14,679
Supplies	5,000	5,000	-	5,000
Other services and charges	63,035	63,035	53,487	9,548
	<u>207,941</u>	<u>207,941</u>	<u>178,714</u>	<u>29,227</u>
Total administration				
Accounting				
Personnel services	798,588	798,588	653,276	145,312
Supplies	22,435	22,435	20,451	1,984
Other services and charges	124,205	124,205	87,363	36,842
	<u>945,228</u>	<u>945,228</u>	<u>761,090</u>	<u>184,138</u>
Total accounting				
Business License				
Personnel services	614,334	614,334	607,011	7,323
Supplies	27,638	27,638	29,318	(1,680)
Other services and charges	73,985	73,985	92,837	(18,852)
	<u>715,957</u>	<u>715,957</u>	<u>729,166</u>	<u>(13,209)</u>
Total business license				
Total Finance Department				
	<u>1,869,126</u>	<u>1,869,126</u>	<u>1,668,970</u>	<u>200,156</u>
Development Services and Planning				
Development Services				
Personnel services	4,079,207	4,079,207	3,891,838	187,369
Supplies	227,895	218,295	139,468	78,827
Other services and charges	592,540	762,540	306,735	455,805
Capital outlay	63,063	72,663	41,989	30,674
	<u>4,962,705</u>	<u>5,132,705</u>	<u>4,380,030</u>	<u>752,675</u>
Total development services				
Total Development Services and Planning				
	<u>4,962,705</u>	<u>5,132,705</u>	<u>4,380,030</u>	<u>752,675</u>
Public Safety				
Police Department				
Administrative Services				
Personnel services	2,604,025	2,541,480	2,169,556	371,924
Supplies	816,869	1,040,480	1,016,903	23,577
Other services and charges	1,380,926	1,380,926	1,587,743	(206,817)
Capital outlay	-	48,115	126,156	(78,041)
	<u>4,801,820</u>	<u>5,011,001</u>	<u>4,900,358</u>	<u>110,643</u>
Total administrative services				

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance
Operations				
Personnel services	\$ 16,753,561	\$ 16,615,823	\$ 15,764,012	\$ 851,811
Supplies	1,313,652	2,071,310	1,656,615	414,695
Other services and charges	639,676	639,761	722,557	(82,796)
Capital outlay	-	877,061	877,061	-
	<u>18,706,889</u>	<u>20,203,955</u>	<u>19,020,245</u>	<u>1,183,710</u>
Special Services				
Personnel services	7,734,023	7,704,511	8,626,023	(921,512)
Supplies	307,644	307,644	238,472	69,172
Other services and charges	211,680	211,680	176,067	35,613
Capital outlay	-	115,105	172,985	(57,880)
	<u>8,253,347</u>	<u>8,338,940</u>	<u>9,213,547</u>	<u>(874,607)</u>
Total Police Department	<u>31,762,056</u>	<u>33,553,896</u>	<u>33,134,150</u>	<u>419,746</u>
Fire Department - City				
Administration				
Personnel services	897,828	897,828	861,381	36,447
Supplies	31,425	29,005	28,035	970
Other services and charges	25,080	67,100	65,456	1,644
Capital outlay	125,000	106,904	106,816	88
	<u>1,079,333</u>	<u>1,100,837</u>	<u>1,061,688</u>	<u>39,149</u>
Fire Prevention				
Personnel services	1,090,411	1,090,411	1,004,278	86,133
Supplies	105,974	90,074	68,449	21,625
Other services and charges	81,950	83,050	77,199	5,851
Other services and charges	-	80,476	79,155	1,321
	<u>1,278,335</u>	<u>1,344,011</u>	<u>1,229,081</u>	<u>114,930</u>
Fire Suppression				
Personnel services	14,451,498	14,451,498	14,289,071	162,427
Supplies	1,328,607	1,387,807	1,327,049	60,758
Other services and charges	1,382,550	1,301,850	1,293,578	8,272
Capital outlay	40,000	1,104,738	1,104,098	640
	<u>17,202,655</u>	<u>18,245,893</u>	<u>18,013,796</u>	<u>232,097</u>
Fire Logistics				
Personnel services	129,526	129,526	129,650	(124)
Supplies	98,605	98,605	82,417	16,188
Other services and charges	73,000	72,850	58,912	13,938
Capital outlay	139,040	134,028	114,809	19,219
	<u>440,171</u>	<u>435,009</u>	<u>385,788</u>	<u>49,221</u>
Total Fire Department - City	<u>20,000,494</u>	<u>21,125,750</u>	<u>20,690,353</u>	<u>435,397</u>

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance
911 Emergency and 311 Center				
Personnel services	\$ 2,461,719	\$ 2,461,719	\$ 2,279,064	\$ 182,655
Supplies	54,400	54,400	30,090	24,310
Other services and charges	248,550	248,550	213,847	34,703
Total 911 Emergency and 311 Center	<u>2,764,669</u>	<u>2,764,669</u>	<u>2,523,001</u>	<u>241,668</u>
Total Public Safety	<u>54,527,219</u>	<u>57,444,315</u>	<u>56,347,504</u>	<u>1,096,811</u>
Parks and Recreation				
Recreation				
Personnel services	3,576,469	3,565,091	3,570,520	(5,429)
Supplies	128,972	147,469	147,741	(272)
Other services and charges	922,859	1,057,980	1,125,538	(67,558)
Capital outlay	8,400	5,036	-	5,036
Total recreation	<u>4,636,700</u>	<u>4,775,576</u>	<u>4,843,799</u>	<u>(68,223)</u>
Parks				
Personnel services	4,612,766	4,545,266	4,290,285	254,981
Supplies	470,625	485,174	480,321	4,853
Other services and charges	508,859	493,934	460,722	33,212
Capital outlay	409,500	387,858	289,286	98,572
Total parks	<u>6,001,750</u>	<u>5,912,232</u>	<u>5,520,614</u>	<u>391,618</u>
Total Parks and Recreation	<u>10,638,450</u>	<u>10,687,808</u>	<u>10,364,413</u>	<u>323,395</u>
Public Works				
Administration				
Personnel services	349,321	349,321	328,689	20,632
Supplies	27,650	60,193	57,325	2,868
Other services and charges	108,650	125,950	121,820	4,130
Total administration	<u>485,621</u>	<u>535,464</u>	<u>507,834</u>	<u>27,630</u>
Solid Waste				
Personnel services	4,356,855	4,349,277	4,223,012	126,265
Supplies	1,327,896	1,393,466	1,078,527	314,939
Other services and charges	2,344,535	2,145,089	1,903,176	241,913
Capital outlay	15,000	725,003	736,540	(11,537)
Total solid waste	<u>8,044,286</u>	<u>8,612,835</u>	<u>7,941,255</u>	<u>671,580</u>

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance
Streets and Storm Drains				
Personnel services	\$ 1,804,695	\$ 1,804,695	\$ 1,530,085	\$ 274,610
Supplies	234,110	238,489	223,354	15,135
Other services and charges	108,075	118,075	95,442	22,633
Capital outlay	-	191,524	182,192	9,332
Total streets and storm drains	<u>2,146,880</u>	<u>2,352,783</u>	<u>2,031,073</u>	<u>321,710</u>
Animal Control				
Personnel services	1,064,696	1,064,696	1,058,341	6,355
Supplies	174,266	177,798	160,906	16,892
Other services and charges	126,672	123,140	111,581	11,559
Capital outlay	-	16,419	16,419	-
Total animal control	<u>1,365,634</u>	<u>1,382,053</u>	<u>1,347,247</u>	<u>34,806</u>
Forestry and Beautification				
Personnel services	1,782,875	1,782,875	1,411,475	371,400
Supplies	224,927	224,927	183,579	41,348
Other services and charges	265,997	265,749	242,564	23,185
Capital outlay	8,500	35,532	35,532	-
Total forestry and beautification	<u>2,282,299</u>	<u>2,309,083</u>	<u>1,873,150</u>	<u>435,933</u>
Traffic Engineering				
Personnel services	1,348,217	1,348,217	1,251,852	96,365
Supplies	198,068	231,889	177,112	54,777
Other services and charges	2,018,351	2,024,601	2,385,759	(361,158)
Capital outlay	13,600	140,936	90,094	50,842
Total traffic engineering	<u>3,578,236</u>	<u>3,745,643</u>	<u>3,904,817</u>	<u>(159,174)</u>
Total Public Works	<u>17,902,956</u>	<u>18,937,861</u>	<u>17,605,376</u>	<u>1,332,485</u>
General Services				
Information Technology				
Personnel services	1,979,608	1,881,107	1,736,439	144,668
Supplies	168,543	129,676	109,362	20,314
Other services and charges	1,215,837	1,410,704	1,266,428	144,276
Capital outlay	76,326	76,026	88,807	(12,781)
Total information technology	<u>3,440,314</u>	<u>3,497,513</u>	<u>3,201,036</u>	<u>296,477</u>
Support Services				
Personnel services	487,548	487,548	466,622	20,926
Supplies	61,044	61,044	39,972	21,072
Other services and charges	1,251,405	1,251,405	1,138,730	112,675
Capital outlay	50,000	90,359	56,257	34,102
Total public buildings	<u>1,849,997</u>	<u>1,890,356</u>	<u>1,701,581</u>	<u>188,775</u>
Total General Services	<u>5,290,311</u>	<u>5,387,869</u>	<u>4,902,617</u>	<u>485,252</u>

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance
Community Promotion				
Supplies	\$ -	\$ -	\$ 45,197	\$ (45,197)
Other services and charges	100,000	-	44,782	(44,782)
Community promotion	-	160,000	160,001	(1)
Total Community Promotion	<u>100,000</u>	<u>160,000</u>	<u>249,980</u>	<u>(89,980)</u>
Nondepartmental				
Contingencies				
Supplies	475,000	-	12,669	(12,669)
Other services and charges	955,817	780,817	1,060,284	(279,467)
Community promotion	-	-	2,500	(2,500)
Total contingencies	<u>1,430,817</u>	<u>780,817</u>	<u>1,075,453</u>	<u>(294,636)</u>
Administration				
Other services and charges	505,000	505,000	498,342	6,658
Total administration	<u>505,000</u>	<u>505,000</u>	<u>498,342</u>	<u>6,658</u>
Homeless Services				
Other services and charges	1,000,000	1,125,000	1,218,907	(93,907)
Total homeless services	<u>1,000,000</u>	<u>1,125,000</u>	<u>1,218,907</u>	<u>(93,907)</u>
Debt Service				
Principal payments on debt	-	-	540,000	(540,000)
Interest payments on debt	-	-	891,719	(891,719)
Total debt service	<u>-</u>	<u>-</u>	<u>1,431,719</u>	<u>(1,431,719)</u>
Community Development				
Personnel services	-	-	467	(467)
Supplies	-	-	433	(433)
Other services and charges	10,000	-	7,646	(7,646)
Total community development	<u>10,000</u>	<u>-</u>	<u>8,546</u>	<u>(8,546)</u>
Total Nondepartmental	<u>2,945,817</u>	<u>2,410,817</u>	<u>4,232,967</u>	<u>(1,822,150)</u>
TOTAL EXPENDITURES	<u>108,202,453</u>	<u>112,092,587</u>	<u>109,232,374</u>	<u>2,860,213</u>
OTHER FINANCING USES				
Transfers to Other Funds				
Debt service	5,498,688	5,498,688	5,498,688	-
Transfers interfund	10,954,099	7,408,809	6,832,229	576,580
Total Transfers to Other Funds	<u>16,452,787</u>	<u>12,907,497</u>	<u>12,330,917</u>	<u>576,580</u>
Total Other Financing Uses	<u>16,452,787</u>	<u>12,907,497</u>	<u>12,330,917</u>	<u>576,580</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 124,655,240</u>	<u>\$ 125,000,084</u>	<u>\$ 121,563,291</u>	<u>\$ 3,436,793</u>

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

June 30, 2014

	Special Revenue										
	Liquor Permit Fee	Business Improvement District	Accommodations Tax	Confiscated Drug Program	Hospitality Tax	Franchise Fee	Community Development	Federal Grants	Other Programs	Tourism Development Convention Center	Total
ASSETS											
Cash and cash equivalents	\$ 129,273	\$ -	\$ 108,581	\$ 206,036	\$ 1,911,003	\$ -	\$ -	\$ 2,907	\$ 161,429	\$ 1,790,019	\$ 4,309,248
Investments	-	-	-	53,718	-	-	-	-	-	-	53,718
Due from the Federal government	-	-	-	-	-	-	804,842	716,735	-	-	1,521,577
Due from State government	19,700	-	744,346	-	-	-	-	-	-	-	764,046
Due from County government	-	-	-	-	-	-	-	-	-	648,631	648,631
Accrued interest receivable	-	-	-	-	-	-	-	-	-	9	9
Note receivable	-	-	-	-	-	1,969,763	-	-	-	-	1,969,763
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 148,973	\$ -	\$ 852,927	\$ 259,754	\$ 1,911,003	\$ 1,969,763	\$ 804,842	\$ 719,642	\$ 161,429	\$ 2,438,659	\$ 9,266,992
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts payable	\$ -	\$ -	\$ 285,500	\$ 6,014	\$ 7,500	\$ -	\$ 203,639	\$ 126,297	\$ 7,268	\$ -	\$ 636,218
Accrued salaries and benefits	-	-	-	-	-	-	16,131	6,311	3,550	-	25,992
Retainage payable	-	-	-	-	-	-	-	-	-	-	-
Refundable advances	-	-	-	53,718	-	-	727	21,958	-	-	76,403
Due to other funds	-	-	-	-	-	1,969,763	584,345	565,076	-	-	3,119,184
Total liabilities	-	-	285,500	59,732	7,500	1,969,763	804,842	719,642	10,818	-	3,857,797
Fund balances											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	148,973	-	567,427	200,022	1,903,503	-	-	-	150,611	2,438,659	5,409,195
Assigned	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	148,973	-	567,427	200,022	1,903,503	-	-	-	150,611	2,438,659	5,409,195
TOTAL LIABILITIES AND FUND BALANCES	\$ 148,973	\$ -	\$ 852,927	\$ 259,754	\$ 1,911,003	\$ 1,969,763	\$ 804,842	\$ 719,642	\$ 161,429	\$ 2,438,659	\$ 9,266,992

(Continued)

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

June 30, 2014

	Debt Service Fund	Capital Projects				Total	Permanent Trust	Total Nonmajor Governmental Funds
		Congaree Vista District	Streetscaping	General Capital Projects	Miscellaneous Projects		Dickson Trust	
ASSETS								
Cash and cash equivalents	\$ 3,201,151	\$ 5,520,395	\$ 7,666,203	\$ 4,813,343	\$ 1,039,931	\$ 19,039,872	\$ 5,581	\$ 26,555,852
Investments	138,397	-	-	-	12,245,372	12,245,372	-	12,437,487
Due from the Federal government	-	-	61,421	-	-	61,421	-	1,582,998
Due from State government	-	-	-	-	-	-	-	764,046
Due from County government	-	-	-	-	-	-	-	648,631
Accrued interest receivable	-	-	-	-	6	6	-	15
Notes receivable	-	-	-	-	-	-	-	1,969,763
Due from other funds	-	100,000	-	563,517	2,285,244	2,948,761	-	2,948,761
TOTAL ASSETS	\$ 3,339,548	\$ 5,620,395	\$ 7,727,624	\$ 5,376,860	\$ 15,570,553	\$ 34,295,432	\$ 5,581	\$ 46,907,553
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ 2,045	\$ 164,337	\$ 186,028	\$ 14,379	\$ 366,789	\$ -	\$ 1,003,007
Accrued salaries and benefits	-	-	-	-	-	-	-	25,992
Retainage payable	-	-	67,238	18,399	-	85,637	-	85,637
Refundable advances	-	-	-	-	-	-	-	76,403
Due to other funds	-	-	-	-	1,358,831	1,358,831	-	4,478,015
Total liabilities	-	2,045	231,575	204,427	1,373,210	1,811,257	-	5,669,054
Fund balances								
Nonspendable	-	-	-	-	-	-	5,000	5,000
Restricted	3,339,548	5,618,350	-	-	14,197,343	19,815,693	581	28,565,017
Assigned	-	-	7,496,049	5,172,433	-	12,668,482	-	12,668,482
Total fund balances	3,339,548	5,618,350	7,496,049	5,172,433	14,197,343	32,484,175	5,581	41,238,499
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,339,548	\$ 5,620,395	\$ 7,727,624	\$ 5,376,860	\$ 15,570,553	\$ 34,295,432	\$ 5,581	\$ 46,907,553

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

Year Ended June 30, 2014

	Special Revenue										
	Liquor Permit Fee	Business Improvement District	Accommodations Tax	Confiscated Drug Program	Hospitality Tax	Franchise Fee	Community Development	Federal Grants	Other Programs	Tourism Development Convention Center	Total
REVENUES											
Federal government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,726,554	\$ 1,216,297	\$ -	\$ -	\$ 3,942,851
State government	306,225	-	-	-	-	-	-	-	5,250	-	311,475
County government	-	768,751	-	-	-	-	-	-	-	5,485,700	6,254,451
Promotions	-	-	-	-	-	-	-	-	78,047	-	78,047
Charges for services	-	-	-	-	-	-	-	-	32,336	-	32,336
Fines and forfeitures	-	-	-	-	-	-	-	-	169,661	-	169,661
Confiscated funds	-	-	-	267,863	-	-	-	-	-	-	267,863
Sales and hospitality taxes	-	-	2,059,609	-	9,774,539	-	-	-	-	-	11,834,148
Interest income	-	-	-	100	10,089	-	-	-	-	137	10,326
Other revenue	-	-	-	-	-	-	-	351,088	-	-	351,088
Total revenues	<u>306,225</u>	<u>768,751</u>	<u>2,059,609</u>	<u>267,963</u>	<u>9,784,628</u>	<u>-</u>	<u>2,726,554</u>	<u>1,567,385</u>	<u>285,294</u>	<u>5,485,837</u>	<u>23,252,246</u>
EXPENDITURES											
Current											
General government	-	-	67,217	-	-	-	-	26,429	-	-	93,646
Public safety	-	-	-	352,266	-	-	-	870,799	172,211	-	1,395,276
Public services	-	-	-	-	-	-	-	18,013	-	-	18,013
Community promotion	4,693	768,751	2,107,124	-	5,715,307	-	2,486,038	-	186,296	2,549,101	13,817,310
Debt Service											
Principal	-	-	-	-	-	-	-	-	-	2,225,000	2,225,000
Interest and other charges	-	-	-	-	-	-	-	-	-	502,541	502,541
Fiscal agent charges	-	-	-	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-	-	1,750	1,750
Capital Outlay											
Capital outlay	-	-	-	305,446	-	-	15,344	698,208	31,221	24,396	1,074,615
Total expenditures	<u>4,693</u>	<u>768,751</u>	<u>2,174,341</u>	<u>657,712</u>	<u>5,715,307</u>	<u>-</u>	<u>2,501,382</u>	<u>1,613,449</u>	<u>389,728</u>	<u>5,302,788</u>	<u>19,128,151</u>
Excess (deficiency) of revenues over expenditures	<u>301,532</u>	<u>-</u>	<u>(114,732)</u>	<u>(389,749)</u>	<u>4,069,321</u>	<u>-</u>	<u>225,172</u>	<u>(46,064)</u>	<u>(104,434)</u>	<u>183,049</u>	<u>4,124,095</u>
OTHER FINANCING SOURCES (USES)											
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	423,313	46,064	90,000	-	559,377
Transfers out	-	-	(30,563)	-	(4,346,949)	-	(648,485)	-	(43,405)	-	(5,069,402)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(30,563)</u>	<u>-</u>	<u>(4,346,949)</u>	<u>-</u>	<u>(225,172)</u>	<u>46,064</u>	<u>46,595</u>	<u>-</u>	<u>(4,510,025)</u>
Net change in fund balances	301,532	-	(145,295)	(389,749)	(277,628)	-	-	-	(57,839)	183,049	(385,930)
Fund balances - beginning	(152,559)	-	712,722	589,771	2,181,131	-	-	-	208,450	2,255,610	5,795,125
Fund balances - ending	<u>\$ 148,973</u>	<u>\$ -</u>	<u>\$ 567,427</u>	<u>\$ 200,022</u>	<u>\$ 1,903,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,611</u>	<u>\$ 2,438,659</u>	<u>\$ 5,409,195</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, 2014

	Capital Projects					Permanent Trust	Total Nonmajor Governmental Funds
	Debt Service Fund	Congaree Vista District	Streetscaping	General Capital Projects	Miscellaneous Projects	Total	
REVENUES							
Federal government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,942,851
State government	-	-	-	28,517	670,682	699,199	1,010,674
County government	-	-	-	-	-	-	6,254,451
Promotions	-	-	-	-	-	-	78,047
Charges for services	-	-	-	-	-	-	32,336
Fines and forfeitures	-	-	-	-	-	-	169,661
Confiscated funds	-	-	-	-	-	-	267,863
Sales and hospitality taxes	-	-	-	-	-	-	11,834,148
Interest income	11	-	-	-	2,924	2,924	3
Other revenue	-	-	913,087	-	-	913,087	1,264,175
Total revenues	11	-	913,087	28,517	673,606	1,615,210	3
EXPENDITURES							
Current							
General government	-	66,163	-	-	-	66,163	159,809
Public safety	-	-	-	-	-	-	1,395,276
Public services	-	-	73,717	-	839,881	913,598	931,611
Community promotion	-	-	-	793,780	-	793,780	14,611,090
Debt Service							
Principal	6,224,992	-	-	-	-	-	8,449,992
Interest and other charges	1,515,548	-	-	-	-	-	2,018,089
Fiscal agent charges	4,587	-	-	-	-	-	4,587
Debt issuance costs	-	-	-	-	241,729	241,729	243,479
Capital Outlay							
Capital outlay	-	-	1,110,147	814,627	1,256,874	3,181,648	4,256,263
Total expenditures	7,745,127	66,163	1,183,864	1,608,407	2,338,484	5,196,918	-
Excess (deficiency) of revenues over expenditures	(7,745,116)	(66,163)	(270,777)	(1,579,890)	(1,664,878)	(3,581,708)	3
OTHER FINANCING SOURCES (USES)							
Proceeds from borrowing	-	-	-	-	7,315,000	7,315,000	7,315,000
Premium on bond issuance	-	-	-	-	816,175	816,175	816,175
Transfers in	6,845,637	100,000	-	1,941,557	2,399,664	4,441,221	11,846,235
Transfers out	-	-	(26,000)	-	(3,621,685)	(3,647,685)	(8,717,087)
Total other financing sources and uses	6,845,637	100,000	(26,000)	1,941,557	6,909,154	8,924,711	-
Net change in fund balances	(899,479)	33,837	(296,777)	361,667	5,244,276	5,343,003	3
Fund balances beginning - as previously reported	3,512,035	5,584,513	7,792,826	4,810,766	9,680,059	27,868,164	5,578
Restatement (Note VII.C.)	726,992	-	-	-	(726,992)	(726,992)	-
Fund balances - beginning as restated	4,239,027	5,584,513	7,792,826	4,810,766	8,953,067	27,141,172	5,578
Fund balances - ending	\$ 3,339,548	\$ 5,618,350	\$ 7,496,049	\$ 5,172,433	\$ 14,197,343	\$ 32,484,175	\$ 5,581

NONMAJOR PROPRIETARY FUNDS

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

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

Stormwater Facilities Fund accounts for stormwater utility activities.

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

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

Economic Development Fund accounts for economic development activities.

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

June 30, 2014

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Economic Development Fund	Total Nonmajor Proprietary Funds
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 109,827	\$ 13,793,424	\$ 6,187,758	\$ 159,685	\$ 1,187,693	\$ 21,438,387
Investments	-	6,013,035	-	-	-	6,013,035
Accounts receivable, net	376,574	2,420	-	-	-	378,994
Mortgage notes receivable, net	-	-	413,667	-	-	413,667
Accrued interest receivable	-	12,045	-	-	-	12,045
Due from component units	-	-	371,833	-	-	371,833
Prepaid expenses	-	9,796	-	-	-	9,796
Real estate held for resale	-	-	404,350	-	-	404,350
Total current assets	486,401	19,830,720	7,377,608	159,685	1,187,693	29,042,107
Noncurrent Assets						
Mortgage notes receivable, net	-	-	20,269,664	-	5,909,222	26,178,886
Capital assets						
Land	327,169	19,009	-	-	-	346,178
Buildings, improvements, and utility plant	16,173,300	9,145,018	-	-	-	25,318,318
Machinery and equipment	-	2,894,871	-	-	-	2,894,871
Less accumulated depreciation	(3,800,726)	(3,623,001)	-	-	-	(7,423,727)
Construction in progress	-	3,822,803	-	-	-	3,822,803
Net capital assets	12,699,743	12,258,700	-	-	-	24,958,443
Total noncurrent assets	12,699,743	12,258,700	20,269,664	-	5,909,222	51,137,329
TOTAL ASSETS	\$ 13,186,144	\$ 32,089,420	\$ 27,647,272	\$ 159,685	\$ 7,096,915	\$ 80,179,436
LIABILITIES AND FUND NET POSITION						
Current Liabilities						
Accounts payable	\$ 414	\$ 533,185	\$ 162,610	\$ 4,213	\$ 96,915	\$ 797,337
Accrued salaries and benefits	-	89,675	6,184	20,096	-	115,955
Compensated absences	-	14,935	3,717	-	-	18,652
Retainage payable	-	189,616	-	-	-	189,616
Due to other funds	-	-	-	-	7,000,000	7,000,000
Unearned revenue	500,000	-	-	-	-	500,000
Total current liabilities	500,414	827,411	172,511	24,309	7,096,915	8,621,560
Noncurrent Liabilities						
Compensated absences	-	59,736	14,869	-	-	74,605
Total noncurrent assets	-	59,736	14,869	-	-	74,605
Total liabilities	500,414	887,147	187,380	24,309	7,096,915	8,696,165
Fund Net Position						
Net investment in capital assets	12,699,743	12,258,700	-	-	-	24,958,443
Unrestricted	(14,013)	18,943,573	27,459,892	135,376	-	46,524,828
Total fund net position	12,685,730	31,202,273	27,459,892	135,376	-	71,483,271
TOTAL LIABILITIES AND FUND NET POSITION	\$ 13,186,144	\$ 32,089,420	\$ 27,647,272	\$ 159,685	\$ 7,096,915	\$ 80,179,436

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

Year Ended June 30, 2014

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Economic Development Fund	Total Nonmajor Proprietary Funds
Operating revenues						
Charges for service	\$ 3,343,922	\$ 6,945,593	\$ 537,238	\$ 275,182	\$ -	\$ 11,101,935
Other operating revenue	-	12,688	27,218	-	-	39,906
Total operating revenues	3,343,922	6,958,281	564,456	275,182	-	11,141,841
Operating expenses						
Personnel services	-	3,296,864	111,968	259,222	-	3,668,054
Materials and supplies	-	249,194	320	35,974	-	285,488
Other services and charges	2,688,910	1,321,894	335,439	29,013	-	4,375,256
Depreciation	323,466	700,430	-	-	-	1,023,896
Bad debt expense	-	1,465	400,414	-	-	401,879
Total operating expenses	3,012,376	5,569,847	848,141	324,209	-	9,754,573
Operating income (loss)	331,546	1,388,434	(283,685)	(49,027)	-	1,387,268
Nonoperating revenues (expenses)						
Investment income (loss)	-	88,531	39	-	-	88,570
Other nonoperating revenue	1,500,000	-	-	-	-	1,500,000
Gain from sale of assets	-	18,305	-	-	-	18,305
Total nonoperating revenues (expenses)	1,500,000	106,836	39	-	-	1,606,875
Income (loss) before transfers	1,831,546	1,495,270	(283,646)	(49,027)	-	2,994,143
Transfers						
Transfers in	-	750,000	4,711,170	4,750	-	5,465,920
Transfers out	(1,500,000)	(19,848)	(4,738,526)	(2,315)	-	(6,260,689)
Total transfers	(1,500,000)	730,152	(27,356)	2,435	-	(794,769)
Change in net position	331,546	2,225,422	(311,002)	(46,592)	-	2,199,374
Net position - beginning	12,354,184	28,976,851	27,770,894	181,968	-	69,283,897
Net position - ending	\$ 12,685,730	\$ 31,202,273	\$ 27,459,892	\$ 135,376	\$ -	\$ 71,483,271

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

Year Ended June 30, 2014

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Economic Development Fund	Total Nonmajor Proprietary Funds
Cash Flows From Operating Activities						
Receipts from customers and users	\$ 3,343,922	\$ 6,956,075	\$ 564,456	\$ 275,182	\$ -	\$ 11,139,635
Internal activity - payments to other funds	-	(783,102)	-	(15,222)	-	(798,324)
Payments to suppliers	(3,276,403)	(1,180,656)	(403,570)	(62,148)	-	(4,922,777)
Payments to employees	-	(2,874,323)	(87,198)	(243,712)	-	(3,205,233)
Net cash provided by (used in) operating activities	<u>67,519</u>	<u>2,117,994</u>	<u>73,688</u>	<u>(45,900)</u>	<u>-</u>	<u>2,213,301</u>
Cash Flows From Noncapital Financing Activities						
Advances from other funds	-	-	58,377	-	-	58,377
Payments on contracts payable	(645,600)	-	-	-	-	(645,600)
Transfers in	-	750,000	4,711,170	4,750	-	5,465,920
Transfers out	(1,500,000)	(19,848)	(4,738,526)	(2,315)	-	(6,260,689)
Net cash provided by (used in) noncapital financing activities	<u>(2,145,600)</u>	<u>730,152</u>	<u>31,021</u>	<u>2,435</u>	<u>-</u>	<u>(1,381,992)</u>
Cash Flows From Capital And Related Financing Activities						
Purchase of capital assets	-	(2,248,474)	-	-	-	(2,248,474)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(2,248,474)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,248,474)</u>
Cash Flows From Investing Activities						
Sale of investments	-	157,997	-	-	-	157,997
Advances of mortgage notes receivable	-	-	(1,965,154)	-	(115,437)	(2,080,591)
Collections of mortgage notes receivable	-	-	1,863,451	-	-	1,863,451
Interest received	-	73,487	39	-	-	73,526
Net cash provided by (used in) investing activities	<u>-</u>	<u>231,484</u>	<u>(101,664)</u>	<u>-</u>	<u>(115,437)</u>	<u>14,383</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,078,081)</u>	<u>831,156</u>	<u>3,045</u>	<u>(43,465)</u>	<u>(115,437)</u>	<u>(1,402,782)</u>
Cash and cash equivalents, July 1, 2013	<u>2,187,908</u>	<u>12,962,268</u>	<u>6,184,713</u>	<u>203,150</u>	<u>1,303,130</u>	<u>22,841,169</u>
Cash and cash equivalents, June 30, 2014	<u><u>\$ 109,827</u></u>	<u><u>\$ 13,793,424</u></u>	<u><u>\$ 6,187,758</u></u>	<u><u>\$ 159,685</u></u>	<u><u>\$ 1,187,693</u></u>	<u><u>\$ 21,438,387</u></u>

(Continued)

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

Year Ended June 30, 2014

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Economic Development Fund	Total Nonmajor Proprietary Funds
Reconciliation Of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities						
Operating income (loss)	<u>\$ 331,546</u>	<u>\$ 1,388,434</u>	<u>\$ (283,685)</u>	<u>\$ (49,027)</u>	<u>\$ -</u>	<u>\$ 1,387,268</u>
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Depreciation	323,466	700,430	-	-	-	1,023,896
Bad debt expense	-	1,465	400,414	-	-	401,879
Change in operating assets and liabilities						
Accounts receivable	(376,574)	(2,206)	-	-	-	(378,780)
Prepaid expenses	-	(1,165)	-	-	-	(1,165)
Accounts payable	(210,919)	38,561	(67,811)	2,839	-	(237,330)
Accrued salaries	-	(9,420)	6,184	1,274	-	(1,962)
Accrued compensated absences	-	1,895	18,586	(986)	-	19,495
Total adjustments	<u>(264,027)</u>	<u>729,560</u>	<u>357,373</u>	<u>3,127</u>	<u>-</u>	<u>826,033</u>
Net cash provided by (used in) operating activities	<u><u>\$ 67,519</u></u>	<u><u>\$ 2,117,994</u></u>	<u><u>\$ 73,688</u></u>	<u><u>\$ (45,900)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,213,301</u></u>

INTERNAL SERVICE FUNDS

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

Fleet Management accounts for the maintenance and repair of vehicles.

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

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

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

June 30, 2014

	Fleet Management	Support Services	Risk Management	Totals Internal Service Funds
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 659,953	\$ 23,782	\$ 52,266,424	\$ 52,950,159
Accounts receivable	51,244	-	258,669	309,913
Prepaid expenses	1,597	105,704	-	107,301
Due from other funds	-	-	7,000,000	7,000,000
Inventory	-	673,027	-	673,027
Total current assets	<u>712,794</u>	<u>802,513</u>	<u>59,525,093</u>	<u>61,040,400</u>
Noncurrent Assets				
Deposits	-	-	78,745	78,745
Capital assets				
Construction in progress	-	475,650	-	475,650
Buildings	903,586	-	-	903,586
Machinery and equipment	2,314,277	1,245,261	18,428	3,577,966
Less accumulated depreciation	<u>(2,696,961)</u>	<u>(789,322)</u>	<u>(18,428)</u>	<u>(3,504,711)</u>
Total capital assets (net of accumulated depreciation)	<u>520,902</u>	<u>931,589</u>	<u>-</u>	<u>1,452,491</u>
Total noncurrent assets	<u>520,902</u>	<u>931,589</u>	<u>78,745</u>	<u>1,531,236</u>
TOTAL ASSETS	<u>\$ 1,233,696</u>	<u>\$ 1,734,102</u>	<u>\$ 59,603,838</u>	<u>\$ 62,571,636</u>
LIABILITIES AND NET POSITION				
Current Liabilities				
Accounts payable	\$ 1,051,628	\$ 263,634	\$ 641,304	\$ 1,956,566
Accrued salaries and benefits	81,207	32,499	13,472	127,178
Accrued compensation absences	20,172	11,705	6,772	38,649
Due to other funds	-	1,379,438	-	1,379,438
Accrued liability for claims	-	-	15,407,065	15,407,065
Total current liabilities	<u>1,153,007</u>	<u>1,687,276</u>	<u>16,068,613</u>	<u>18,908,896</u>
Noncurrent Liabilities				
OPEB liability	-	-	48,612,704	48,612,704
Accrued compensated absences	80,689	46,826	27,091	154,606
Total noncurrent liabilities	<u>80,689</u>	<u>46,826</u>	<u>48,639,795</u>	<u>48,767,310</u>
Total liabilities	<u>1,233,696</u>	<u>1,734,102</u>	<u>64,708,408</u>	<u>67,676,206</u>
NET POSITION				
Net investment in capital assets	520,902	931,589	-	1,452,491
Unrestricted	<u>(520,902)</u>	<u>(931,589)</u>	<u>(5,104,570)</u>	<u>(6,557,061)</u>
Total net position (deficit)	<u>-</u>	<u>-</u>	<u>(5,104,570)</u>	<u>(5,104,570)</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,233,696</u>	<u>\$ 1,734,102</u>	<u>\$ 59,603,838</u>	<u>\$ 62,571,636</u>

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

Year Ended June 30, 2014

	Fleet Management	Support Services	Risk Management	Total Internal Service Funds
Operating revenues				
Charges for service	\$ 11,140,226	\$ 1,723,969	\$ 32,941,124	\$ 45,805,319
Total operating revenue	<u>11,140,226</u>	<u>1,723,969</u>	<u>32,941,124</u>	<u>45,805,319</u>
Operating expenses				
Personnel services	2,429,644	955,491	381,281	3,766,416
Materials and supplies	8,775,171	1,000,362	74,735	9,850,268
Heat, light and power	50,985	-	-	50,985
Other services and charges	160,547	1,456,464	3,864,743	5,481,754
Claims and premiums	-	-	30,059,199	30,059,199
Depreciation	149,178	147,133	-	296,311
Total operating expenses	<u>11,565,525</u>	<u>3,559,450</u>	<u>34,379,958</u>	<u>49,504,933</u>
Operating income (loss)	<u>(425,299)</u>	<u>(1,835,481)</u>	<u>(1,438,834)</u>	<u>(3,699,614)</u>
Nonoperating revenues				
Gain from sale of assets	1,575	-	-	1,575
Total nonoperating revenues	<u>1,575</u>	<u>-</u>	<u>-</u>	<u>1,575</u>
Loss before transfers	<u>(423,724)</u>	<u>(1,835,481)</u>	<u>(1,438,834)</u>	<u>(3,698,039)</u>
Transfers				
Transfers in	423,724	2,133,304	3,067,582	5,624,610
Transfers out	-	(3,367)	(1,543,919)	(1,547,286)
Total transfers	<u>423,724</u>	<u>2,129,937</u>	<u>1,523,663</u>	<u>4,077,324</u>
Change in net position	-	294,456	84,829	379,285
Net position (deficit) - beginning	<u>-</u>	<u>(294,456)</u>	<u>(5,189,399)</u>	<u>(5,483,855)</u>
Net position (deficit) - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (5,104,570)</u></u>	<u><u>\$ (5,104,570)</u></u>

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

Year Ended June 30, 2014

	Fleet Management	Support Services	Risk Management	Total Internal Service Funds
Cash Flows From Operating Activities				
Internal activity - receipts from other funds	\$ 9,275,141	\$ 1,723,969	\$ 33,261,389	\$ 44,260,499
Receipts from customers and users	1,895,488	-	-	1,895,488
Internal activity - payments to other funds	(489,421)	(44,016)	(23,210)	(556,647)
Payments to suppliers	(8,727,530)	(2,928,825)	(1,637,149)	(13,293,504)
Claims paid	-	-	(30,643,251)	(30,643,251)
Payments to employees	(1,954,188)	(228,364)	(355,945)	(2,538,497)
Net cash provided by (used in) operating activities	<u>(510)</u>	<u>(1,477,236)</u>	<u>601,834</u>	<u>(875,912)</u>
Cash Flows From Noncapital Financing Activities				
Advances to other funds	-	(447,317)	-	(447,317)
Transfers in	423,724	2,133,304	3,067,582	5,624,610
Transfers out	-	(3,367)	(1,543,919)	(1,547,286)
Net cash provided by (used in) noncapital financing activities	<u>423,724</u>	<u>1,682,620</u>	<u>1,523,663</u>	<u>3,630,007</u>
Cash Flows From Capital and Related Financing Activities				
Proceeds from sale of capital assets	1,575	-	-	1,575
Purchase of capital assets	(62,745)	(206,278)	-	(269,023)
Net cash provided by (used in) capital and related financing activities	<u>(61,170)</u>	<u>(206,278)</u>	<u>-</u>	<u>(267,448)</u>
Net increase (decrease) in cash and cash equivalents	362,044	(894)	2,125,497	2,486,647
Cash and cash equivalents, July 1, 2013	297,909	24,676	50,140,927	50,463,512
Cash and cash equivalents, June 30, 2014	<u>\$ 659,953</u>	<u>\$ 23,782</u>	<u>\$ 52,266,424</u>	<u>\$ 52,950,159</u>
Reconciliation Of Operating Loss To Net Cash Provided By (Used In) Operating Activities				
Operating income (loss)	<u>\$ (425,299)</u>	<u>\$ (1,835,481)</u>	<u>\$ (1,438,834)</u>	<u>\$ (3,699,614)</u>
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	149,178	147,133	-	296,311
Change in operating assets and liabilities				
Accounts receivable	30,403	-	320,265	350,668
Inventory	-	(28,915)	-	(28,915)
Prepaid expenses	(1,597)	96,448	-	94,851
Accounts payable	260,770	156,737	(506,655)	(89,148)
Accrued salaries	(6,167)	(2,573)	177	(8,563)
Accrued compensated absences	(7,798)	(10,585)	1,949	(16,434)
OPEB liability	-	-	2,808,984	2,808,984
Accrued liability for claims	-	-	(584,052)	(584,052)
Total adjustments	<u>424,789</u>	<u>358,245</u>	<u>2,040,668</u>	<u>2,823,702</u>
Net cash provided by (used in) operating activities	<u>\$ (510)</u>	<u>\$ (1,477,236)</u>	<u>\$ 601,834</u>	<u>\$ (875,912)</u>

FIDUCIARY FUNDS

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

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

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

Inspections Education Program fund – accounts for contributions made and revenue raised to promote the United Way of the Midlands

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

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

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

Agency fund - to account for contributions collected by the City on behalf of other entities.

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

June 30, 2014

	Private-Purpose Trust Funds					
	Breast Cancer Awareness	Police Canteen	Inspections Education Program	Employee Special Activity	Mayor's Commission Employ People with Disabilities	Total Private- Purpose Trust Funds
ASSETS						
Cash and cash equivalents	\$ 1,522	\$ 1,045	\$ 100	\$ 6,920	\$ 2,974	\$ 12,561
Total assets	<u>1,522</u>	<u>1,045</u>	<u>100</u>	<u>6,920</u>	<u>2,974</u>	<u>12,561</u>
LIABILITIES						
Accounts payable	-	-	-	128	-	128
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>128</u>	<u>-</u>	<u>128</u>
NET POSITION						
Held in trust - other purposes	<u>\$ 1,522</u>	<u>\$ 1,045</u>	<u>\$ 100</u>	<u>\$ 6,792</u>	<u>\$ 2,974</u>	<u>\$ 12,433</u>

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

Year Ended June 30, 2014

	Private-Purpose Trust Funds					
	Breast Cancer Awareness	Police Canteen	Inspections Education Program	Employee Special Activity	Mayor's Commission Employ People with Disabilities	Total Private- Purpose Trust Funds
ADDITIONS						
Contributions:						
Private donations	\$ 8,469	\$ 863	\$ -	\$ 7,487	\$ -	\$ 16,819
Total contributions	<u>8,469</u>	<u>863</u>	<u>-</u>	<u>7,487</u>	<u>-</u>	<u>16,819</u>
DEDUCTIONS						
Administrative expenses	8,840	418	-	6,808	396	16,462
Total deductions	<u>8,840</u>	<u>418</u>	<u>-</u>	<u>6,808</u>	<u>396</u>	<u>16,462</u>
Change in net position	(371)	445	-	679	(396)	357
Net position - beginning	1,893	600	100	6,113	3,370	12,076
Net position - ending	<u>\$ 1,522</u>	<u>\$ 1,045</u>	<u>\$ 100</u>	<u>\$ 6,792</u>	<u>\$ 2,974</u>	<u>\$ 12,433</u>

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

Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash and cash equivalents	\$ 33,673	\$ 179,386	\$ 179,575	\$ 33,484
Total assets	<u>33,673</u>	<u>179,386</u>	<u>179,575</u>	<u>33,484</u>
 LIABILITIES				
Accounts payable	33,673	179,386	179,575	33,484
Total liabilities	<u>\$ 33,673</u>	<u>\$ 179,386</u>	<u>\$ 179,575</u>	<u>\$ 33,484</u>

OTHER SCHEDULE

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
YEAR ENDED JUNE 30, 2014**

Court Fines and Assessments	
Fines Collected	\$ 1,164,297
Assessments	1,264,799
Surcharges	<u>562,997</u>
Total Court Fines and Assessments Collected	<u><u>\$ 2,992,093</u></u>
Surcharges and Assessments Remitted to State Treasurer	
Fines, Fees and Filing Fee / Assessment	
Municipal Conditional Discharge Fee	\$ 12,600
DUI/DUS/BUI	
Municipal DUS DPS Pullout	32,039
Municipal DUI Assessment	1,155
Municipal DUI Surcharge	9,829
DUS DPS Pullout - DUIHP	9,629
DUI/DUAC Breathalyzer Test Conviction Fee - SLED	2,432
Surcharges	
Municipal Drug Surcharge	21,340
Municipal Law Enforcement Surcharge	414,085
Criminal Justice Academy Surcharge	82,814
Other Assessments - State Shared	<u>1,072,212</u>
Total Revenue Remitted to State Treasurer	<u><u>\$ 1,658,135</u></u>
Fines, Surcharges, and Assessments Retained by City	
Fines	\$ 1,164,297
Assessments	134,732
Surcharges	<u>34,929</u>
Total Revenue Retained by City	<u><u>\$ 1,333,958</u></u>
Funds Allocated to Victims Assistance	
Carryover Funds from Prior Year	\$ 33,563
Assessments Retained	134,732
Surcharges Retained	34,929
Expenditures	(173,037)
Transfers from General Fund	<u>-</u>
Total Unexpended Victims Assistance	<u><u>\$ 30,187</u></u>

STATISTICAL SECTION
(UNAUDITED)

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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets ¹	\$ 45,224,118	\$ 97,571,357	\$ 170,666,468	\$ 133,392,515	\$ 150,922,216	\$ 141,865,590	\$ 142,944,260	\$ 155,989,971	\$ 155,118,428	\$ 156,454,488
Restricted for:										
Public safety	15,436,936	6,982	7,270	5,435	5,528	5,575	701,466	386,158	2,294,259	4,233,960
Community development	-	-	-	-	-	-	-	-	209,030	107,259
Tourism	-	-	-	-	-	-	5,323,341	5,187,200	5,149,465	3,155,058
Debt service	39,421,392	-	-	-	-	-	4,940,501	3,480,333	3,512,035	3,339,548
Capital projects	-	-	-	-	-	-	16,940,012	17,701,662	15,264,573	19,833,612
Unrestricted ²	83,206,041	74,054,519	23,619,914	45,278,383	36,636,210	44,723,202	20,963,118	18,967,653	25,840,430	26,906,641
Total governmental activities net position	\$ 183,288,487	\$ 171,632,858	\$ 194,293,652	\$ 178,676,333	\$ 187,563,954	\$ 186,594,367	\$ 191,812,698	\$ 201,712,977	\$ 207,388,220	\$ 214,030,566
Business-type activities										
Net investment in capital assets ¹	\$ 323,319,938	\$ 412,723,624	\$ 441,526,920	\$ 402,973,904	\$ 445,685,893	\$ 438,133,821	\$ 414,942,578	\$ 389,423,595	\$ 373,649,773	\$ 375,763,776
Restricted for debt service	18,553,749	-	-	-	-	9,231,571	9,231,571	9,292,810	9,315,421	9,330,640
Unrestricted	150,823,951	92,520,653	84,719,370	156,426,859	144,213,396	145,389,137	168,441,129	195,789,983	237,703,681	252,831,152
Total business-type activities net position	\$ 492,697,638	\$ 505,244,277	\$ 526,246,290	\$ 559,400,763	\$ 589,899,289	\$ 592,754,529	\$ 592,615,278	\$ 594,506,388	\$ 620,668,875	\$ 637,925,568
Primary government										
Net investment in capital assets ¹	\$ 368,544,056	\$ 510,294,981	\$ 612,193,388	\$ 536,366,419	\$ 596,608,109	\$ 579,999,411	\$ 557,886,838	\$ 545,413,566	\$ 528,768,201	\$ 532,218,264
Restricted for:										
Public safety	15,436,936	6,982	7,270	5,435	5,528	5,575	701,466	386,158	2,294,259	4,233,960
Community development	-	-	-	-	-	-	-	-	209,030	107,259
Tourism related expenditures	-	-	-	-	-	-	5,323,341	5,187,200	5,149,465	3,155,058
Debt service	57,975,141	-	-	-	-	9,231,571	14,172,072	12,773,143	12,827,456	12,670,188
Capital projects	-	-	-	-	-	-	16,940,012	17,701,662	15,264,573	19,833,612
Unrestricted ²	234,029,992	166,575,172	108,339,284	201,705,242	180,849,606	190,112,339	189,404,247	214,757,636	263,544,111	279,737,793
Total primary government net position	\$ 675,986,125	\$ 676,877,135	\$ 720,539,942	\$ 738,077,096	\$ 777,463,243	\$ 779,348,896	\$ 784,427,976	\$ 796,219,365	\$ 828,057,095	\$ 851,956,134

¹ Net of related debt

² Years 2005 through 2013 have been restated to reflect the adoption of GASB Statement 65

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

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
General government	\$ 6,912,887	\$ 51,296,220	\$ 35,358,581	\$ 37,178,955	\$ 41,427,388	\$ 53,883,052	\$ 35,131,885	\$ 10,877,738	\$ 17,577,215	\$ 8,049,816
Judicial	1,967,326	2,044,037	2,167,922	2,131,608	2,364,353	2,360,125	2,697,932	2,447,105	2,601,919	2,615,194
Finance	1,194,909	1,360,869	1,982,964	2,474,302	2,647,689	1,986,467	2,235,981	2,348,922	2,051,555	1,726,481
Community development	3,082,389	3,396,497	3,904,174	4,012,966	4,192,966	4,017,482	4,365,542	4,760,642	5,855,023	5,787,850
Public safety	38,027,339	41,619,178	50,306,710	55,514,924	57,138,835	50,615,722	58,762,428	75,783,788	73,682,870	84,053,096
Parks and recreation	13,169,502	7,853,425	11,053,830	11,544,030	11,142,423	8,681,126	11,445,882	9,912,910	11,329,817	12,290,401
Public services	25,910,346	22,868,279	24,014,241	20,835,435	20,798,283	17,884,065	21,229,705	24,168,009	23,483,659	21,960,858
General services	2,630,296	5,791,988	3,382,092	4,018,322	3,919,228	3,598,839	3,924,144	4,193,394	4,540,814	4,933,285
Community promotions	781,376	7,946,764	9,926,673	9,744,750	8,321,723	8,990,842	7,843,093	11,899,487	11,915,733	12,872,657
Interest and other charges	3,131,666	2,275,464	4,081,910	4,459,396	3,824,725	3,413,317	3,763,963	2,366,916	3,027,411	2,955,994
Non departmental	3,956,106	1,147,254	3,433,419	11,904,001	1,694,525	1,936,148	2,644,113	2,401,408	2,455,260	2,515,184
Total governmental activities expense	100,764,142	147,599,975	149,612,516	163,818,689	157,472,138	157,367,185	154,044,668	151,160,319	158,521,276	159,760,816
Business-type Activities:										
Water and sewer facilities	67,586,282	80,189,801	83,849,936	85,963,177	85,747,245	103,530,941	107,934,251	106,594,059	107,410,948	100,389,819
Hydro-electric plant	903,114	1,010,483	1,020,132	3,037,803	5,989,066	3,310,407	1,615,222	1,547,093	1,544,804	3,012,376
Stormwater	1,518,394	1,683,476	3,382,264	3,383,853	3,148,296	4,117,396	5,169,916	4,595,847	4,692,223	5,668,819
Parking facilities	2,745,011	6,149,446	5,139,583	5,213,105	5,740,304	6,959,024	7,234,418	6,336,721	6,330,524	6,162,449
Transportation	121,363	31,363	30,320	433,773	-	-	-	-	-	-
Redevelopment programs	238,547	901,209	774,935	3,611,769	960,872	4,704,419	606,265	1,966,452	734,283	848,141
Parks and recreation camps	-	-	-	-	-	248,705	268,639	305,939	271,271	324,209
Total business-type expenses	73,112,711	89,965,778	94,197,170	101,643,480	101,585,783	122,870,892	122,828,711	121,346,111	120,984,053	116,405,813
Total primary government expenses	\$ 173,876,853	\$ 237,565,753	\$ 243,809,686	\$ 265,462,169	\$ 259,057,921	\$ 280,238,077	\$ 276,873,379	\$ 272,506,430	\$ 279,505,329	\$ 276,166,629
Program revenues										
Governmental Activities										
Charges for services										
General government	\$ 22,917,241	\$ 10,872,952	\$ 8,853,475	\$ 10,150,599	\$ 7,900,830	\$ 6,461,975	\$ 9,042,002	\$ 771,459	\$ 940,028	\$ 758,177
Finance	24,770,726	24,697,055	29,319,287	28,351,828	28,850,804	26,306,361	27,706,315	28,328,937	30,505,679	31,467,056
Community development	1,895,324	2,079,932	2,138,058	1,623,669	1,478,580	1,112,332	1,052,569	721,425	793,431	832,159
Public safety	10,074,367	10,345,365	12,874,328	12,384,856	12,926,072	13,953,062	14,123,994	16,154,103	21,387,115	22,040,936
Parks and recreation	246,831	457,103	608,728	718,288	656,535	629,982	644,895	583,471	728,247	818,304
Public services	960,955	1,123,926	297,809	1,038,433	1,060,884	860,914	762,632	350,100	247,570	344,718
Non departmental	2,123,832	2,367,405	2,492,238	3,091,810	440,682	154,783	170,256	-	-	-
Operating grants and contributions	25,839,940	30,208,259	30,413,804	27,663,920	29,022,624	34,616,143	35,000,087	33,702,068	33,701,772	34,448,202
Capital grants and contributions	-	2,165,766	8,291,673	5,649,457	11,318,774	5,851,833	3,618,198	4,112,450	1,295,665	766,837
Total Governmental Activities Program Revenue	88,829,216	84,317,763	95,289,200	90,672,860	93,655,785	89,947,385	92,120,948	84,724,013	89,599,507	91,476,389
Business-type Activities										
Charges for services										
Water and sewer facilities	84,981,926	88,919,453	98,386,267	112,790,238	106,434,644	109,044,457	107,976,683	112,750,717	121,723,711	116,644,423
Hydro-electric plant	635,608	662,924	493,290	784,235	4,094,441	1,346,041	851,431	2,622,234	2,731,475	4,843,922
Stormwater	3,679,426	3,921,119	3,983,590	3,980,323	4,725,468	4,800,452	4,778,442	4,861,153	6,685,838	6,958,281
Parking facilities	6,737,387	6,165,672	6,135,182	6,916,956	6,265,683	5,765,996	6,441,140	6,520,866	6,864,323	6,495,064
Transportation	360	-	-	-	-	-	-	-	-	-
Redevelopment programs	64,500	3,603,824	495,150	934,614	918,809	881,876	646,954	599,950	921,759	564,456
Parks and recreation camps	-	-	-	-	-	207,707	226,238	262,582	253,150	275,182
Capital grants and contributions	-	13,738,679	12,161,089	12,847,905	8,358,175	5,154,530	4,038,585	4,066,060	5,831,240	5,431,910
Total Business-type Activities Revenues	96,099,207	117,011,671	121,654,568	138,254,271	130,797,220	127,201,059	124,959,473	131,683,562	145,011,496	141,213,238
Total Primary Government Revenues	\$ 184,928,423	\$ 201,329,434	\$ 216,943,768	\$ 228,927,131	\$ 224,453,005	\$ 217,148,444	\$ 217,080,421	\$ 216,407,575	\$ 234,611,003	\$ 232,689,627
Net (expense) revenue										
Governmental activities	\$ (11,934,926)	\$ (63,282,212)	\$ (54,323,316)	\$ (73,145,829)	\$ (63,816,353)	\$ (67,419,800)	\$ (61,923,720)	\$ (66,436,306)	\$ (68,921,769)	\$ (68,284,427)
Business-type activities	22,986,496	27,045,893	27,457,398	36,610,791	29,211,437	4,330,167	2,130,762	10,337,451	24,027,443	24,807,425
Total Primary Government Net Expense	\$ 11,051,570	\$ (36,236,319)	\$ (26,865,918)	\$ (36,535,038)	\$ (34,604,916)	\$ (63,089,633)	\$ (59,792,958)	\$ (56,098,855)	\$ (44,894,326)	\$ (43,477,002)

(Continued)

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

Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes levied for general purposes	\$ 36,597,464	\$ 27,134,829	\$ 32,028,856	\$ 30,888,940	\$ 35,042,668	\$ 34,096,781	\$ 35,775,181	\$ 35,831,679	\$ 34,462,835	\$ 34,353,070
Local Option Sales Tax	-	14,241,132	14,988,418	14,988,418	13,616,717	15,722,327	13,947,099	14,874,049	15,781,749	16,465,463
Sales tax	-	-	-	8,061,364	8,070,790	7,941,705	8,359,028	14,216,318	11,498,370	12,072,024
Alcoholic beverages	3,131,607	3,204,139	3,435,403	254,562	323,644	261,200	-	-	-	-
Motor fuel	14,239	9,241	7,715	1,275	1,059	11,024	4,976	3,436	3,566	1,381
Miscellaneous	9,953	10,383	-	-	-	-	-	-	-	-
License and permits	-	-	-	-	-	-	-	-	-	-
State shared revenue	-	-	-	3,796,780	3,622,407	3,037,888	2,604,423	2,363,791	2,788,097	2,805,133
Fines and forfeitures	903,730	-	-	-	-	-	-	-	-	-
Investment income	2,625,477	2,478,194	4,670,483	3,481,543	1,282,669	417,459	1,068,106	537,702	26,022	89,001
Other	230,632	(2,950,480)	(7,426,558)	(1,159,745)	1,891,037	-	-	156,323	188,511	109,361
Transfers	243,168	5,832,436	8,736,903	2,788,348	8,580,988	4,838,083	6,126,263	7,826,063	9,739,875	9,031,340
Total Governmental Activities	<u>43,756,270</u>	<u>49,959,874</u>	<u>56,441,220</u>	<u>63,101,485</u>	<u>72,431,979</u>	<u>66,326,467</u>	<u>67,885,076</u>	<u>75,809,361</u>	<u>74,489,025</u>	<u>74,926,773</u>
Business-type Activities										
Investment income	3,368,514	5,536,084	6,715,293	8,194,017	5,589,423	5,146,089	3,389,883	2,899,062	231,513	1,158,475
Gain (loss) on sale of capital assets	58,153	22,080	(116,006)	(228,140)	3,843,432	17,476	143,088	(2,609,759)	10,922,099	322,133
Transfers	(243,168)	(5,832,436)	(8,736,903)	(2,788,348)	(8,580,988)	(4,838,083)	(6,126,263)	(7,826,063)	(9,739,875)	(9,031,340)
Total Business-type Activities	<u>3,183,499</u>	<u>(274,272)</u>	<u>(2,137,616)</u>	<u>5,177,529</u>	<u>851,867</u>	<u>325,482</u>	<u>(2,593,292)</u>	<u>(7,536,760)</u>	<u>1,413,737</u>	<u>(7,550,732)</u>
Total Primary Government	<u>\$ 46,939,769</u>	<u>\$ 49,685,602</u>	<u>\$ 54,303,604</u>	<u>\$ 68,279,014</u>	<u>\$ 73,283,846</u>	<u>\$ 66,651,949</u>	<u>\$ 65,291,784</u>	<u>\$ 68,272,601</u>	<u>\$ 75,902,762</u>	<u>\$ 67,376,041</u>
Change in Net Position										
Governmental activities	\$ 31,821,344	\$ (13,322,338)	\$ 2,117,904	\$ (10,044,344)	\$ 8,615,626	\$ (1,093,333)	\$ 5,961,356	\$ 9,373,055	\$ 5,567,256	\$ 6,642,346
Business-type activities	26,169,995	26,771,621	25,319,782	41,788,320	30,063,304	4,655,649	(462,530)	2,800,691	25,441,180	17,256,693
Total Primary Government	<u>\$ 57,991,339</u>	<u>\$ 13,449,283</u>	<u>\$ 27,437,686</u>	<u>\$ 31,743,976</u>	<u>\$ 38,678,930</u>	<u>\$ 3,562,316</u>	<u>\$ 5,498,826</u>	<u>\$ 12,173,746</u>	<u>\$ 31,008,436</u>	<u>\$ 23,899,039</u>

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

Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010 ***	2011	2012	2013	2014
General Fund										
Reserved	\$ 1,647,466	\$ 1,126,443	\$ 2,037,950	\$ 2,083,436	\$ 1,523,270	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	15,196,044	22,394,019	21,687,149	10,463,453	5,300,625	-	-	-	-	-
Nonspendable	-	-	-	-	-	246,160	493,807	280,272	298,252	233,945
Committed	-	-	-	-	-	-	2,126,479	-	-	72,975
Assigned	-	-	-	-	-	1,538,430	-	190,599	2,159,860	3,627,442
Unassigned	-	-	-	-	-	13,668,226	11,424,065	14,972,196	22,380,727	25,059,965
Total general fund	<u>\$ 16,843,510</u>	<u>\$ 23,520,462</u>	<u>\$ 23,725,099</u>	<u>\$ 12,546,889</u>	<u>\$ 6,823,895</u>	<u>\$ 15,452,816</u>	<u>\$ 14,044,351</u>	<u>\$ 15,443,067</u>	<u>\$ 24,838,839</u>	<u>\$ 28,994,327</u>
County Services Fund *										
Reserved	\$ -	\$ -	\$ 445,261	\$ -	\$ 445,261	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	1,046,348	(1,039,064)	(862,306)	(445,261)	-	-	-	-	-
Nonspendable	-	-	-	-	-	35,374	4,378	14,536	71,775	56,905
Assigned	-	-	-	-	-	303,617	481,073	735,023	1,704,488	2,089,901
Total business-type activities net assets	<u>\$ -</u>	<u>\$ 1,046,348</u>	<u>\$ (593,803)</u>	<u>\$ (862,306)</u>	<u>\$ -</u>	<u>\$ 338,991</u>	<u>\$ 485,451</u>	<u>\$ 749,559</u>	<u>\$ 1,776,263</u>	<u>\$ 2,146,806</u>
Columbia Parking Facilities Corporation Fund **										
Unreserved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,784,113</u>	<u>\$ 176,310</u>	<u>\$ 1,068,371</u>	<u>\$ -</u>				
All Other Governmental Funds										
Reserved	\$ 18,768,543	\$ 22,490,311	\$ 17,534,858	\$ 7,670,827	\$ 16,065,853	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	20,751,710	26,824,717	24,688,537	40,903,607	27,174,124	-	-	-	-	-
Nonspendable	-	-	-	-	-	6,943	19,080	16,433	5,000	5,000
Restricted	-	-	-	-	-	5,575	27,900,320	26,750,353	24,724,874	28,565,017
Committed	-	-	-	-	-	-	3,864,378	-	-	-
Assigned	-	-	-	-	-	39,198,661	16,417,601	17,744,836	12,603,593	12,668,482
Unassigned	-	-	-	-	-	(31,068)	(14,080)	(225,792)	(152,559)	-
Total all other governmental funds	<u>\$ 39,520,253</u>	<u>\$ 49,315,028</u>	<u>\$ 42,223,395</u>	<u>\$ 48,574,434</u>	<u>\$ 43,239,977</u>	<u>\$ 39,180,111</u>	<u>\$ 48,187,299</u>	<u>\$ 44,285,830</u>	<u>\$ 37,180,908</u>	<u>\$ 41,238,499</u>

* The County Services Fund is considered a major fund, however, prior to fiscal year 2006 it had no fund balance.

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

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

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

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
General property taxes	\$ 36,529,356	\$ 41,546,505	\$ 46,684,713	\$ 45,540,299	\$ 48,292,387	\$ 48,930,564	\$ 49,728,075	\$ 50,496,237	\$ 50,644,107	\$ 50,884,644
Sales, hospitality and admission taxes	-	-	-	8,061,364	8,070,790	7,941,705	8,359,028	14,216,318	11,498,370	12,072,024
License and permits	26,666,050	27,911,017	31,162,106	29,961,967	29,591,085	27,418,693	28,758,883	28,329,064	30,505,429	31,466,856
Intergovernmental revenue	8,728,588	8,884,739	9,879,961	11,401,560	11,689,903	11,961,868	11,734,994	12,974,392	13,540,185	14,380,520
Charges for services	6,059,904	7,708,719	8,412,727	7,200,753	7,166,604	7,004,163	6,945,737	6,915,049	11,983,172	12,692,387
Fines and forfeitures	903,730	788,374	786,187	910,061	922,675	864,112	889,048	1,139,209	1,230,219	1,334,420
Federal revenues	5,053,074	7,364,346	6,296,982	8,143,042	15,391,313	16,205,021	12,019,998	7,905,552	5,452,069	3,942,851
State revenues	3,378,397	2,501,419	1,630,152	2,988,092	2,002,864	1,634,625	1,971,391	417,851	380,553	1,010,674
County revenues	16,772,187	20,548,995	27,546,699	18,674,699	20,093,357	21,084,511	21,626,422	25,013,335	26,530,590	27,742,117
Promotions	264,974	60,177	188,563	148,073	192,721	144,639	220,148	392,947	89,314	78,047
Confiscated funds	40,488	143,818	44,057	192,623	291,003	74,057	671,961	403,311	533,541	267,863
Cost recovery fees	3,208,450	3,200,000	3,200,000	2,735,000	2,270,000	2,270,000	-	-	-	-
Interest	1,114,238	1,869,260	3,512,130	3,451,240	1,282,669	417,458	1,068,106	539,145	26,386	89,104
Other revenues	19,780,392	6,999,423	4,991,201	5,158,653	4,789,277	3,355,276	8,279,105	2,970,687	1,688,232	1,415,305
Total revenues	128,499,828	129,526,792	144,335,478	144,567,426	152,046,108	149,306,692	152,272,896	151,713,097	154,102,167	157,376,812
Expenditures:										
Current:										
General government	45,790,642	46,732,884	30,136,559	30,673,629	32,129,878	32,931,032	33,091,576	6,222,202	6,644,937	7,109,837
Judicial	1,888,129	1,833,635	1,874,399	2,276,204	2,279,449	2,264,446	2,267,244	2,387,018	2,494,267	2,481,917
Finance	1,192,351	1,252,432	1,747,050	2,583,820	2,601,962	1,953,988	1,974,835	1,978,427	1,978,474	1,668,970
Planning and development	3,161,595	3,093,611	3,249,126	4,311,401	4,027,245	3,898,247	3,635,412	3,939,862	4,041,701	4,013,337
Public safety	37,548,549	37,555,878	42,204,031	56,694,907	54,665,050	48,782,688	52,391,812	73,865,581	73,409,740	76,120,091
Parks and recreation	13,063,008	6,857,319	8,959,135	11,172,199	9,889,048	9,133,653	9,135,419	9,349,169	9,486,586	10,075,127
Public services	25,087,460	21,433,541	20,907,423	21,341,887	19,926,127	17,257,530	19,094,868	20,637,713	20,561,911	17,476,210
General services	2,366,418	5,181,242	3,221,626	3,873,214	3,847,700	3,537,722	3,644,002	4,109,575	4,476,134	4,757,553
Community promotion	781,376	7,946,764	8,028,392	9,744,750	8,321,723	8,990,842	7,843,093	12,745,631	14,114,668	15,149,073
Nondepartmental	1,823,582	656,597	1,994,232	5,348,207	1,395,676	1,066,644	1,666,009	2,388,824	2,475,304	2,835,449
Other charges	847,697	483,367	1,567,941	6,464,433	8,357	729,482	825,212	-	11,079	-
Debt service:										
Principal payment on bonds	4,914,429	8,168,439	7,559,169	16,741,585	9,144,966	5,205,034	5,655,000	7,205,000	8,260,000	8,989,992
Interest payments on bonds	1,847,366	1,626,467	3,804,084	4,838,956	3,899,408	3,444,234	3,776,747	4,069,181	2,778,884	2,909,808
Fiscal agent charges	3,684	5,208	87,360	4,072	27,424	8,040	9,040	8,913	4,975	4,587
Debt issuance costs	-	-	-	-	-	-	276,774	2,122,842	550,421	243,479
Capital outlay:										
Capital outlay:	508,109	6,027,774	25,409,592	11,293,382	16,773,619	9,410,916	6,081,858	13,338,436	11,293,853	8,425,531
Total expenditures	140,824,395	148,855,158	160,750,119	187,362,646	168,937,632	148,614,498	151,368,901	164,368,374	162,582,934	162,260,961
Excess of revenues over (under) expenditures	(12,324,567)	(19,328,366)	(16,414,641)	(42,795,220)	(16,891,524)	692,194	903,995	(12,655,277)	(8,480,767)	(4,884,149)
Other financing sources (uses):										
Transfers in	17,298,701	25,167,313	23,252,127	57,336,108	25,317,909	22,801,863	28,197,309	31,021,933	28,738,040	26,160,749
Transfers out	(16,306,393)	(19,334,877)	(31,432,694)	(46,409,322)	(22,775,520)	(19,811,164)	(31,220,308)	(27,084,972)	(24,286,578)	(21,206,734)
Proceeds from borrowing	-	1,500,000	22,014,258	13,143,195	2,429,249	-	9,375,000	5,575,000	6,375,000	7,315,000
Premium on bonds sold	-	-	-	-	-	-	662,383	343,785	401,659	816,175
Refunding bonds issued	-	-	-	-	3,625,000	-	9,945,000	14,825,000	24,260,000	-
Payment to refunded bond escrow agent	-	-	-	-	(3,540,000)	-	(10,262,899)	(14,436,356)	(23,915,684)	-
Sales of assets	-	6,485,100	2,526,053	9,021,764	2,531,802	156,782	144,703	170,409	225,883	382,589
Total other financing sources (uses)	992,308	13,817,536	16,359,744	33,091,745	7,588,440	3,147,481	6,841,188	10,414,799	11,798,320	13,467,779
Net change in fund balance	\$ (11,332,259)	\$ (5,510,830)	\$ (54,897)	\$ (9,703,475)	\$ (9,303,084)	\$ 3,839,675	\$ 7,745,183	\$ (2,240,478)	\$ 3,317,553	\$ 8,583,630
Debt service as a percentage of noncapital expenditures	5%	7%	8%	12%	9%	6%	6%	7%	7%	8%

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		
2005	2004	\$ 228,375,270	\$ 4,591,392,500	\$ 102,543,149	\$ 1,069,412,879	\$ 330,918,419	\$ 5,660,805,379	5.85%	92.0
2006	2005	286,201,640	5,920,364,697	102,642,841	1,128,091,643	388,844,481	7,048,456,340	5.52%	83.6
2007	2006	292,337,560	6,045,640,063	108,588,202	1,178,467,212	400,925,762	7,224,107,275	5.55%	99.0
2008	2007	308,221,850	6,240,046,571	112,847,593	1,353,108,906	421,069,443	7,593,155,477	5.55%	102.5
2009	2008	344,361,680	7,060,929,803	113,237,212	1,354,280,788	457,598,892	8,415,210,591	5.44%	106.3
2010	2009	386,566,370	7,933,397,705	111,006,869	1,308,826,126	497,573,239	9,242,223,831	5.38%	98.1
2011	2010	395,897,190	8,042,557,033	101,465,789	1,231,433,192	497,362,979	9,273,990,225	5.36%	98.1
2012	2011	399,357,360	8,240,197,133	105,214,744	1,241,437,184	504,572,104	9,481,634,317	5.32%	98.1
2013	2012	400,610,960	8,131,722,177	110,571,977	1,297,785,551	511,182,937	9,429,507,728	5.42%	98.1
2014	2013	404,719,630	8,212,659,856	110,356,777	1,315,979,478	515,076,407	9,528,639,334	5.41%	98.1

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 2009 for Richland County and 2010 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.

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
2005	92.0	101.5	112.4	267.6	268.0	244.9
2006	83.6	98.0	100.7	246.0	259.0	214.6
2007	99.0	98.3	104.1	260.8	273.5	231.1
2008	102.5	100.1	109.7	276.9	288.9	252.5
2009	106.3	104.0	114.2	283.2	301.3	261.5
2010	98.1	101.8	115.2	284.4	342.3	265.0
2011	98.1	102.8	109.7	288.4	343.3	266.3
2012	98.1	105.3	112.7	289.7	349.4	274.4
2013	98.1	84.2	118.5	296.1	367.5	274.4
2014	98.1	111.5	122.1	301.7	385.5	281.8

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

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

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

Current Year and Nine Years Ago

Taxpayer	2014			2005		
	Taxable Assessed Value ¹	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value ²	Rank	Percentage of Total Taxable Assessed Value
South Carolina Electric and Gas	\$ 14,584,300	1	2.83%	\$ 11,708,450	1	3.54%
Bellsouth Telecommunications LLC	5,377,710	2	1.04%	9,815,160	2	2.97%
GGP Columbiana Trust	2,954,110	3	0.57%	-		
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%	-		
UNUM Group	2,257,210	7	0.44%	-		
US REIF/MJW Capital Center Fee	2,181,610	8	0.42%	-		
Colonial Life and Accident	1,828,440	9	0.35%	2,331,480	4	0.70%
Main & Gervais LLC	1,818,480	10	0.35%	-		
Main Street Associates	-			2,334,900	3	0.71%
AT&T Communications	-			2,132,590	5	0.64%
Time Warner Entertainment - Advance	-			1,806,950	7	0.55%
Baker and Baker	-			1,970,280	6	0.60%
Airgate PCS	-			1,711,200	8	0.52%
Parkway Properties LP	-			1,633,630	9	0.49%
Dutch Square Limited Liability	-			1,480,070	10	0.45%
	<u>\$ 39,137,440</u>		<u>7.60%</u>	<u>\$ 36,924,710</u>		<u>11.16%</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 \$515,076,407

² Total assessed valuation was \$330,918,419

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
2005	\$ 30,483,195	\$ 27,959,678	91.72%	\$ 1,632,522	\$ 29,592,200	97.08%
2006	36,175,090	34,021,898	94.05%	1,216,010	35,237,908	97.41%
2007	39,338,096	38,398,690	97.61%	1,011,744	39,410,434	100.18%
2008	43,166,262	42,270,086	97.92%	1,348,627	43,618,713	101.05%
2009	48,642,762	46,502,075	95.60%	1,322,443	47,824,518	98.32%
2010	49,514,889	46,637,386	94.19%	2,293,178	48,930,564	98.82%
2011	49,454,262	47,105,225	95.25%	2,622,850	49,728,075	100.55%
2012	50,201,476	48,564,952	96.74%	1,931,285	50,496,237	100.59%
2013	50,179,312	47,007,332	93.68%	1,058,584	48,065,916	95.79%
2014	50,554,312	47,416,994	93.79%	-	47,416,994	93.79%

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

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

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds ¹	Tax Increment Bonds ¹	Notes Payable	Capital Lease	Revenue Bonds ¹	Total Governmental Activities Debt
2005	\$ 21,028,861	\$ 18,722,380	\$ -	\$ 3,646,477	\$ 55,382,784	\$ 98,780,502
2006	19,663,197	14,245,754	1,500,000	2,956,233	53,337,508	91,702,692
2007	18,225,370	10,241,585	3,738,526	2,246,993	64,230,236	98,682,710
2008	28,885,543	3,760,000	4,658,191	1,518,235	61,888,539	100,710,508
2009	26,302,152	-	6,747,474	-	59,071,248	92,120,874
2010	23,688,812	-	6,009,142	-	56,324,804	86,022,758
2011	30,756,608	-	5,814,142	-	53,949,135	90,519,885
2012	32,020,777	-	5,619,142	-	50,811,284	88,451,203
2013	33,848,474	-	5,424,142	-	48,082,505	87,355,121
2014	37,494,897	-	5,229,142	-	43,580,000	86,304,039

¹ 2005 through 2013 have been restated for the implementation of GASB 65

² Personal income is disclosed on Schedule 15

³ Population is disclosed on Schedule 15

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

Last Ten Fiscal Years

Fiscal Year	Other Business-Type Activities Debt					Total Business-type Activities	Total Primary Government	Percentage of Personal Income ²	Debt Per Capita ³
	Revenue Bonds ¹	General Obligation Bonds	Notes Payable	Capital Lease	Notes Payable				
2005	\$ 176,661,879	\$ 210,000	\$ 754,824	\$ 1,091,638	\$ 4,359,562	\$ 183,077,903	\$ 281,858,405	8.16%	\$ 2,401
2006	209,271,100	-	1,140,000	-	3,566,640	213,977,740	305,680,432	8.06%	2,604
2007	197,038,605	-	520,000	-	2,736,055	200,294,660	298,977,370	7.98%	2,571
2008	186,593,978	-	-	-	1,866,018	188,459,996	289,170,504	6.71%	2,276
2009	175,862,492	-	-	-	933,009	176,795,501	268,916,375	6.12%	2,117
2010	357,487,401	-	-	-	-	357,487,401	443,510,159	9.84%	3,429
2011	345,878,897	-	-	-	-	345,878,897	436,398,782	9.62%	3,376
2012	444,643,320	-	-	-	-	444,643,320	533,094,523	11.51%	4,082
2013	435,639,889	-	-	-	-	435,639,889	522,995,010	11.23%	3,972
2014	505,105,688	-	-	-	-	505,105,688	591,409,727	12.50%	4,435

¹ 2005 through 2013 have been restated for the implementation of GASB 65

² Personal income is disclosed on Schedule 15

³ Population is disclosed on Schedule 15

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

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

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt				Percentage of Estimated Actual Taxable Value of Property ²	Per Capita ³
	Governmental Activities General Obligation Bonds ¹	Business-type Activities General Obligation Bonds ¹	Less: Amount Available in Debt Service Funds	Total		
2005	\$ 21,028,861	\$ 210,000	\$ 4,925,509	\$ 16,313,352	0.29%	\$ 138.96
2006	19,663,197	-	4,073,137	15,590,060	0.22%	132.80
2007	18,225,370	-	1,196,198	17,029,172	0.24%	146.45
2008	28,885,543	-	4,687,280	24,198,263	0.32%	190.49
2009	26,302,152	-	1,288,755	25,013,397	0.30%	196.91
2010	23,688,812	-	3,013,132	20,675,680	0.22%	159.86
2011	30,756,608	-	4,940,502	25,816,106	0.28%	199.70
2012	32,020,777	-	3,481,333	28,539,444	0.30%	218.54
2013	33,848,474	-	3,512,035	30,336,439	0.32%	230.37
2014	37,494,897	-	3,339,548	34,155,349	0.36%	256.12

¹ 2005 through 2013 have been restated for the implementation of GASB 65

² Estimated value of property is disclosed on Schedule 5

³ Population is disclosed on Schedule 16

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

June 30, 2014

Jurisdiction	Total Assessed Value	Assessed Value Within the City	Net General Obligation Debt Outstanding ¹	Percentage Applicable to the City	Estimated Amount Applicable to the City
Direct:					
City of Columbia	\$ 512,882,857	\$ 512,882,857	\$ 42,724,039	100.00%	<u>\$ 42,724,039</u>
Overlapping					
Counties:					
Richland County	1,551,127,959	493,660,867	91,705,000	31.83%	29,185,967
Lexington County	1,149,450,560	21,415,540	49,595,965	1.86%	924,028
School Districts:					
Lexington Richland SD 5	484,840,605	40,597,860	234,358,000	8.37%	19,623,838
Richland School District One	813,670,165	435,413,374	440,470,000	53.51%	235,705,495
Richland School District Two	549,330,759	39,065,173	489,560,000	7.11%	34,814,628
Special Districts:					
Airport District	1,551,127,959	493,660,867	8,570,000	31.83%	2,727,482
Riverbanks Park District	2,700,578,519	515,076,407	36,100,000	19.07%	<u>6,885,287</u>
Total Overlapping Debt					<u>329,866,725</u>
Total Direct and Overlapping Debt					<u><u>\$ 372,590,764</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 general obligation debt of each government.

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

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Net Debt Outstanding¹</u>	<u>Legal Debt Margin</u>	<u>Ratio of Net Debt Outstanding to the Debt Limit</u>
2005	\$ 27,040,507	\$ 20,320,000	\$ 6,720,507	75.15%
2006	31,640,942	18,830,000	12,810,942	59.51%
2007	32,607,444	17,430,000	15,177,444	53.45%
2008	34,218,939	28,155,000	6,063,939	82.28%
2009	37,162,628	25,695,000	11,467,628	69.14%
2010	40,339,242	23,125,000	17,214,242	57.33%
2011	40,322,422	30,055,000	10,267,422	74.54%
2012	40,899,152	31,505,000	9,394,152	77.03%
2013	41,428,018	33,515,000	7,913,018	80.90%
2014	41,564,012	35,680,000	5,884,012	85.84%

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, 2014:

Assessed value in Richland County	\$ 491,467,317
Assessed value in Lexington County	21,415,540
Subtotal	<u>512,882,857</u>
Business inventory 1987 assessed value	6,667,290
Total assessed value	<u>519,550,147</u>
	8.00%
Debt Limit	<u>41,564,012</u>
Net debt outstanding subject to the debt limit	<u>35,680,000</u>
Legal debt margin as of June 30, 2014	<u><u>\$ 5,884,012</u></u>

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

Last Ten Fiscal Years

Fiscal Year	Allowable Revenues ¹	Debt Service Requirement			COPS Debt Coverage
		Principal	Interest	Total	
2005	\$ -	\$ -	\$ -	\$ -	-
2006	11,478,171	2,411,813	2,585,435	4,997,248	-
2007	11,945,776	2,080,000	2,455,630	4,535,630	2.6
2008	13,375,022	2,175,000	2,365,080	4,540,080	2.9
2009	13,026,184	2,250,000	2,274,105	4,524,105	2.9
2010	12,519,790	2,335,000	2,191,986	4,526,986	2.8
2011	12,875,743	2,480,000	2,012,205	4,492,205	2.9
2012	13,760,410	2,635,000	1,976,483	4,611,483	3.0
2013	14,655,101	3,700,000	1,720,250	5,420,250	2.7
2014	15,260,239	3,225,000	848,193	4,073,193	3.7

¹ As defined in the bond documents.

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		
2005	\$ 78,864,065	\$ 44,812,297	\$ 34,051,768	\$ 8,965,071	\$ 11,122,212	\$ -	\$ 20,087,283	1.7
2006	92,726,369	51,852,947	40,873,422	14,915,000	7,052,737	-	21,967,737	1.9
2007	101,657,409	53,436,775	48,220,634	9,275,000	7,889,584	-	17,164,584	2.8
2008	118,014,221	61,347,698	56,666,523	9,865,000	7,419,673	-	17,284,673	3.3
2009	110,181,495	58,541,111	51,640,384	10,410,000	6,880,982	-	17,290,982	3.0
2010	113,389,385	76,393,887	36,995,498	11,295,000	7,673,174	(49,865)	18,918,309	2.0
2011	110,749,377	79,584,775	31,164,602	11,905,000	12,724,467	(56,216)	24,573,251	1.3
2012	115,271,396	80,373,777	34,897,619	12,150,000	13,873,881	(29,306)	25,994,575	1.3
2013	121,878,086	74,400,785	47,477,301	6,465,000	17,047,580	(828)	23,511,752	2.0
2014	117,924,265	66,189,697	51,734,568	8,810,000	18,790,180	(1,811)	27,598,369	1.9

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

² Represents total operating expenses less depreciation expense.

³ Includes capitalized interest.

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

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

Last Ten Fiscal Years

Fiscal Year	Allowable Revenues ¹	Current Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirement			Revenue Bond Coverage
				Principal	Interest ³	Total	
2005	\$ 6,213,474	\$ 1,914,254	\$ 4,299,220	\$ 415,000	\$ 295,336	\$ 710,336	6.1
2006	5,091,104	404,645	4,686,459	440,000	2,455,384	2,895,384	1.6
2007	4,859,393	524,835	4,334,558	460,000	2,455,384	2,915,384	1.5
2008	5,765,193	1,046,949	4,718,244	740,000	2,429,153	3,169,153	1.5
2009	6,190,809	1,571,323	4,619,486	780,000	2,388,322	3,168,322	1.5
2010	4,549,663	1,616,796	2,932,867	825,000	2,344,732	3,169,732	0.9
2011	4,365,608	760,577	3,605,031	870,000	2,298,059	3,168,059	1.1
2012	4,487,992	863,010	3,624,982	310,000	2,152,618	2,462,618	1.5
2013	6,911,985	3,299,708	3,612,277	970,000	2,184,910	3,154,910	1.1
2014	6,592,455	3,073,503	3,518,952	1,030,000	2,128,167	3,158,167	1.1

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 2006.

² For the years 2006 and 2007 represents total operating expenses less depreciation expense less operating expenses paid with revenues from parking fines and late fees. Definition of current operating expenses was revised during fiscal years 2006 and 2007.

³ Includes capitalized interest

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

Last Ten Fiscal Years

<u>Year</u>	<u>Population¹</u>	<u>Personal Income²</u>	<u>Per Capita Personal Income</u>	<u>Public School Enrollment²</u>	<u>Unemployment Rate³</u>
2005	117,394	\$ 3,453,614,086	\$ 29,419	24,589	5.70%
2006	117,394	3,792,765,352	32,308	24,060	6.20%
2007	116,278	3,748,570,164	32,238	23,658	5.10%
2008	127,029	4,311,745,347	33,943	24,179	5.80%
2009	127,029	4,395,203,400	34,600	24,590	9.80%
2010	129,333	4,506,867,051	34,847	23,119	9.20%
2011	129,272	4,536,930,112	35,096	22,898	10.50%
2012	130,591	4,632,454,543	35,473	22,475	8.50%
2013	131,686	4,655,100,100	35,350	24,166	8.00%
2014	133,358	4,730,608,334	35,473	24,171	5.50%

Source of data:

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

Schedule 17
CITY OF COLUMBIA, SOUTH CAROLINA
Principal Employers

Current Year and Nine Years Ago

Employer	2014 ¹			2005 ²		
	Employees	Rank	Percentage to Total City Employment ³	Employees	Rank	Percentage to Total City Employment
Palmetto Health	9,066	1	7.40%	6,500	1	N/A
Blue Cross Blue Shield of South Carolina	6,459	2	5.27%			
University of South Carolina	5,839	3	4.77%	5,200	2	N/A
SC Department of Transportation	4,318	4	3.52%	1,000	8	N/A
Richland County School District One	4,036	5	3.29%	4,000	3	N/A
SC Department of Mental Health	3,917	6	3.20%	1,000	9	N/A
Richland County School District Two	3,566	7	2.91%			
SC Department of Health and Environmental Control	3,500	8	2.86%	1,400	5	N/A
City of Columbia, South Carolina	2,711	9	2.21%	1,800	4	N/A
AT&T	2,400	10	1.96%			
Richland County, South Carolina				1,043	7	N/A
WJBD VA Medical Center				1,200	6	N/A
SC Department of Social Services				700	10	N/A

Source of data:

¹ South Carolina Department of Employment and Workforce

² 2005 Central Midlands Council of Government Survey

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

N/A Data not available

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

Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	82.00	85.00	85.00	93.00	92.00	90.00	99.00	78.75	80.00	84.00
Judicial	49.00	50.00	49.00	57.00	61.00	58.00	58.00	62.00	64.00	65.00
Finance	34.75	41.00	53.75	51.75	52.75	55.50	52.25	53.50	51.50	55.50
Development services and planning	66.00	59.00	62.00	64.00	64.00	62.00	63.00	64.00	63.00	63.00
Public safety	735.00	711.00	767.00	941.00	965.00	1,001.00	968.00	978.00	982.50	973.50
Parks and recreation	151.00	179.00	166.50	178.00	181.00	170.00	179.00	187.00	189.50	194.00
Public works	294.50	296.00	295.00	305.00	305.00	295.00	279.00	278.00	277.00	277.00
General services	55.00	57.00	60.00	2.00	5.00	4.00	1.00	5.00	7.00	7.00
County fire	-	-	-	-	-	-	216.00	217.00	235.50	235.50
Community development	26.50	29.00	15.00	50.00	50.00	50.00	46.00	49.00	38.00	43.00
Parking	34.00	28.00	38.00	44.75	44.75	42.75	42.75	42.75	43.00	43.00
Water and sewer	443.50	464.50	461.50	477.50	477.50	471.50	479.00	498.00	530.00	532.00
Parks and recreation camps	-	-	-	-	-	-	83.00	83.00	83.00	81.00
Risk management	-	-	-	3.00	3.00	2.00	2.00	2.00	2.00	2.00
Support services	-	-	-	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Fleet management	-	-	-	47.00	47.00	47.00	48.00	48.00	48.00	48.00
Total	1,971.25	1,999.50	2,052.75	2,321.00	2,355.00	2,355.75	2,623.00	2,653.00	2,701.00	2,710.50

Source: City's Human Resource department

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

Last Ten Fiscal Years

Function/Program	Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police physical arrests	N/A	N/A	N/A	N/A	6,418	6,734	7,259	8,024	10,652	5,301
Citations written	28,827	25,741	N/A	N/A	34,357	29,522	25,985	30,996	33,111	37,307
911 call volume	996,836	997,111	998,628	1,021,541	1,032,664	1,171,433	1,197,141	1,102,640	1,317,008	1,222,436
Fire calls answered	22,691	22,860	27,025	28,982	28,746	30,208	30,629	31,265	31,240	35,785
Number of inspections	1,761	1,740	2,049	3,630	4,410	6,943	7,911	7,726	6,261	5,292
Sanitation										
Refuse collected (in tons)	96,067	99,875	97,616	96,140	90,222	63,507	57,903	N/A	43,157	51,106
Recyclables collected (in tons)	3,943	3,262	3,739	3,779	3,538	3,932	4,223	N/A	3,867	4,591
Fleet Management										
Fleet maintained	2,425	2,664	2,934	3,164	3,329	3,668	3,925	4,055	2,802	2,893
Fleet workdays	12,347	13,074	13,909	13,385	13,747	13,336	13,309	12,901	12,608	12,052
Streets and highways										
Potholes repaired	N/A	1,168	1,505	1,120	2,757	1,524	1,416	920	1,231	1,453
Water										
Number of service connections	113,489	116,857	127,196	124,414	125,846	134,910	140,721	136,220	137,701	140,009
Average daily consumption (in millions of gallons)	0.367	0.454	0.360	0.349	0.436	0.352	0.315	0.320	0.440	0.458
Sewer										
Number of service connections	63,235	61,248	65,848	67,786	68,550	74,865	69,199	69,508	67,698	60,239 ¹
Average daily treatment (in millions of gallons)	0.147	0.142	0.139	0.127	0.136	0.139	0.134	0.152	0.169	0.189
Economic development										
Permits issued	6,042	6,023	5,697	4,667	4,404	4,204	4,129	4,181	4,950	4,262
Building inspections	15,807	12,355	11,932	11,612	9,472	10,544	40,018	10,277	15,735	14,514

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

Source: Various City departments

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

Last Ten Fiscal Years

Function/Program	Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Police stations	20	24	24	22	14	14	14	16	10	12
Patrol units	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	205	238
Vehicles	92	138	155	206	233	244	305	371	358	395
Fire										
Fire stations	11	11	11	11	12	12	12	12	12	12
Vehicles	115	144	180	194	210	215	219	236	251	270
Public works										
Vehicles	325	376	422	457	486	518	553	603	600	600
Streets (miles)	219.00	219.00	219.00	219.00	219.00	219.00	220.00	220.00	275.00	275.00
Sidewalks (miles)	120.25	120.25	120.45	120.45	120.45	120.45	120.45	139.56	139.46	139.46
Traffic signals	261	261	261	262	262	262	262	265	364	364
Street lights	8,557	9,030	9,067	9,250	9,437	9,859	10,190	10,325	11,724	11,363
Parks and recreation										
Parks - acreage	597.85	597.85	597.85	597.85	600.00	600.00	600.00	600.00	600.00	600.00
Park facilities	58.00	58.00	58.00	58.00	59.00	59.00	59.00	60.00	60.00	60.00
Tennis courts	54.00	54.00	54.00	54.00	54.00	54.00	54.00	54.00	57.00	55.00
Swimming pools/splash pads	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	15.00	16.00
Playground	30.00	30.00	30.00	30.00	30.00	30.00	30.00	31.00	31.00	31.00
Parking										
Garages	6	6	7	7	8	8	8	9	9	8
Lots	5	5	5	5	5	5	5	5	5	4
Metered spaces	4,322	4,333	4,604	4,602	4,703	4,736	4,728	4,704	4,502	4,487
Stormwater										
Storm drains (miles)	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00	254.00	254.00
Vehicles	N/A	N/A	54	55	55	70	67	69	63	34
Wastewater										
Sanitary sewer (miles)	18.30	992.70	1,002.50	1,036.90	1,047.97	1,053.75	1,100.00	1,108.50	1,059.00	1,077.00
Vehicles	135	143	161	183	200	212	278	331	300	277
Treatment plants	1	1	1	1	1	1	1	1	1	1
Solid Waste										
Vehicles	53	62	73	85	94	95	117	128	130	125
Water										
Water lines (miles)	35.40	1,837.70	1,887.10	1,935.69	1,954.68	1,966.58	1,966.58	1,978.45	2,250.00	2,301.00
Vehicles	125	138	178	209	228	237	256	281	291	285
Fire hydrants	289	6,189	3,063	3,307	5,200	5,300	5,300	5,350	5,450	4,300
Treatment plants	2	2	2	2	2	2	2	2	2	2

Source: Various City departments

Vehicle data includes both licensed and unlicensed vehicles