

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH 18, 2025**

**NEW ISSUE  
BOOK-ENTRY-ONLY**

**RATINGS:  
Moody's: Aa1  
S&P: AA+**

*In the opinion of Burr & Forman LLP, Co-Bond Counsel, assuming continued compliance by the City with the provisions of the Internal Revenue Code of 1986, as amended, as described herein, interest on the Series 2025 Bonds (as such term is defined below) is excludable from gross income for federal income tax purposes under existing laws, regulations, rulings and judicial decisions. Interest on the Series 2025 Bonds is not a specific preference for purposes of the federal individual alternative minimum tax. Interest on the Series 2025 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. The Series 2025 Bonds and the interest thereon will also be exempt from all State, county, municipal, school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer and certain franchise taxes. See "TAX EXEMPTION AND OTHER TAX MATTERS" herein.*



**CITY OF COLUMBIA, SOUTH CAROLINA  
\$55,595,000\*  
WATERWORKS AND SEWER SYSTEM REVENUE BONDS  
SERIES 2025**

**Dated: Delivery Date**

**Due: February 1, as shown on inside cover**

The City of Columbia, South Carolina (the "City") Waterworks and Sewer System Revenue Bonds, Series 2025 (the "Series 2025 Bonds") are issuable in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), to which payments of principal, redemption premium, if any, and interest on the Series 2025 Bonds will be made. Individual purchases will be made in book-entry form only, in denominations of \$5,000 or any whole multiple thereof. So long as Cede & Co., as partnership nominee of DTC, is the registered owner of the Series 2025 Bonds, references herein to holders or registered owners of the Series 2025 Bonds means Cede & Co. and shall not mean the beneficial owners of the Series 2025 Bonds. Interest on the Series 2025 Bonds shall be payable on each February 1 and August 1, commencing August 1, 2025, until maturity or prior redemption. Principal on the Series 2025 Bonds will be payable on February 1 in the years and amounts shown on the inside cover hereof. All capitalized terms used on this cover, and not otherwise defined, are defined herein.

The Series 2025 Bonds are being issued under the authority of the Constitution of the State of South Carolina 1895, as amended (the "South Carolina Constitution") and laws of the State of South Carolina, including Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended, and the General Bond Ordinance No. 93-43, enacted by the City Council, the governing body of the City (the "City Council"), on May 21, 1993, as amended and supplemented, including as amended and supplemented particularly by the Seventeenth Supplemental Ordinance No. 2024-083, enacted by the City Council on November 19, 2024 (as amended and supplemented, the "Ordinance").

The Series 2025 Bonds are being issued for the purposes of (i) funding certain improvements, extensions and enlargements (the "2025 Projects") to the Waterworks and Sewer System of the City (the "System"), and (ii) paying the costs incurred in connection with the issuance of the Series 2025 Bonds.

The Series 2025 Bonds, including the interest thereon, are payable solely from the Net Revenues of the System and are secured by a pledge of and lien on the Net Revenues thereof. **THERE WILL BE NO DEBT SERVICE RESERVE FUND ESTABLISHED FOR OR FUNDED WITH THE PROCEEDS OF THE SERIES 2025 BONDS.**

**THE SERIES 2025 BONDS WILL BE SUBJECT TO OPTIONAL AND MANDATORY REDEMPTION PRIOR TO MATURITY AS DESCRIBED HEREIN.**

**THE SERIES 2025 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE) OR STATUTORY LIMITATION. THE SERIES 2025 BONDS SHALL NOT CONSTITUTE DEBT OF THE CITY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, ON ANY PROPERTY OF THE CITY OR ON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE NET REVENUES OF THE SYSTEM PLEDGED THERETO. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE SERIES 2025 BONDS OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE CITY AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE CITY SHALL BE DEEMED TO BE PLEDGED THERETO. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2025 BONDS.**

**PNC CAPITAL MARKETS LLC  
(CO-SENIOR MANAGER)**

**RAYMOND JAMES  
(CO-SENIOR MANAGER)**

**SIEBERT WILLIAMS SHANK  
(CO-MANAGER)**

The Series 2025 Bonds are offered when, as and if issued and delivered by the City, subject to the final approving opinions of Burr & Forman LLP, Columbia, South Carolina, and Johnson, Toal & Battiste, P.A., Columbia, South Carolina, Co-Bond Counsel. Certain legal matters will be passed on for the City by the City Attorney, Teresa A. Knox, Esquire, and for the Underwriters by their co-counsel, Parker Poe Adams & Bernstein LLP, Columbia, South Carolina, and Starkes Law Firm, LLC, Columbia, South Carolina. Stifel, Nicolaus & Company, Incorporated, Columbia, South Carolina, has served as Financial Advisor to the City in connection with the issuance of the Series 2025 Bonds. It is expected that the Series 2025 Bonds will be available for delivery on or about [Closing Date], 2025, through the facilities of DTC against payment therefor.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision. *The City deems this Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission, except for information which may be omitted pursuant to such rule.*

This Official Statement is dated [ ], 2025.

\* Throughout this Preliminary Official Statement, the presence of an asterisk indicates that information is preliminary and subject to change.

**MATURITY SCHEDULE**

**\$21,510,000\* SERIAL BONDS**

<b><u>MATURITY (FEBRUARY 1)</u></b>	<b><u>AMOUNT*</u></b>	<b><u>INTEREST RATE</u></b>	<b><u>YIELD</u></b>	<b><u>PRICE</u></b>	<b><u>CUSIP<sup>1</sup></u></b>
2026	\$ 685,000	%	%	%	
2027	880,000				
2028	925,000				
2029	970,000				
2030	1,020,000				
2031	1,070,000				
2032	1,125,000				
2033	1,180,000				
2034	1,240,000				
2035	1,300,000				
2036	1,365,000				
2037	1,435,000				
2038	1,505,000				
2039	1,580,000				
2040	1,660,000				
2041	1,740,000				
2042	<u>1,830,000</u>				
TOTAL	\$21,510,000				

**TERM BONDS**

\$6,050,000\* [ ]% Term Bond, Due February 1, 2045; Yield: [ ]%; Price [ ]%; CUSIP<sup>1</sup>: [ ]

\$12,285,000\* [ ]% Term Bond, Due February 1, 2050; Yield: [ ]%; Price [ ]%; CUSIP<sup>1</sup>: [ ]

\$15,750,000\* [ ]% Term Bond, Due February 1, 2055; Yield: [ ]%; Price [ ]%; CUSIP<sup>1</sup>: [ ]

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<sup>c</sup> Priced to the call date of [ ].

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<sup>1</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright © 2025 CUSIP Global Services. All rights reserved. CUSIP® numbers are set forth herein for the convenience of reference only. CUSIP data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience of reference only. Neither the City nor the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.

## REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2025 Bonds. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied on as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2025 Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE UNDER THIS DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE SYSTEM SINCE THE DATE HEREOF.

Information in this Official Statement has been obtained by PNC Capital Markets LLC, Raymond James & Associates, Inc., and Siebert Williams Shank & Co., LLC, as underwriters (the "Underwriters"), from the City and other sources believed to be reliable.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibility to investors under the federal securities laws applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Regions Bank, as Registrar and Paying Agent, has not provided, or undertaken to determine the accuracy of, any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information, (ii) the validity of the Series 2025 Bonds, or (iii) the tax-exempt status of the interest on the Series 2025 Bonds.

Reference herein to laws, rules, regulations, agreements, reports and other documents, do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made in this Official Statement. Where full texts have not been included as Appendices to this Official Statement, they will be furnished on request.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements," within the meaning of the Securities Act of 1933, as amended (the "1933 Act") or the Securities Exchange Act of 1934, as amended. Such statements are generally identifiable by the terminology used such as "may," "will," "could," "should," "expect," "forecast," "plan," "project," "expect," "anticipate," "intend," "believe," "estimate," "budget," "potential," "continue," or the negative of these terms or other similar words. The reader is cautioned that forward-looking statements are subject to a variety of uncertainties that could cause actual results to differ from the projected results. Those risks and uncertainties include general economic and business conditions, conditions in the financial markets and real estate market, and various other factors which may be beyond the City's control. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THESE FORWARD-LOOKING STATEMENTS IF OR WHEN CHANGES TO EXPECTATIONS, OR EVENTS, CONDITIONS, OR CIRCUMSTANCES, ON WHICH THE FORWARD-LOOKING STATEMENTS ARE BASED, OCCUR OR FAIL TO OCCUR.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2025 BONDS AT OR ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING MAY BE DISCONTINUED AT ANY TIME.

**THE SERIES 2025 BONDS WILL NOT BE REGISTERED UNDER THE 1933 ACT, AND THE ORDINANCE HAS NOT BEEN REGISTERED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2025 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2025 BONDS HAVE BEEN REGISTERED OR QUALIFIED, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED ON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE SERIES 2025 BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**CITY OF COLUMBIA, SOUTH CAROLINA**

1737 Main Street  
Columbia, South Carolina 29201  
803-545-3050



**CITY COUNCIL**

Daniel J. Rickenmann, Mayor

**COUNCIL MEMBERS**

Will Brennan, Mayor Pro Tem

Tyler D. Bailey

Peter M. Brown

Dr. Aditi S. Bussells

Tina N. Herbert

Edward H. McDowell, Jr.

**CITY MANAGER**

Teresa B. Wilson

**ASSISTANT CITY MANAGER FOR DEVELOPMENT  
AND FINANCE AND CHIEF FINANCIAL OFFICER**

Jeffery M. Palen

**CITY ATTORNEY**

Teresa A. Knox, Esquire

**FINANCIAL ADVISOR**

Stifel, Nicolaus & Company, Incorporated  
Columbia, South Carolina

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## OFFICIAL STATEMENT

\$55,595,000\*

### CITY OF COLUMBIA, SOUTH CAROLINA WATERWORKS AND SEWER SYSTEM REVENUE BONDS SERIES 2025

#### INTRODUCTION

This Official Statement of the City of Columbia, South Carolina (the “City” or “City of Columbia”), which includes the cover page hereof and the appendices hereto, provides information relating to the City along with its Waterworks and Sewer System Revenue Bonds, Series 2025 (the “Series 2025 Bonds”). The information furnished herein includes a brief description of the Series 2025 Bonds, and the security therefor, the City and its indebtedness, tax information, economic data, financial information, investment considerations and other matters. Also included are certain information and data pertaining to Richland County, South Carolina (“Richland County” or the “County”), Lexington County, South Carolina (“Lexington County”) and the State of South Carolina (“South Carolina” or the “State”). All information included herein has been provided by the City except where attributed to other sources. The summaries and references to all of the documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such reference or summary is qualified in its entirety by reference to each such document, statute, report or other instrument.

The Series 2025 Bonds, the 2023 Bonds, the 2022 Bonds, the 2021 Bonds, the 2019 Bonds, the 2018 Bonds, the 2016 Bonds, and any Additional Bonds (as such terms are defined herein) are referred to herein, collectively, as the “Bonds.” This Official Statement includes a brief description of the City’s Waterworks and Sewer System (the “System”) and the Ordinance (as defined herein), pursuant to which the Series 2025 Bonds are authorized and issued by the City. Capitalized terms used herein without specific definition are used as defined in “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE.”

The City’s Fiscal Year is a 12-month period beginning July 1 in each year and ending June 30 of the following year. Reference herein to “Fiscal Year” or “FY” followed by a year designation means the Fiscal Year ended or ending on June 30 in the denominated year. For example, “Fiscal Year 2024” or “FY24” means the Fiscal Year ended June 30, 2024.

#### Authorization

The Series 2025 Bonds are being issued under the Constitution of the State of South Carolina 1895, as amended (the “South Carolina Constitution”) and laws of the State, including Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended, and General Bond Ordinance No. 93-43, enacted by the City Council of the City of Columbia, the governing body of the City (the “City Council”), on May 21, 1993, as amended and supplemented (the “General Ordinance”), including as amended and supplemented particularly by the Seventeenth Supplemental Ordinance No. 2024-083, enacted by the City Council on November 19, 2024 (the “Supplemental Ordinance,” and together with the General Ordinance, the “Ordinance”).

#### Purpose

The Series 2025 Bonds are being issued for the purposes of (i) funding certain improvements, extensions and enlargements to the System (the “2025 Projects,” as more particularly defined in Appendix C); and (ii) paying the costs incurred in connection with the issuance of the Series 2025 Bonds. See “SOURCES AND USES OF FUNDS” and “PLAN OF FINANCE.”

#### THE SERIES 2025 BONDS

##### General

The Series 2025 Bonds will be dated their date of delivery, will mature on February 1 in the years and in the principal amounts set forth on the inside cover page hereto, and will bear interest at the rates per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months) set forth on the inside cover page hereto, payable on August 1, 2025 and semiannually thereafter on February 1 and August 1 of each year (each, an “Interest Payment Date”). The Series 2025 Bonds are issuable initially in book-entry form only, in denominations of \$5,000 or any whole multiple thereof. So long as the Series 2025 Bonds are in book-entry form and are registered in the name of Cede & Co., as the nominee of The Depository Trust Company, New York, New York (“DTC”), payments on the Series 2025 Bonds will be made as set forth in “APPENDIX F – BOOK-ENTRY SYSTEM,” attached hereto. Should the Series 2025 Bonds no longer be held in book-entry form, principal of the Series 2025 Bonds, whether due on maturity or redemption, will be payable on the respective maturity dates or redemption dates on presentation and surrender thereof at the corporate trust office of Regions Bank, Atlanta, Georgia, as registrar and paying agent (the “Registrar/Paying Agent”), and interest on the Series 2025 Bonds will be payable by check or draft of the Registrar/Paying Agent mailed to the person in whose name each Series 2025 Bond is registered as of the close

of business on the fifteenth day of each month immediately preceding such payment. Interest payments to a person who is a holder of \$1,000,000 or more in aggregate principal amount of any series of the Series 2025 Bonds not held in book-entry form may be made by wire transfer to an account within the continental United States of America (“U.S.” or “United States”) on timely receipt of a written request of such holder.

The Series 2025 Bonds are subject to optional and mandatory redemption prior to their maturity.

**Optional Redemption**

The Series 2025 Bonds maturing on or after February 1, 20[ ] are subject to redemption prior to maturity on or after February 1, 20[ ] at the option of the City, as a whole or in part at any time in such order of their maturities as the City shall determine at the redemption price equal to 100% of the principal amount of the Series 2025 Bonds being redeemed together with accrued interest to the date fixed for redemption.

**Mandatory Redemption**

The Series 2025 Bonds maturing on February 1, 20[ ] and February 1, 20[ ] (each, a “2025 Term Bond” and collectively, the “2025 Term Bonds”) shall each be subject to mandatory sinking fund redemption commencing February 1, 20[ ] and February 1, 20[ ], respectively, and will be redeemed (to the extent not previously redeemed) at 100% of the principal amount thereof to be redeemed, plus interest accrued to the redemption date, on February 1 of each of the following years in the respective principal amounts for each year specified below:

**2025 TERM BOND MATURING FEBRUARY 1, 20[ ]**

<u>Year</u>	<u>Amount</u>
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†Final Maturity

**2025 TERM BOND MATURING FEBRUARY 1, 20[ ]**

<u>Year</u>	<u>Amount</u>
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†Final Maturity

At its option, to be exercised on or before the 60<sup>th</sup> day prior to any mandatory redemption date, the City may (i) deliver to the Registrar/Paying Agent for cancellation any 2025 Term Bond which is subject to mandatory redemption in any aggregate principal amount desired or (ii) receive a credit in respect of its mandatory redemption obligation for any such 2025 Term Bond which, prior to such date, have been purchased or redeemed (otherwise than through the operation of the mandatory redemption requirement) by the City and cancelled by the Registrar/Paying Agent and not theretofore applied as a credit against any mandatory redemption obligation. Each 2025 Term Bond so delivered or previously purchased or redeemed shall be credited by the Registrar/Paying Agent, at one hundred percent (100%) of the principal amount thereof, to the obligation of the City on those respective mandatory redemption obligations in such order as the City may direct the Registrar/Paying Agent in writing, and the principal amount of the applicable 2025 Term Bonds to be redeemed by operation of the mandatory redemption requirement shall be accordingly reduced.

**General Redemption Provisions; Notice**

In the event the Series 2025 Bonds or any portion thereof shall be called for redemption, notice of the redemption, describing (among other things) the Series 2025 Bonds to be redeemed, specifying the redemption date and the redemption price payable on such redemption, shall be mailed by first-class mail, postage prepaid, to the registered owner thereof as shown on the Books of Registry (as defined herein) not less than 30 days and not more than 60 days prior to the redemption date. So long as the Series 2025 Bonds are in book-entry form and are registered in the name of Cede & Co., as the nominee of DTC, notices of redemption with respect to the Series 2025 Bonds will be given to Cede & Co., and will be distributed by Cede & Co. See “APPENDIX F – BOOK-ENTRY SYSTEM,” attached hereto.

If less than all of the Series 2025 Bonds of any series and maturity are called for redemption, the Series 2025 Bonds of such series and maturity to be redeemed shall be selected by lot within such maturity, subject to the rules of procedure of DTC while the Series 2025 Bonds are held in book-entry form.

If a Series 2025 Bond is subject by its terms to redemption prior to its stated maturity and has been duly called for redemption and notice of the redemption thereof has been duly given as in the Ordinance provided and if moneys for the payment of such Series 2025 Bond at the then applicable redemption price and the interest to accrue to the redemption date on such Series 2025 Bond are held for the purpose of such payment by the Registrar/Paying Agent, then such Series 2025 Bond so called for redemption shall, on the redemption date designated in such notice, become due and payable, and interest on the Series 2025 Bond, as appropriate, so called for redemption shall cease to accrue. The City is entitled to provide for, and give notice of, the redemption of a Series 2025 Bond based on certain conditions being met at or prior to redemption, including, but not limited to, the availability of amounts for such purposes.

## **SECURITY FOR THE SERIES 2025 BONDS**

### **Pledged Revenues**

The Series 2025 Bonds are payable solely from and are secured equally and ratably with the 2023 Bonds, the 2022 Bonds, the 2021 Bonds, the 2019 Bonds, the 2018 Bonds, the 2016 Bonds, and all bonds hereafter issued on a parity therewith (with respect to the pledge of and lien on the Net Revenues) under the Ordinance (the “Additional Bonds”) by a pledge of and lien on Net Revenues (defined herein) of the System.

The term “Net Revenues” means the Revenues of the System after deducting Expenses of Operating and Maintaining the System (as defined herein). The term “Revenues” means all fees, tolls, rates, rentals and all other charges to be levied and collected in connection with and all other income and receipts of whatever kind or character derived by the City from the operation of the System or arising from the System, excluding the receipts, income, revenues, fees and other charges derived from the operation of Special Facilities. The term “Expenses of Operating and Maintaining the System” means the costs and expenses of operating and maintaining the System in good repair and working order including wages, salaries, costs of materials and supplies, costs of routine repairs, renewals, replacements or alterations occurring in the normal course of business, the reasonable fees and charges of any paying agents and registrars of any Bonds issued pursuant to the Ordinance or any supplemental ordinance, the costs of any audit required by the Ordinance and the premium for all insurance required with respect to the System. Such term does not include any allowance for depreciation or renewals or replacements of capital assets of the System, amounts deemed to be payments in lieu of taxes or other equity transfers and certain non-cash expenses (including, but not limited to, any pension-related or other post-employment benefit-related expenses (other than such amount actually paid) of the System).

The term “2016 Bonds” used herein means, collectively, the outstanding principal amounts of \$25,310,000 of the City’s \$63,325,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2016A (the “2016A Bonds”) and \$132,360,000 of the City’s \$146,710,000 original principal amount Waterworks and Sewer System Refunding Revenue Bonds, Series 2016B (the “2016B Bonds”). The term “2018 Bonds” used herein means the outstanding principal amount of \$45,135,000 of the City’s \$87,340,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2018. The term “2019 Bonds” used herein means, collectively, the outstanding principal amounts of \$84,215,000 of the City’s \$131,085,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2019A (the “2019A Bonds”), \$109,265,000 of the City’s \$143,855,000 original principal amount Waterworks and Sewer System Refunding Revenue Bonds, Taxable Series 2019B (the “2019B Bonds”), and \$4,980,000 of the City’s \$6,875,000 original principal amount Waterworks and Sewer System Refunding Revenue Bonds, Series 2019C (the “2019C Bonds”). The term “2021 Bonds” used herein means, collectively, the outstanding principal amounts of \$17,780,000 of the City’s \$18,935,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2021A (the “2021A Bonds”), and \$113,315,000 of the City’s \$116,600,000 original principal amount Waterworks and Sewer System Refunding Revenue Bonds, Taxable Series 2021B (the “2021B Bonds”). The term “2022 Bonds” used herein means the outstanding principal amount of \$71,825,000 of the City’s \$73,815,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2022. The term “2023 Bonds” used herein means, collectively, the outstanding principal amounts of \$45,910,000 of the City’s \$46,325,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2023A (the “2023A Bonds”), and \$78,040,000 of the City’s \$80,410,000 original principal amount Waterworks and Sewer System Refunding Revenue Bonds, Series 2023B (the “2023B Bonds”).

### **Limited Obligations**

THE SERIES 2025 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE) OR STATUTORY LIMITATION. THE

SERIES 2025 BONDS SHALL NOT CONSTITUTE DEBT OF THE CITY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, ON ANY PROPERTY OF THE CITY OR ON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE NET REVENUES OF THE SYSTEM PLEDGED THERETO. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE SERIES 2025 BONDS OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE CITY AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE CITY SHALL BE DEEMED TO BE PLEDGED THERETO. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2025 BONDS.

**Rate Covenant**

The City has covenanted in the Ordinance to operate the System in an efficient and economical manner and establish, levy, maintain, revise and collect such fees, rates and other charges for the use of the services and facilities furnished by the System as may be necessary or proper, which fees, rates and other charges, together with other Revenues and other available moneys, will at all times be sufficient after making due and reasonable allowances for contingencies and for a margin of error in estimates, to provide in each July 1 through June 30 fiscal year of the City, an amount equal to:

- (a) 100 percent of the amounts required to pay Expenses of Operating and Maintaining the System for the then current fiscal year;
- (b) 110 percent of the amounts required to be deposited into each Debt Service Fund, for the Bonds for the then current fiscal year;
- (c) 100 percent of the amounts required to be deposited to each Debt Service Reserve Fund (as defined herein), if any, for the Bonds for the then current fiscal year;
- (d) 100 percent of the amounts required to provide for payment of any Junior Bonds (as defined herein) in the then current fiscal year; and
- (e) any amounts necessary to comply in all respects with the terms of the Ordinance or any other contract or agreement with the holder of a Bond.

**Disposition of Revenues and Funds Established by the Ordinance**

The following are the funds and accounts created and established by the Ordinance:

- (a) Debt Service Fund to be held by the City, including an Interest Account and Principal Account;
- (b) Debt Service Reserve Fund, if any, to be held by the City; and
- (c) Contingent Fund and Depreciation Fund, each to be held by the City subject to the provisions of the Ordinance described in Appendix C hereto under the heading “SUMMARY OF ORDINANCE – Creation and Flow of Funds” and “– Funds Created Under General Bond Ordinance.”

The Revenues of the System shall be applied at the times, in the amounts and for the purposes as provided or permitted by the Ordinance, and in the following order of priority:

First, for the payment of Expenses of Operating and Maintaining the System;

Second, into the respective Debt Service Funds, the amounts required by the Ordinance or any supplemental ordinance; and

Third, into the respective Debt Service Reserve Funds, if any, the amounts required by the Ordinance or any supplemental ordinance.

If, after applying Revenues of the System as set forth above, there are Revenues remaining, such Revenues shall then be used, first, for the payment of Junior Bonds or to meet any other obligations of the City which are or which shall become charges, liens or encumbrances on the Revenues of the System, junior and subordinate to the lien on the Net Revenues securing the Bonds, and the payment of interest on amounts advanced by the provider of any surety bond, insurance policy or letter of credit as contemplated by the Ordinance; second, to make such deposits to the Contingent Fund as required by the Ordinance to provide for adequate funds for improvements to the System and build up a proper reserve against contingencies and to the Depreciation Fund as required by the Ordinance to build up a proper reserve for depreciation of the System and third, as the City Council shall from time to time determine to be in the best interest of the City.

## **Debt Service Reserve Funds**

The Ordinance provides that the City, pursuant to an ordinance authorizing the issuance of a series of Bonds, may provide for the establishment of a debt service reserve fund (each, a “Debt Service Reserve Fund”) to be used solely for the purpose of preventing a default in the payment of principal of or interest or premium, if any, on the Bonds of such series.

Whenever the aggregate value of cash and securities in a Debt Service Reserve Fund shall be less than the reserve fund requirement, if any, established with respect to such fund pursuant to a supplemental ordinance authorizing a series of Bonds (“Reserve Fund Requirement”), there shall be deposited in such Debt Service Reserve Fund that amount which, together with equal, successive, monthly deposits in the same amount, will restore the value of the cash and securities in such Debt Service Reserve Fund to the applicable Reserve Fund Requirement during the succeeding 12 months. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE” under the heading “SUMMARY OF ORDINANCE – Funds Created Under General Bond Ordinance – *Debt Service Reserve Funds*.”

**THERE WILL BE NO DEBT SERVICE RESERVE FUND ESTABLISHED FOR OR FUNDED WITH THE PROCEEDS OF THE SERIES 2025 BONDS.**

## **Additional and Refunding Bonds**

The City may issue Additional Bonds on a parity (with respect to the pledge of and lien on Net Revenues) with the Series 2025 Bonds subject to certain conditions set forth in the Ordinance, including, in the case of Additional Bonds issued other than for the purpose of refunding outstanding Bonds, the requirement that there will be delivered a report, which report is not required to be based on the latest audit of the City, from the City Manager or Finance Director of the City, an Accountant or a Consulting Engineer, stating that the amount of the Net Revenues of the System for any consecutive 12-month period out of the last 24-month period (“Test Period”) is not less than 130 percent of the sum of the highest combined interest and principal requirements in any fiscal year (“Maximum Debt Service,” as more particularly defined in Appendix C) on the Bonds to be outstanding after the issuance of such Additional Bonds for any succeeding fiscal year, provided the amount of Net Revenues for such 12-month period may be adjusted by adding the following:

- (a) in case the rates and charges for the services furnished by the System have been revised and such revised rates and charges have gone into effect prior to the delivery of the Additional Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the Test Period if such rates and charges had been in effect during such Test Period as determined by a Consulting Engineer or an Accountant; and
- (b) in case an existing sewer system, existing water system or any other public utility system is to be acquired and combined or made a part of the System from the proceeds of the Additional Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the Test Period if such existing system or systems to be acquired had been a part of the System during such Test Period (which computation of the additional amount of Net Revenues will be based on the method of computing Net Revenues under the Ordinance and approved by a Consulting Engineer or an Accountant).

Without complying with the foregoing debt service coverage provisions, Additional Bonds may be issued for the purpose of refunding (including by purchase) bonds provided that the Debt Service on all Bonds to be outstanding after the issuance of the proposed series of refunding bonds must not be greater than would have been the Debt Service on all Bonds not then refunded and the Bonds to be refunded. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE” under the heading “SUMMARY OF ORDINANCE – Additional Bonds – *Parity Obligations*.” The term “Debt Service” means, with respect to each series of Bonds and any particular fiscal year, the aggregate of the amounts to be paid or set aside (or estimated to be required to be paid or set aside) in the applicable Debt Service Fund in such fiscal year for the payment of the principal of, redemption premium, if any, and interest (to the extent not capitalized) on such series of Bonds and is subject to additional adjustments or assumptions as further described in Appendix C.

## **Junior Bonds and Special Facilities Bonds**

The City may issue bonds secured by a pledge of Net Revenues junior and subordinate in all respects to the pledge securing the Series 2025 Bonds or any other obligation or form of indebtedness, including lease purchase obligations secured by a pledge of Net Revenues, after provision has been made for all payments required to be made with respect to the Series 2025 Bonds (“Junior Bonds”), in such amount as it may from time to time determine. The pledge of Net Revenues securing Junior Bonds must at all times be and remain subordinate and inferior in all respects to the pledge of Net Revenues securing the Series 2025 Bonds. Junior Bonds may be issued to secure funds to defray the cost of improving, extending, enlarging or repairing the System, including the acquisition of a system to be combined into the System, or to refund the Series 2025 Bonds or any other Bonds, Junior Bonds, or any notes, bonds, or other obligations issued to finance or to aid in financing the acquisition, construction or improvement of the System. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE” under the heading “SUMMARY OF ORDINANCE – Additional Bonds – *Junior Bonds*.”

The City may also enter into contracts, leases or other agreements pursuant to which it will agree to construct, operate and pay the costs of Special Facilities which may or may not be discrete and separate units of the System. These Special Facilities may be financed through the issuance of Special Facilities Bonds, subject to certain conditions with respect to the ability of the Special Facilities to generate sufficient revenues to pay for such Special Facilities Bonds. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE” under the heading “SUMMARY OF ORDINANCE – Additional Bonds – *Special Facilities Bonds*.”

**SOURCES AND USES OF FUNDS**

The proceeds of the sale of the Series 2025 Bonds are expected to be used substantially as follows.

*Estimated Sources of Funds*

Principal Amount of Series 2025 Bonds	\$[ ]
[Less/Plus: Net Original Issue Discount/Premium]	[ ]
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$[ ]</b>

*Estimated Uses of Funds*

2025 Projects	\$[ ]
Costs of Issuance <sup>(1)</sup>	[ ]
<b>TOTAL USES OF FUNDS</b>	<b>\$[ ]</b>

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<sup>(1)</sup> Includes Underwriters’ discount, rounding, and certain legal, accounting and other financing expenses incurred by the City.

**PLAN OF FINANCE**

The proceeds of the Series 2025 Bonds will be deposited into the Construction Fund of 2025 established pursuant to the Supplemental Ordinance. Moneys on deposit in the Construction Fund of 2025 will be used, as needed, to finance the costs of the 2025 Projects, including without limitation payment of engineering, legal and all other expenses incidental to the 2025 Projects and issuance costs of the Series 2025 Bonds.

The 2025 Projects involve ongoing capital improvements to the System. These capital improvements include upgrades, extensions and enlargements to the System, including any one or more of the following: (a) Waterworks System (defined herein) rehabilitation and installation of water lines for water quality and fire protection upgrades, (b) Waterworks System-wide expansions, (c) water treatment plant upgrades, (d) Sanitary Sewer System (defined herein) rehabilitation and installation of sewer lines and manholes, (e) Sanitary Sewer System capacity upgrades, (f) Sanitary Sewer System-wide expansions, (g) upgrades to the Metropolitan Wastewater Treatment Plant (“Metro WWTP”), and (h) any other matters with respect to the above improvements and such other improvements as the City may deem necessary or incidental to the System. Construction of the 2025 Projects is expected to begin in 2025 and scheduled to be substantially completed by or before December 31, 2027.

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## FINANCIAL FACTORS

### Five-Year Summary

The following table sets forth a summary of the operating revenues, operating expenses, non-operating revenues and non-operating expenses and changes in net position of the System for the Fiscal Years 2020 through 2024. This summary should be read in conjunction with (a) the audited financial statements of the City for the applicable fiscal years, and (b) the information set forth under “Management’s Discussion and Analysis” herein. Included as APPENDIX A to this Official Statement is a portion of the Annual Comprehensive Financial Report (“ACFR”) of the City for Fiscal Year 2024. Copies of the City’s ACFRs for prior fiscal years are available on the City’s website at <https://finance.columbiasc.gov/acfrs/>, which is not intended to be an active hyperlink and is not incorporated by reference herein. The City’s independent public accounting firm did not review this Official Statement, nor did it perform any procedures related to any of the information contained in this Official Statement.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operating Revenues					
Charges for Services	\$158,320,026	\$157,941,466	\$177,389,548	\$173,182,771	\$186,223,326
Other Operating Revenue	<u>          —</u>	<u>          1,200</u>	<u>          47,878</u>	<u>          —</u>	<u>          —</u>
Total Operating Revenues	\$158,320,026	\$157,942,666	\$177,437,426	\$173,182,771	\$186,223,326
Operating Expenses					
Personnel Services	\$42,218,565	\$46,687,801	\$39,603,592	\$39,103,389	\$40,839,312
Materials and Supplies	12,609,345	13,062,687	14,135,459	14,883,424	17,724,143
Other Services and Charges	28,562,870	33,242,407	36,079,825	33,770,705	35,644,387
Federal and State Grant Expenses <sup>(a)</sup>	1,317,244	871,541	—	—	—
Heat, Light and Power	6,263,599	5,961,557	6,344,556	7,176,342	7,896,411
Depreciation	40,316,022	39,492,667	41,283,322	42,055,634	46,470,988
Amortization	—	—	57,418	926,592	—
Claims and Premiums	<u>      25,830</u>	<u>      23,484</u>	<u>          —</u>	<u>          —</u>	<u>          —</u>
Total Operating Expenses	\$131,313,475	\$139,342,144	\$137,504,172	\$137,916,086	\$148,575,241
Operating Income	\$27,006,551	\$18,600,522	\$39,933,254	\$35,266,685	\$37,648,085
Non-Operating Revenues/(Expenses)					
Investment Income (Loss)	\$6,495,347	\$611,346	<sup>(b)</sup> \$(1,890,494)	<sup>(b)</sup> \$9,355,933	\$16,284,796
Other Non-Operating Revenue	336,820	262,490	291,735	370,834	327,177
Federal and State Grant Revenue	<sup>(c)</sup> 807,946	<sup>(c)</sup> 1,930,701	589,449	12,290	4,990,672
Gain (Loss) from Sale of Assets	(189,869)	(965,903)	301,374	108,797	274,800
Interest Expense <sup>(d)</sup>	(5,539,418)	(22,973,323)	(22,622,215)	(25,773,551)	(24,707,384)
Amortization of Bond Costs-Deferred Charges <sup>(e)</sup>	<u>(4,684,375)</u>	<u>(4,173,583)</u>	<u>(3,062,212)</u>	<u>(4,086,387)</u>	<u>(5,576,631)</u>
Total Non-Operating Revenues/(Expenses)	\$(2,773,549)	\$(25,308,272)	\$(26,392,363)	\$(20,012,084)	\$(8,406,570)
Income (Loss) Before Contributions and Transfers	\$24,233,002	\$(6,707,750)	\$13,540,891	\$15,254,601	\$29,241,515
Capital Contributions and Transfers					
Transfers In	—	259,166	—	—	—
Transfers Out <sup>(f)</sup>	(13,381,553)	(10,158,252)	(8,743,771)	(9,022,637)	(9,157,417)
Capital Grants	18,380	—	—	—	—
Development Contributions	<u>  6,958,105</u>	<u> 10,901,680</u>	<u>  7,147,240</u>	<u>  8,150,965</u>	<u>  6,145,180</u>
Total Capital Contributions and Transfers	\$(6,405,068)	\$1,002,594	\$(1,596,531)	\$(871,672)	\$(3,012,237)
Change in Net Position	\$17,827,934	\$(5,705,156)	\$11,944,360	\$14,382,929	\$26,229,278
Net Position – Beginning	<u>499,622,759</u>	<u>517,450,693</u>	<u>511,745,537</u>	<u>523,689,897</u>	<u>538,072,826</u>
Net Position – Ending	<u>\$517,450,693</u>	<u>\$511,745,537</u>	<u>\$523,689,897</u>	<u>\$538,072,826</u>	<u>\$564,302,104</u>

(a) This line item includes expenditures primarily related to the Rain Event, as defined and more particularly described under “THE CITY AND THE SYSTEM – Impact of Weather Event” herein.

(b) Total unrealized losses during Fiscal Year 2022 of \$4,120,845.59 on certain fixed income investments of the System were offset by \$2,230,351.59 in total investment income resulting in the net loss reflected here. The increase in investment income in Fiscal Year 2023 was due to favorable market conditions and a decrease in unrealized loss, which was \$4,120,845.59 in Fiscal Year 2022 and \$912,056.59 in Fiscal Year 2023, with \$10,267,990.04 in interest income.

(c) Represents amounts received by the City from federal and state sources for reimbursement of expenses primarily related to the Rain Event. See “THE CITY AND THE SYSTEM – Impact of Weather Event” herein.

(d) The City refunded certain of the System’s revenue bonds in Fiscal Year 2020, which resulted in a lower Interest Expenses for Fiscal Year 2020. See “FINANCIAL FACTORS” – Existing Parity Debt – 2019B Bonds” and “– 2019C Bonds” below. Increases in Interest Expense in subsequent fiscal years are attributable to the issuance of Additional Bonds.

(e) The “Amortization of Bond Costs-Deferred Charges,” represents a combination of two ACFR line items: “Bond Related Costs,” and “Amortization of Deferred Charges.” The separation of the two items in the ACFR reflects that, pursuant to Governmental Accounting Standards Board (“GASB”) Statement No. 65, bond issuance costs are no longer amortized.

(f) The City budgets annual transfers out to reimburse costs and expenses attributable to the System and initially paid from the City’s general and internal service funds. NOTE: Totals may not sum due to rounding.

## Management’s Discussion and Analysis

The System’s financial condition remains sound. Debt service coverage exceeds required levels, Operating Revenues remain strong, and management has continued its ongoing, progressive upgrades to System infrastructure. Management’s commentary on Fiscal Year 2024 results is provided below. Also, see additional discussion and analysis in “APPENDIX A – A PORTION OF ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR FISCAL YEAR ENDED JUNE 30, 2024,” attached hereto.

### *Operating Revenues*

In June 2023, City Council enacted Ordinance No. 2023-059 approving an approximately 5% rate increase for water and sewer services, effective July 1, 2023, and four additional future rate increases of 5% each, effective on the following dates: July 1, 2024, July 1, 2025, July 1, 2026, and July 1, 2027 (“Rate Ordinance”). The Charges for Services revenues grew due to the impact of increased water sales, rate increases effected under the Rate Ordinance, as well as growth in late fees and meter installation fees.

### *Operating Expenses*

Materials and Supplies expenses increased due to increases in the costs of chemicals for water and wastewater treatment and higher prices for water and wastewater system components for system rehabilitation and repair. Similarly, the expenses attributable to Other Services and Charges grew because of price increases and fuel surcharges from the System’s service providers.

Depreciation expense increased due to capital additions to the System.

### *Non-Operating Revenues/Expenses*

Investment income remained strong as a result of favorable market conditions, and an unrealized gain on investments. The increase in Federal and State Grant Revenue is attributable to a State grant awarded under the South Carolina Infrastructure Investment Program.

## Historical Debt Service Coverage of the System

The following table sets forth the Revenues, Expenses of Operating and Maintaining the System, Net Revenues, debt service requirements and debt service coverage of the System for the fiscal years shown.

Fiscal Year	Revenues <sup>4</sup>	Expenses of Operating and Maintaining the System	Net Revenues	Debt Service Requirements	Debt Service Coverage
2020 <sup>1,2</sup>	\$165,960,139	\$88,732,763	\$77,227,376	\$36,416,905	2.12x
2021 <sup>1,2</sup>	160,747,203	96,047,152	64,700,051	41,892,588	1.54x
2022 <sup>3</sup>	176,729,490	97,038,611	79,690,879	43,424,754	1.84x
2023	183,018,335	95,929,433	87,088,902	45,361,113	1.92x
2024	208,100,771	104,208,808	103,891,963	50,775,860	2.05x

<sup>1</sup> Revenues in Fiscal Year 2020 and Fiscal Year 2021 include amounts received from federal and state sources primarily for reimbursement of Rain Event-related expenses. Expenses of Operating and Maintaining the System for Fiscal Year 2020 and Fiscal Year 2021 include expenses related to the Rain Event. See “FINANCIAL FACTORS – Five-Year Summary” herein.

<sup>2</sup> Debt service on the 2019 Bonds does not include any reduction related to the application of capitalized interest.

<sup>3</sup> Debt service on the 2021 Bonds does not include any reduction related to the application of capitalized interest.

<sup>4</sup> The City incurred bad debt expense of \$4,974,107 in Fiscal Year 2020, \$9,711,122 in Fiscal Year 2021, \$708,807 in Fiscal Year 2022, \$5,289,825 in Fiscal Year 2023, and \$5,223,953 in Fiscal Year 2024. All amounts written off due to bad debt expense cause a corresponding decrease to Revenues, Net Revenues and debt service coverage. The increase in bad debt expense in Fiscal Year 2021 was driven by pandemic-related economic factors. Bad debt expense returned to normal levels in Fiscal Year 2023 and Fiscal Year 2024. See “THE CITY AND THE SYSTEM – Water and Sewer Billing and Collection Policies” herein.

**Projected Debt Service Requirements of the System**

The following table sets forth the aggregate debt service requirements of the System, beginning with Fiscal Year 2025, for the 2016 Bonds, the 2018 Bonds, the 2019 Bonds, the 2021 Bonds, the 2022 Bonds, the 2023 Bonds and the Series 2025 Bonds.

Fiscal Year	Existing Debt Service	Series 2025 Bonds			Aggregate Debt Service
		Principal	Interest	Total	
2025	\$53,276,461				
2026	53,271,999				
2027	53,266,382				
2028	53,273,687				
2029	53,269,695				
2030	53,269,793				
2031	53,269,899				
2032	53,265,297				
2033	53,273,561				
2034	53,264,233				
2035	53,274,869				
2036	53,274,760				
2037	53,268,892				
2038	53,275,267				
2039	53,343,639				
2040	53,341,886				
2041	53,340,108				
2042	30,232,904				
2043	30,330,941				
2044	25,973,967				
2045	26,011,035				
2046	26,037,347				
2047	22,252,996				
2048	22,253,165				
2049	16,937,906				
2050	8,933,294				
2051	8,939,263				
2052	7,986,000				
2053	3,115,400				
2054	—				
2055	—				
<b>TOTAL</b>	<b>\$1,134,824,643</b>				

NOTE: Totals may not sum due to rounding.

## Projected Debt Service Coverage of the System

The following table projects debt service coverage for the fiscal years shown based on the assumptions provided in the notes to the table.

Fiscal Year	Net Revenues <sup>†</sup>	Existing Debt Service Requirements	Estimated Series 2025 Bonds Debt Service <sup>††</sup>	Total Debt Service Requirements	Coverage
2025	\$90,943,000	\$53,276,461	–	\$53,276,461	1.71x
2026	90,943,000	53,271,999	\$2,963,793	56,235,792	1.62x
2027	90,943,000	53,266,382	3,664,875	56,931,257	1.60x
2028	90,943,000	53,273,687	3,665,875	56,939,562	1.60x
2029	90,943,000	53,269,695	3,664,625	56,934,320	1.60x

<sup>†</sup> Net revenues for Fiscal Year 2025 have been calculated utilizing the System’s most recent rate study which (i) reflects a 5.0% rate increase adopted by the City Council that went into effect on July 1, 2024, (ii) assumed 1.1% growth in customer accounts between Fiscal Year 2024 and Fiscal Year 2025, and (iii) assumed a 4.0% increase in operating expenses between Fiscal Year 2024 and Fiscal Year 2025. No additional changes in revenues or expenses are assumed for Fiscal Years 2026 through 2029.

<sup>††</sup> Debt service on the Series 2025 Bonds assumes (i) a project fund deposit of \$58.5 million, (ii) approximately level annual debt service and a final maturity of February 1, 2055, (iii) no debt service reserve fund, (iv) no capitalized interest, and (v) a true interest cost of 4.53%.

The figures set forth in the table above are projections and no assurance can be given that the projections will be realized. The actual results of operations of the System will be dependent on the amounts by which revenues and expenses increase or decrease. Revenues will be dependent on the actual number of System customers, levels of customer usage, the rates charged by the City and other factors. Expenses will be dependent on the actual levels of customer usage, the number of customers, rates, the cost of treating water and wastewater, future maintenance requirements, financing needs, health care, retirement and post-employment requirements, and other factors. Further, debt service takes into account solely the bonds described above, and does not take into account future indebtedness or future water and sewer rate increases, including those contemplated in the Rate Ordinance, or decreases that have been or may be approved by City Council, other than rate increases for the current Fiscal Year.

### Existing Parity Debt

#### *2016A Bonds*

Pursuant to the General Ordinance and the Eleventh Supplemental Ordinance enacted by the City Council on September 6, 2016 (the “Eleventh Supplemental Ordinance”), the City issued the 2016A Bonds in the original principal amount \$63,325,000 to defray the costs of improvements to the System. The 2016A Bonds are currently outstanding in the principal amount of \$25,310,000.

#### *2016B Bonds*

Pursuant to the General Ordinance and the Eleventh Supplemental Ordinance, the City issued the 2016B Bonds in the original principal amount \$146,710,000 to advance refund portions of several prior System bond issues. The 2016B Bonds are currently outstanding in the principal amount of \$132,360,000.

#### *2018 Bonds*

Pursuant to the General Ordinance and the Twelfth Supplemental Ordinance enacted by the City Council on May 1, 2018, the City issued the 2018 Bonds in the original principal amount \$87,340,000 to defray the costs of improvements to the System. The 2018 Bonds are currently outstanding in the principal amount of \$45,135,000.

#### *2019A Bonds*

Pursuant to the General Ordinance and the Thirteenth Supplemental Ordinance enacted by the City Council on September 17, 2019 (the “Thirteenth Supplemental Ordinance”), the City issued the 2019A Bonds in the original principal amount \$131,085,000 to defray the costs of improvements to the System. The 2019A Bonds are currently outstanding in the principal amount of \$84,215,000.

#### *2019B Bonds*

Pursuant to the General Ordinance and the Thirteenth Supplemental Ordinance, the City issued the 2019B Bonds in the original principal amount \$143,855,000 to advance refund certain System bond issues. The 2019B Bonds are currently outstanding in the principal amount of \$109,265,000.

### *2019C Bonds*

Pursuant to the General Ordinance and the Thirteenth Supplemental Ordinance, the City issued the 2019C Bonds in the original principal amount \$6,875,000 to currently refund certain System bond issues. The 2019C Bonds are currently outstanding in the principal amount of \$4,980,000.

### *2021A Bonds*

Pursuant to the General Ordinance and the Fourteenth Supplemental Ordinance enacted by the City Council on November 10, 2021 (the “Fourteenth Supplemental Ordinance”), the City issued the 2021A Bonds in the original principal amount \$18,935,000 to defray the costs of improvements to the System. The 2021A Bonds are currently outstanding in the principal amount of \$17,780,000.

### *2021B Bonds*

Pursuant to the General Ordinance and the Fourteenth Supplemental Ordinance, the City issued the 2021B Bonds in the original principal amount \$116,600,000 to advance refund certain System bond issues. The 2021B Bonds are currently outstanding in the principal amount of \$113,315,000.

### *2022 Bonds*

Pursuant to the General Ordinance and the Fifteenth Supplemental Ordinance enacted by the City Council on October 4, 2022, the City issued the 2022 Bonds in the original principal amount \$73,815,000 to defray the costs of improvements to the System. The 2022 Bonds are currently outstanding in the principal amount of \$71,825,000.

### *2023A Bonds*

Pursuant to the General Ordinance and the Sixteenth Supplemental Ordinance enacted by the City Council on September 19, 2023 (the “Sixteenth Supplemental Ordinance”), the City issued the 2023A Bonds in the original principal amount \$46,325,000 to defray the costs of improvements to the System. The 2023A Bonds are currently outstanding in the principal amount of \$45,910,000.

### *2023B Bonds*

Pursuant to the General Ordinance and the Sixteenth Supplemental Ordinance, the City issued the 2023B Bonds in the original principal amount \$80,410,000 to currently refund certain System bond issues. The 2023B Bonds are currently outstanding in the principal amount of \$78,040,000.

## **THE CITY AND THE SYSTEM**

### **General Description**

The City, located at the geographic center of the State, was formed in 1786. It is the county seat of the County and the capital of the State. In addition to being the governmental center of the State, the City is also the business, finance, education and transportation center of the State. The System provides water treatment and distribution services through its waterworks system (the “Waterworks System”) to approximately 154,834 billed water accounts in the Columbia Metropolitan Statistical Area (the “Columbia MSA”), including approximately 45,783 In-City customers and 109,051 Out-of-City customers, as of the end of Fiscal Year 2024. The System provides sewer treatment and collection services through its Sanitary Sewer System to approximately 63,427 billed sewer customers in the Columbia MSA, including approximately 35,250 In-City customers and 28,177 Out-of-City customers, as of the end of Fiscal Year 2024. See “APPENDIX B - SELECTED INFORMATION REGARDING THE CITY OF COLUMBIA, LEXINGTON COUNTY, RICHLAND COUNTY AND THE COLUMBIA MSA,” attached hereto.

### **Administration of the City**

The City is governed by a council-manager form of government. The Mayor and City Council, who are elected for four-year staggered terms, are vested with the legislative and policy-making powers of the City. Day-to-day activities are administered by a council-appointed City Manager who serves as the chief executive officer of the City and is responsible to the City Council for proper administration of all affairs of the City. The City Manager serves an indefinite term and is subject to removal by a majority vote of the City Council. Financial affairs are under the supervision of the Assistant City Manager for Development and Finance who is appointed by the City Manager. The Finance Director reports to the Assistant City Manager for Development and Finance and is responsible for debt administration, investments and appropriation expenditures and is custodian of all City funds.

The present members of the City Council, their occupations, and the dates which their current terms end are as follows:

<u>Name</u>	<u>Occupation</u>	<u>Term Ends</u>
Daniel J. Rickenmann, Mayor	Business Consultant	December 31, 2025
Will Brennan, Mayor Pro Tem	Business Owner	December 31, 2027
Tyler D. Bailey	Attorney	December 31, 2027
Peter M. Brown	Business Owner	December 31, 2025
Dr. Aditi Bussells	Public Health Researcher	December 31, 2025
Tina N. Herbert	Attorney	December 31, 2025
Edward H. McDowell, Jr.	Retired	December 31, 2027

Teresa B. Wilson has served as City Manager since January 2013. Ms. Wilson has served as the City’s Director of Governmental Affairs and Assistant City Manager for Community Programs, Economic Development and Government Services. Ms. Wilson graduated from the University of South Carolina’s Honors College and the University of South Carolina School of Law. Prior to joining the City, Ms. Wilson served as the Government and Community Relations Coordinator for the University of South Carolina’s Office of the President, and served as a liaison for the University of South Carolina and the City of Columbia, as well several community organizations.

Jeffery M. Palen serves as the Assistant City Manager for Development and Finance and Chief Financial Officer. Prior to his current position, Mr. Palen served as Assistant City Manager for Finance and Economic Services and as the City’s Treasurer. Prior to joining the City in November 2008, he was the hospital chief financial officer with Health Management Associates from 2005 to 2008. Mr. Palen graduated with a Bachelor of Science in Business and a Master’s Degree in Business Administration from the University of South Carolina. Mr. Palen has held various positions in both the private and public sectors, including serving as the Deputy Treasurer and the Deputy Auditor for Lexington County.

Kristine Githara has served as the City’s Finance Director since March 21, 2022. Prior to joining the City, Ms. Githara was most recently the Deputy Finance Director at the City of Littleton, Colorado. Prior to her time in Littleton, Ms. Githara worked in finance with a public school system for 15 years and earned her CPA while working as an auditor for an accounting firm that provided services to cities, counties and school districts. Ms. Githara is a graduate of Marquette University.

The System operates under the name “Columbia Water,” and the financial operations of the System, under the City Manager’s direction, are administered by the Assistant City Manager for Development and Finance. The Utilities Department operates the System’s two water treatment plants, water storage and pumping stations, and the wastewater plant and sewer lift stations, and maintains all water distribution and treatment sewer collection mains. A total of approximately 500 persons are employed in managerial, clerical, maintenance and other capacities relating to the System.

The Assistant City Manager of Columbia Water is Clint Shealy, P.E., who has served in this capacity since July 2017. Mr. Shealy is a licensed Water Treatment Plant Operator and Professional Engineer. Prior to being named Assistant City Manager of Columbia Water, Mr. Shealy served as the City’s Director of Utilities and Water Works Superintendent. Prior to coming to Columbia Water, Mr. Shealy worked for the South Carolina Department of Health and Environmental Control and engineering firms BP Barber & Associates, Inc. and Black and Veatch Corporation. Mr. Shealy is a registered Professional Engineer in the State. He earned his Bachelor of Science degree in Engineering from Clemson University.

Initial recommendations for expansion or renovation of the System are made to the City Manager by the Assistant City Manager of Columbia Water. The recommendations are then reviewed by the City Manager and submitted to the City Council for review and approval as part of the budget process. Increases in rates for the System must be reviewed and adopted by the City Council prior to going into effect.

### **Service Area**

The service area of the Waterworks System includes all of the City of Columbia, portions of Richland County and Lexington County, as well as the City of Forest Acres, the Towns of Arcadia Lakes, Chapin and Irmo, and the Fort Jackson Military Base (“Fort Jackson”). The service area of the Sanitary Sewer System includes all of the City of Columbia and portions of Richland County, including Fort Jackson, and portions of Lexington County and the City of West Columbia. The entire System covers approximately 320 square miles with a population of approximately 410,000 persons living within that area. The population in the overall service area of the System has generally been increasing since the 1950s due in large measure to the growth of the service area of the System outside of the City.

The City has exclusive rights to provide water and sewer services within the City limits and non-exclusive rights outside of the City limits. Both Richland County and Lexington County have the legal authority to provide water and sewer service within the unincorporated areas of those counties not presently served by municipalities or special purpose districts, but each has only provided services on a limited basis. The County currently provides water or sewer services only in small, isolated

areas. Lexington County and several municipalities in Lexington County formed the Joint Municipal Water and Sewer Commission (“JMWSC”) for the purpose of providing water and sewer services on an integrated, county-wide basis, but it is the City’s understanding that neither JMWSC nor Lexington County intend to provide water or sewer services in unincorporated areas of Lexington County already being served by the City. Several municipalities in Richland County and Lexington County currently provide water and/or sewer services to residents within those municipalities. One large special purpose district, East Richland County Public Service District, provides sewer services to a portion of the County (including certain of the incorporated municipalities therein, e.g., the City of Forest Acres and the Town of Arcadia Lakes).

Service to areas outside of the City limits currently accounts for approximately 73% of the revenues of the Waterworks System and 52% of the revenues of the Sanitary Sewer System of the City. The average water rates for customers outside the City are approximately 1.7 times higher than the average rates for customers inside the City and the average sewer rates for customers outside the City are approximately 1.7 times higher than the average rates for customers inside the City. Because the City already has an extensive water and sewer system in place in large areas of both Richland County and Lexington County, and because it can offer services to prospective new customers at competitive rates, the City believes that it can continue enlarging the size of its service area in the unincorporated areas of Richland County and Lexington County.

*Ten Largest Customers*

The following table sets forth the ten largest water and sewer customers for Fiscal Year 2024 by total revenue.

<u>Company</u>	<u>No. of Meters</u>	<u>Consumption (100 gallons)</u>	<u>Water Revenue</u>	<u>Sewer Revenue</u>	<u>Total Revenue</u>
State of South Carolina†	390	8,180,490	\$2,915,480	\$1,456,146	\$ 4,371,625
Mark Anthony Brewing Inc	2	4,563,650	1,396,188	2,003,773	3,399,961
USC Facilities Management†	136	1,164,930	608,314	2,364,323	2,972,637
Blue Granite Water Company	8	4,039,150	343,857	1,651,483	1,995,340
Richland School District One†	105	961,012	598,680	379,142	977,821
Town of Chapin	6	1,419,839	864,239	0	864,239
Fort Jackson†	15	5,772,420	859,231	1,786	861,017
Prisma Health Richland†	16	935,623	296,204	538,904	835,107
EMRES II South Carolina LLC	358	481,583	403,272	418,029	821,301
Richland County, SC	<u>7</u>	<u>465,965</u>	<u>300,896</u>	<u>480,771</u>	<u>781,667</u>
TOTAL	1,043	27,984,661	\$8,586,359	\$9,294,355	\$17,880,715

† Aggregate customers (accounts grouped by name)

**Impact of Weather Event**

In October of 2015, the City experienced an unprecedented rain event involving 20-24 inches of rainfall (“Rain Event”), which resulted in significant flooding throughout the City. The Rain Event caused severe damage to multiple sewer and water lines and a 60-foot wide breach in the Columbia Canal, which the City uses to provide water for one of its water treatment facilities. Federal disaster aid was made available to the State to supplement State, County, and local recovery efforts in the City and surrounding areas affected by the severe storms and flooding.

The flooding caused significant displacement in affected neighborhoods. Many residents were forced to evacuate their homes, and some experienced long-term displacement while repairs were made. Local businesses, particularly in the downtown area, faced temporary closures, impacting the economy in the short term. Additionally, the flooding damaged recreational spaces, which impacted residents’ access to parks and other community facilities. The City has worked to prioritize these spaces in the recovery efforts to ensure they are restored and accessible to the public.

Following the Rain Event, the City identified 189 repair projects (175 of which were specifically related to the System), exclusive of the Columbia Canal repairs.

Notwithstanding certain challenges the City encountered in addressing repair projects, the City has materially completed substantially all of the repair projects, except for a few minor projects, pending permitting. The City expended \$28,072,118 from cash on hand on the non-Columbia Canal related repair projects. The City has received approximately \$16,589,141 in reimbursements for non-Columbia Canal related repair projects and other requests for reimbursement are under review by FEMA. The City cannot guarantee whether all expenditures on the non-Columbia Canal related repair projects will qualify for FEMA reimbursement.

The City estimates that the cost of repairs and mitigation to the Columbia Canal could be up to \$134,000,000. Such repairs and mitigation efforts are presently anticipated to include restoration, replacement or rehabilitation of the embankment, head gates, and hydro-electric plant, and the construction of a secondary water supply which the City believes is necessary to provide a more stable water supply and reduce the hazard level of the Columbia Canal.

The City expects to receive approximately \$55 million from FEMA related to the repairs to the Columbia Canal. The City has sought and is continuing to seek separate federal funding sources for repair and mitigation projects not covered under the scope of the agreement with FEMA. The City has received approval for an approximately \$8 million Community Development Block Grant-Mitigation Action Plan to fund construction for the replacement of the head gates and was awarded a Building Resilient Infrastructure and Communities FEMA grant to pay for approximately 50% of the \$62 million in estimated costs of constructing a secondary water supply. The City expects that it will complete all repairs and mitigation efforts stemming from the Rain Event by the end of 2027.

Without regard to other potential long-term mitigation improvements, and assuming all relevant levels of reimbursement, the City estimates the impact of the Rain Event on the City's net position to be less than \$1,000,000 and does not anticipate any material impact to the operation and maintenance expenses of the System or to net capital expenditures related to the System.

## **Waterworks System**

### *General*

The sources of raw water for the Waterworks System are the Broad River, via the Columbia Canal (which has an average flow of 3,000 cubic feet per second) and Lake Murray. The City has purchased rights from Dominion Energy South Carolina, Inc. ("Dominion South Carolina") to draw up to 100 million gallons per day ("MGD") of raw water from Lake Murray. The term of this contract is coterminous with Dominion South Carolina's license to operate a hydro station on Lake Murray.

The City owns the Columbia Hydro Station and the Columbia Canal. The water treatment plant located on the Columbia Canal (the "Canal Plant") generally serves the area south of Interstate 20 and east of the Broad River. The Canal Plant was originally constructed in 1906 and has undergone multiple expansions. Those expansions include a major building renovation and filter upgrade completed in 1998 and raw water and finished water pumping expansions completed in 2013. Additionally, improvements and modernization of the finished water pumping and storage at the Canal Plant was completed in 2021 and rehabilitation of existing filters is ongoing.

The City is also undertaking a restoration of the Columbia Canal following the Rain Event (See "– Impact of Weather Event" above). A construction contract was awarded for the secondary water supply project in January 2025 and construction activities for this project have begun. These improvements are central to the City's long-term flood mitigation strategy and will help the City reduce dependency on the Columbia Canal during extreme weather events and provide greater water supply reliability and increase the Waterworks System's resilience to future storms. The City believes the Columbia Canal projects are essential not just for recovery but for creating a more resilient Waterworks System.

The Canal Plant has a total raw water pumping capacity of 125 MGD with a sustained raw water pumping capacity of 85 MGD. The Canal Plant has a rated capacity for treatment of raw water of 84 MGD. The Canal Plant is currently producing an average flow of approximately 37 MGD with a maximum demand of 63 MGD.

The water treatment plant on Lake Murray (the "Lake Murray Plant"), constructed in 1983, has a raw water pumping capacity of 105 MGD. The Lake Murray Plant was expanded in 2006 to increase finished water pumping capacity from 40 MGD to 105 MGD and water treatment capacity from 30 MGD to 75 MGD. Additionally, improvements and modernization of pumping and solids handling equipment were completed in 2017 and rehabilitation of existing filters at the Lake Murray Plant was completed in 2024. Chemical feed improvements for taste and odor control are currently under construction. The Lake Murray Plant generally serves the area north of Interstate 20. The average treatment and pumping rate at the Lake Murray Plant is 31 MGD with a maximum demand of 63 MGD.

The City believes that the water sources provided by the Broad River and Lake Murray are adequate to provide ample water to meet the current and foreseeable needs of the System, and that the Canal Plant and the Lake Murray Plant, as expanded and upgraded, will be adequate to continue to meet water treatment needs of the System for at least the next 30 years.

Approximately 2,500 miles of predominantly ductile iron and PVC pipelines, ranging in size from 4-inch to 64-inch diameters, comprise the Waterworks System's distribution network. The City places considerable emphasis on replacing smaller and deteriorated water mains and installing additional fire hydrants for optimal fire protection, the costs of which are paid from System Revenues and from the proceeds of revenue bonds of the System. The City maintains two 3-MG storage

reservoirs for finished water at the Canal Plant, two 5-MG storage reservoirs at the Lake Murray Plant and 22 other storage tanks with an aggregate storage capacity of 44 MG.

The City owns all of the pipes, storage tanks, pumping stations and water treatment facilities that it uses to distribute water to customers. The pipes and all other parts of the water delivery system are expected to have at least a 75-year useful life. Existing pipes are typically installed in rights-of-way owned by the City, the County or Lexington County or the State, with new lines being placed in exclusive easements when possible. The City owns in fee simple the land on which the Canal Plant and Lake Murray Plant are located and most of the land on which pump stations and storage tanks are located.

The City maintains an ongoing program of upgrading, modernizing and rehabilitating the Waterworks System, the costs of which are paid from System Revenues, proceeds of revenue bonds of the System and State and Federal grants. See “Capital Expenditures” herein.

*Operations*

The total number of customers of the Waterworks System has grown by more than 10.5% over the past ten fiscal years. Information on Revenues is set forth for both the Waterworks System and Sanitary Sewer System on a combined basis in “FINANCIAL FACTORS.” The table below shows the number of water customers during the past ten fiscal years:

**Number of Billed Customers on Waterworks System**

Fiscal Year Ended	<u>In-City</u>	<u>Out-of-City</u>	<u>Total</u>
<u>June 30</u>			
2015	40,530	99,506	140,036
2016	41,133	99,837	140,970
2017	41,741	101,576	143,317
2018	42,279	103,025	145,304
2019	42,262	102,839	145,465
2020	44,261	106,762	151,023
2021	45,963	113,261	159,224
2022	46,988	104,206	151,194
2023	45,007	109,120	154,127
2024	45,783	109,051	154,834

*Special Contracts*

The City has entered into contracts with Fort Jackson, the Town of Chapin (“Chapin”), and the Town of Winnsboro (“Winnsboro”) to provide water service. The contract with Fort Jackson, which was first entered into as of March 25, 1987, provides that the City will be paid at rates subject to renegotiation on the request of either party with reasonable cause. In February 2011, the City negotiated an approximately 15% rate increase for water service provided to Fort Jackson. The rates provided under the February 2011 contract were effective through June 2021, and remain in effect until the City and Fort Jackson renegotiate a new rate agreement. The City is in negotiations with Fort Jackson to renegotiate the rates under the February 2011 contract.

Under the City’s contract with Chapin, which was first entered into in 1988, the City acquired a portion of Chapin’s water system and received exclusive rights to furnish bulk water to Chapin. Chapin customers are charged the standard Out-of-City rates. The City’s current wholesale supply agreement with Chapin was entered into in 1999 and had a 15-year term. Pursuant to the terms of the contract, the City will supply water to Chapin on a month to month basis until a new agreement is renegotiated. Negotiations for a contract extension are currently in progress.

The City’s contract with Winnsboro is also a bulk water supply agreement, pursuant to which Winnsboro customers pay the City’s standard Out-of-City rate. The term of the City’s agreement with Winnsboro expired in 2018. The agreement includes a five (5) year extension and negotiations are currently in progress.

*Waterworks System Rates*

Information on rates and fees of the Waterworks System is set forth in “Water and Sewer Rates and Fees” herein. Pursuant to the Rate Ordinance, the most recent rate increases became effective on July 1, 2024.

*Federal and State Requirements*

The City currently holds the necessary permits and approvals from the South Carolina Department of Environmental Services, as successor to the South Carolina Department of Health and Environmental Control (“DES”), to operate a water treatment and distribution system. The Waterworks System currently meets all material federal and State requirements regarding a public water supply system. See “Environmental Matters – General.”

## Sanitary Sewer System

The City’s Sanitary Sewer System (the “Sanitary Sewer System”) consists of over 1,000 miles of sewer lines ranging in diameter from 4 inches to 60 inches, 55 sewage lift stations and a central treatment facility known as the Metro WWTP. The Metro WWTP, a biological oxidation extended aeration treatment facility located on the Congaree River three miles south of the City, was originally constructed in 1970 and expanded in 1982 to 40 MGD and again in 1998 to 60 MGD. Currently the average daily flow to the Metro WWTP is about 36 MGD. Nearly nine percent (9%) of the flow to the Metro WWTP is industrial. The City expects that the Metro WWTP, as expanded and upgraded, will be adequate to provide sewage treatment for the Sanitary Sewer System through the year 2060.

The City owns all of the sewer lines, lift stations and treatment facilities of the Sanitary Sewer System. The sewer lines are expected to have at least a 50-75 year useful life, with proper maintenance. The sewage lift stations are being rehabilitated as needed and are on a maintenance schedule, and most stations are expected to have a useful life of at least 15 years at construction or after rehabilitation is completed. Sewer lines are typically installed in easements or in rights-of-way owned by the City, Richland or Lexington County or the State, with new lines being placed in exclusive easements when possible. The City owns in fee simple the land on which the Metro WWTP and many of the sewage lift station sites are located.

The City maintains an ongoing program of upgrading, rehabilitating, and modernizing of the Sanitary Sewer System, the costs of which are paid from System Revenues and from the proceeds of revenue bonds of the System. See “Capital Expenditures” herein.

### *Operations*

The total number of customers of the Sanitary Sewer System has grown by approximately 6.3% over the past ten fiscal years. The table below shows the number of billed customers of the Sanitary Sewer System over the past ten fiscal years.

**Number of Billed Customers on Sanitary Sewer System**

<u>Fiscal Year Ended June 30</u>	<u>In-City</u>	<u>Out-of-City</u>	<u>Total</u>
2015	32,704	26,972	59,676
2016	33,508	27,269	60,777
2017	33,803	27,549	61,352
2018	34,105	28,012	62,117
2019	34,279	28,406	62,685
2020	34,511	28,047	62,558
2021	35,480	27,903	63,383
2022	36,646	28,450	65,096
2023	35,428	28,115	63,543
2024	35,250	28,177	63,427

### *Special Contracts*

The City entered into an agreement with the City of West Columbia (“West Columbia”) in 1975 and with Fort Jackson in 1967 relating to the provision of sewer services and the maintenance of components of the Sanitary Sewer System. The parties agreed to contribute financially to the construction, operation, maintenance, supervision and repair of certain components of the Sanitary Sewer System. The City assumed responsibility for the operation of these components, in return for which the City is paid a base monthly charge plus various other charges based on gallons of sewage discharged. The City and West Columbia entered into an Amended and Restated Agreement on July 7, 2015, which replaced the 1975 agreement. The Amended and Restated Agreement has a 30 year term with optional five (5) year extensions.

The current agreement with Fort Jackson was entered into in 1987 and does not have a termination date.

The City entered into an agreement with Blue Granite (formerly Carolina Water Service) regarding sanitary sewer service for their Friarsgate system. The City provides treatment of their sanitary sewer at a monthly fee based on the metered sewer discharged to the Sanitary Sewer System. This agreement was signed in 2018 and has a 25-year term with the option for two 10-year renewals.

### *Sanitary Sewer System Rates*

Information on rates and fees of the Sanitary Sewer System is set forth in “Water and Sewer Rates and Fees” herein. The City Council has adopted rate increases pursuant to the Rate Ordinance; the most recent rate increase became effective July 1, 2024.

### *Federal and State Requirements*

The Sanitary Sewer System currently holds the necessary permits and approvals from DES to operate its sewage collection and treatment system. Except as described in “Environmental Matters - EPA and DES Actions” below, the Sanitary

Sewer System currently meets all material federal and State requirements in regard to a sewage collection and treatment system. See “Environmental Matters – *General*” and “– *Permits and Ordinances*.”

**Water and Sewer Rates and Fees**

*General*

The rates charged by the City for water and sewer service are not subject to approval by any federal or State regulatory body. The City’s current rates, effective July 1, 2024, are set forth below. Based on these revised rates, the average monthly water and sewer bill for a residential In-City user, based on water usage of 800 cubic feet, is \$74.71 and for a residential Out-of-City user with similar water usage is \$127.24. The City has regularly increased rates as necessary, and effected rate increases to provide sufficient revenues for payment of projected increased costs of operation, expansion of the System, increases in debt service and to maintain required debt service coverage ratios. See “FINANCIAL FACTORS – Historical Debt Service Coverage of the System” and “– Projected Debt Service Coverage of the System.” The City works with a rate consultant which provides recommendations to the City with respect to the timing and amount of rate increases. Administration considers the recommendation from the rate consultant along with the annual budget of the System and other anticipated capital expenditures before presenting a rate recommendation to City Council for its consideration.

**Water Rates**

Monthly Water Service Rates

<u>Meter Size</u>	<u>In-City</u>	<u>Out-of-City</u>
5/8”	\$ 9.41	\$ 15.99
1”	15.70	26.69
1 ½”	23.52	39.98
2”	37.62	63.97
3”	75.26	127.93
4”	117.58	199.90
6”	235.46	400.27
8”	376.27	639.66
10”	747.09	1,270.05

**Additional Water Rates**

(per 100 cubic feet after first 300 cubic feet used)

	<u>Residential</u>		<u>Commercial</u>		<u>Irrigation</u>	
	<u>In-City</u>	<u>Out-of-City</u>	<u>In-City</u>	<u>Out-of-City</u>	<u>In-City</u>	<u>Out-of-City</u>
Next 9,700	\$3.37	\$5.74	\$3.21	\$5.46	\$5.74	\$9.75
Next 90,000	3.21	5.46	3.03	5.15	5.46	9.28
Over 100,000	3.05	5.15	2.84	4.84	5.15	8.78

**Base Sewer Charges**

Monthly Sewer Service Charges

<u>Meter Size</u>	<u>In-City</u>	<u>Out-of-City</u>
5/8”	\$ 9.41	\$ 15.99
1”	9.41	15.99
1 ½”	9.41	15.99
2”	15.05	25.58
3”	30.10	51.16
4”	47.03	79.95
6”	94.07	159.92
8”	150.79	255.85
10”	235.18	399.79

**Sewer Service Rates**

(per 100 cubic feet of water used)

<u>In-City</u>	<u>Out-of-City</u>
\$4.88	\$8.32

Maximum sewer service rates on single-family residences during the months of April through October are based on an assumed usage of 1,400 cubic feet of water and during the months of November through March are based on actual usage. Sewer rates for apartment buildings and trailer parks are the base rate per dwelling unit plus the rate per 100 cubic feet reflected by water consumption. Sewer rates for hotels, motels, dormitories and rooming houses are one-half of the base rate of a single-family residence per room plus a base fee on meter connection size plus the rate per 100 cubic feet reflected by water consumption.

*Comparison of Water Rates in the Columbia MSA*

In addition to the City, the following entities provide water service in the Columbia MSA: Joint Municipal Water and Sewer Commission, Blue Granite Water Company, Midlands Utility Company, the City of West Columbia, the City of Cayce, and the Town of Lexington. The chart below compares current average monthly water bills for each of the three largest providers of water service.

<u>Provider</u>	<u>Average Monthly Water Bill†</u>	
	(In-City)	(Out-of-City)
City of Columbia	\$ 22.89	\$ 38.95
City of West Columbia	27.60	55.20
City of Cayce	32.07	64.15

† Based on 5,250 gallons of water.

*Water and Sewer Tap Fees*

The City charges new customers to the Waterworks System a tap fee that ranges from \$2,512 for a ¾-inch meter to \$8,490.00 for a 2-inch meter and a connection fee that ranges from \$3,161.00 to \$8,279.00 for meters that are 4 inches and above. The City charges new customers to the Sanitary Sewer System a tap fee of \$300 (Developer Install) or \$1,300.00 (City Install) for each tap. Water and sewer tap fees generated a total of \$3,793,563 in revenues for the System in Fiscal Year 2024.

*Sewer Capacity Fee*

The City began charging new customers of the Sanitary Sewer System a sewer capacity fee on October 1, 1987. The fee is intended to provide an additional source of moneys for upgrading and expansion of the Metro WWTP. The current standard sewer capacity fee is \$2,640 per new or expanding capacity customer. However, special reduced fees are available for customers utilizing greater than 300,000 gallons per day or for redeveloped properties accompanying a change in use. Sanitary Sewer System sewer capacity fees generated a total of \$3,403,837 in revenues in Fiscal Year 2024.

**Water and Sewer Billing and Collection Policies**

New or transferring account fees are charged to customers (new and existing) who request service. Bills are mailed to customers on a periodic basis throughout the month and are payable on receipt. Customers receiving both water and sewer services receive combined bills for these services. Water or sewer service accounts that are two months or more in arrears are terminated for non-payment. Advance notice of 10 days is given prior to such termination action. Customers must pay a \$40 fee to have services reconnected. The City has continued to partner with the South Carolina Department of Revenue to collect on delinquent accounts through the Set-off Debt Collection Program, which garnishes income tax refunds to pay bad debt balances for participating agencies. During Fiscal Year 2024, the City collected \$781,916 in past due balances through this program.

**Capital Expenditures**

The City has historically expanded and improved the System primarily with proceeds of revenue bonds and Revenues of the System. During Fiscal Year 2020 through Fiscal Year 2024, the City expended approximately \$368,373,077 for System expansion and improvement, including approximately \$89,479,373 in Fiscal Year 2024. The following table shows the amounts expended from proceeds of revenue bonds and System Revenues for capital improvements to the System, including cash-funded projects that fall outside the City’s CIP (as defined below), undertaken during Fiscal Year 2020 through Fiscal Year 2024.

<u>Fiscal Year Ended June 30</u>	<u>Capital Improvements Undertaken</u>		
	<u>Capital Improvements Financed with Bond Proceeds</u>	<u>Capital Improvements Financed with System Revenues</u>	<u>Total Capital Improvements</u>
2020	\$ 68,480,783	\$ 3,274,366	\$ 71,755,149
2021	70,077,777	4,565,554	74,643,331
2022	55,197,270	17,209,816	72,407,086
2023	35,504,622	24,583,516	60,088,138
2024	<u>83,386,215</u>	<u>6,093,159</u>	<u>89,479,373</u>
TOTAL†	\$312,646,667	\$55,726,411	\$368,373,077

† Totals may not add due to rounding.

## Capital Improvement Program

Future capital expenditures to expand and improve the System are managed by the City through a rolling five-year Capital Improvement Program (“CIP”), which is approved annually by City Council as part of the adoption of the City’s Budget Ordinance. The current CIP covers the five-year period from Fiscal Year 2025 through the Fiscal Year 2029. Under the current CIP, the City anticipates capital expenditures for the System of approximately \$93 million in each year for the five-year period from Fiscal Year 2025 through Fiscal Year 2029 for total estimated expenditures of \$465 million. As the City nears completion of the issues identified in the Consent Decree, anticipated capital expenditures will shift from approximately two-thirds devoted to the Sanitary Sewer System and the remaining one-third devoted to the Waterworks System to a more even split between the two System components. The improvements expected to be made to the System under the CIP include storage tanks, water plant additions, increased sewer capacity, wastewater solids handling improvements, lines, pump stations, easements and land.

The City expects to fund the CIP with, among other sources, Revenues of the System (including capital payments from West Columbia), proceeds of bonds, and State and Federal grants. Although the split between debt and other sources projected to fund the CIP varies, approximately 37% of the Fiscal Year 2025 annual capital expenditures for the CIP are estimated to be funded from System Revenues (including capital payments from West Columbia) and State and Federal grants. In subsequent fiscal years, 43-67% of annual capital expenditures are anticipated to be funded from non-debt sources.

## Environmental Matters

### *General*

Operation of the System is subject to regulation by certain federal, State and local authorities. Federal and State standards and procedures that currently regulate and control operation of the System may change from time to time as a result of continuing legislative, regulatory and judicial action. Therefore, there is no assurance that the facilities comprising the System currently in operation, under construction or contemplated will always remain subject to the regulations currently in effect, or will always be in compliance with future regulations.

An inability to comply with various governmental regulations and standards could result in reduced operating levels or complete shutdown of such facilities not in compliance. Furthermore, compliance with such governmental regulations and standards may substantially increase capital and operating costs.

### *Permits and Ordinances*

The System is in substantial compliance with current regulatory requirements of the United States Environmental Protection Agency (the “EPA”) and DES, and the requirements and conditions of all permits required to operate the System are in order. The City currently has the following permits in effect:

<u>Permit</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Description</u>
DES Wastewater NPDES Permit #SC0020940 (“NPDES Permit”)	June 1, 2018	May 31, 2023 <sup>†</sup>	Authorization to discharge treated effluent in accordance with the National Pollutant Discharge Elimination System (the “NPDES”) into the Congaree River
Public Water System Operating Permit System #401001		No Expiration Date	Authorization to operate a water treatment plant
S.C. Water Resources Commission, Interbasin Transfer Permit 1013-IB	August 29, 2008	August 29, 2028	Authorization to transfer water between river basins in South Carolina for its potable water treatment plant(s)

<sup>†</sup>The City made application to DES for an NPDES permit renewal prior to May 31, 2023. By letter December 13, 2022, DES confirmed that the City’s authority to operate under the existing permit until DES issues a new permit.

The City has had a Wastewater Services Ordinance in place since March 19, 1974. Revisions to this ordinance are periodically made to reflect changes in federal, State and local standards. The City has operated an Industrial Pretreatment Program pursuant to the Federal General Pretreatment Regulations and approved by DES since October 1, 1984. The City

includes West Columbia under this program pursuant to an inter-jurisdictional agreement executed January 8, 1986. Nine categorical and eight significant non-categorical industries are currently regulated under this program.

The City is also authorized to discharge stormwater from the Metro WWTP under NPDES General Permit for the Storm Water Discharges Associated with Industrial Activities (Except Construction) issued by DES on May 26, 2022.

#### *EPA and DES Actions*

On September 9, 2013, after a period of negotiations among the City, the EPA, the U.S. Department of Justice (the “DOJ”) and DES, the EPA, the DOJ and DES lodged a Consent Decree (the “Consent Decree”) with the U.S. District Court for the District of South Carolina (the “District Court”), in which the City agreed to settle allegations by the EPA, the DOJ and DES regarding the alleged violations by the City of the Clean Water Act, including the occurrence of sanitary sewer overflows from the Sanitary Sewer System over a specified time period (the “CWA Violations”). Based on comments received during the public comment period on the terms of the Consent Decree, the parties agreed to certain revisions to the Supplemental Environmental Project (the “SEP”) required under the Consent Decree. On May 21, 2014, the District Court entered an order approving the Consent Decree.

The terms of the 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 SEP aimed at restoring and reducing flooding along segments of Rocky Branch, Smith Branch, and Gills Creek. The City has completed the SEP required under the Consent Decree. With respect to capital improvements to be implemented under the Consent Decree, the City anticipates total remaining expenditures of approximately \$268,703,000 will be required in order to complete the requirements of the Consent Decree. The City’s five-year CIP is formulated to enable the City to meet all of its obligations under the Consent Decree. The City also paid a civil penalty to resolve the alleged CWA Violations.

On October 6, 2015, the City notified the DOJ, the EPA and DES of a *force majeure* event, namely the Rain Event. On October 13, 2015, the City submitted a written report concerning the Rain Event and provided a supplemental report on March 24, 2016, with a request for additional time to meet certain deadlines in the Consent Decree and in implementation schedules of program documents submitted pursuant to the Consent Decree. The City also requested an extension for stipulated penalties for sanitary sewer overflows. By letter dated June 2, 2016, the EPA granted all of the extensions requested as a result of the Rain Event.

On April 7, 2020, the City notified the DOJ, the EPA and DES of another *force majeure* event having occurred as a result of the COVID-19 pandemic. The City provided an interim report on February 2, 2021, providing additional details and identifying certain deadlines in the Consent Decree for which additional time may be needed. The City now expects to complete all capital improvements under the Consent Decree by the end of 2031.

As a result of the final Consent Decree, the City may be liable for additional civil penalties should it not comply with the terms of the Consent Decree. The City intends to fully comply with the terms of the Consent Decree, as modified, and undertake the capital improvements required by the Consent Decree. The City does not expect its compliance with the Consent Decree to have a materially adverse impact on the financial condition of the System or the City.

### **Pension Obligations**

#### *Retirement Plan*

The South Carolina Retirement Systems (the “Systems”), as administered by the South Carolina Public Employees Benefit Authority (the “Authority”), maintains five independent cost sharing, multi-employer defined benefit plans. The City is a participating employer in the Systems and, generally, the City’s employees are covered by the Systems’ South Carolina Retirement System (the “SCRS”) or the Police Officers Retirement System (the “PORS”) plans, unless the employee has elected to participate in the Optional Retirement Program (the “ORP”).

The SCRS plan offers retirement and other benefits, including disability, survivor and death benefits, to eligible state employees. Both employees and employers are required to contribute to the SCRS a percentage of the participating employee’s earnable compensation at a rate set by State law. The PORS plan offers retirement and other benefits for police officers employed by the City. Like the SCRS, both employees and employers are required to contribute to the PORS a percentage of the participating employee’s earnable compensation at a rate set by State law.

For Fiscal Year 2024, the City made contributions to the SCRS of \$13,186,728 and to the PORS of \$10,640,454, which amounts equaled the statutorily required contributions to SCRS and PORS.

City employees eligible for participation in the SCRS may choose to participate in the ORP, which is a defined contribution plan in which participants direct the investments of their funds in a plan administered by one of four investment providers. The Systems assume no liability for the ORP benefits and for this reason the ORP is not considered part of the retirement systems for financial statement purposes. Contributions to the ORP are set at the same rates as the SCRS. To participate in the ORP, participants must irrevocably waive participation in the SCRS.

Additionally, the Authority issues its own Annual Comprehensive Financial Report for the Systems (the “Report”). A copy of the Report for Fiscal Year 2024, may be found at [https://www.peba.sc.gov/sites/default/files/insurance\\_financials\\_2024.pdf](https://www.peba.sc.gov/sites/default/files/insurance_financials_2024.pdf) (which is not intended to be an active hyperlink and is not incorporated by reference herein). Information for the Systems is also included in the Annual Comprehensive Financial Report for the State (the “State Report”). A copy of the State Report may be found at <https://cg.sc.gov/financial-reports/annual-comprehensive-financial-reports-acfrs> (which is not intended to be an active hyperlink and is not incorporated by reference herein).

*Plan Contributions*

Contributions to the SCRS and PORS for both employers and employees are statutorily determined through fiscal year ending June 30, 2027. Contribution rates through fiscal year ending June 30, 2027 are as follows:

<b>SCRS</b>		<b>PORS</b>	
<u>Employer Contribution</u>	<u>Employee Contribution</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
18.56%	9.00%	21.24%	9.75%

Following fiscal year ending June 30, 2027, the Board of Directors of the Authority (the “Authority Board”) may set the contribution rates of participating employers; however, employee contributions are capped at 9.00% of earnable compensation for the SCRS and 9.75% of earnable compensation for the PORS. The Authority Board is authorized to set employer contributions based on the actuarial value of the plans; however, the Plan Legislation prohibits the Authority Board from increasing a participating employer’s rate of contribution by more than 0.5% in any fiscal year. The Authority Board may decrease contribution rates of both employers and employees if an actuarial valuation of the SCRS and PORS shows a funded ratio of at least 85% and any decrease would not decrease the funded ratio below 85%. Any decrease by the Authority Board to employer and employee contributions must be made in equal amounts.

Employer contribution rates may be increased above those as set forth in the table above or as set by the Authority Board after the fiscal year ending June 30, 2027, if the contribution rates are insufficient to meet the amortization schedule for the unfunded actuarial accrued liabilities of the SCRS and PORS as set forth below. Increases to employer contribution rates to meet the funding period set forth below may be made without limitation.

The unfunded actuarial accrued liability of the SCRS and PORS are determined by an annual actuarial valuation:

<u>Fiscal Year</u>	<u>Funding Period</u>
2024-2025	23 years
2025-2026	22 years
2026-2027	21 years
2027 and after	20 years

*Reporting Plan Liability*

In accordance with the GASB Statement No. 68, the City reports its proportionate share of the overall Net Pension Liability of the Systems – which represents the difference between the total cost of the Systems’ expected future benefits to be paid and the value of assets on hand to cover the benefits – in its financial statements. For Fiscal Year 2024, the City reported its proportionate share of SCRS and PORS Net Pension Liability as \$125,941,806 and \$79,858,077, respectively, or 0.520906% and 0.302125% of the total net pension liability.

**Other Post-Employment Benefits**

The City provides other post-employment benefits (“OPEB”) through its single-employer defined dollar benefit plan, The City of Columbia Post-retirement Healthcare Benefit Program. The City administers the plan and provides healthcare benefits for eligible retirees and their spouses. By ordinance, City Council is vested with the authority to establish and amend benefit terms and financing requirements.

The City budgets and pays for OPEB related expenses on a pay-as-you-go basis. In addition, the City maintains an unrestricted account (the “OPEB Account”) that is intended, but is not limited, as a reserve for OPEB expenses. Pursuant to an Ordinance enacted by the City Council on December 1, 2020, the City authorized the use of funds in the OPEB Account to finance the acquisition, construction and equipping of two City-owned parking structures (including land acquisition costs, if any) (collectively, Garage 1), with a total cost of \$16,724,388. The City intends to repay the OPEB Account, including an annual return of 1.5%, in the fiscal year ending June 30, 2030, from either the proceeds of an issuance of parking system revenue bonds or the available net revenues of the City’s parking system.

Pursuant to an Ordinance enacted by the City Council on July 20, 2021, the City authorized the use of funds in the OPEB Account to finance the acquisition, construction and equipping of a City-owned parking garage (including land acquisition

costs, if any) (Garage 2), with a total cost of approximately \$20,400,000. The City intends to repay the OPEB Account, including an annual return of 1.5%, in the fiscal year ending June 30, 2031, from either the proceeds of an issuance of parking system revenue bonds or the available net revenues of the City's parking system.

In accordance with GASB Statement No. 75, the City's OPEB liability is now calculated based on the City's total unfunded OPEB liability. As of June 30, 2024, the estimated total OPEB liability of the City was \$254,312,127.

### **Liability Insurance**

Subject to specific immunity set forth in the South Carolina Tort Claims Act, the City, like other local governments, is liable for damages not to exceed \$300,000 per incident/person and \$600,000 per occurrence/aggregate for torts. There are no limits in actual damages for recoveries under 42 U.S.C. § 1983. No punitive or exemplary damages are permitted under the South Carolina Tort Claims Act or the Federal Civil Rights Act. The City currently self-insures against tort liability under the South Carolina Tort Claims Act.

## **CERTAIN INVESTMENT CONSIDERATIONS**

The following discussion is intended only as a summary of certain pertinent risk factors relating to an investment in the Series 2025 Bonds. This summary is not intended to be an exclusive summary of factors to be considered in connection with making an investment in the Series 2025 Bonds. *In order for potential investors to identify risk factors and make an informed investment decision, they should thoroughly review this entire Official Statement and the appendices hereto and confer with their own tax and financial advisors when considering a purchase of the Series 2025 Bonds.*

### **Global Pandemics**

Global Pandemics may have an impact on the financial performance of the System in the future, and the sources of revenues utilized by the System, but the extent of those impacts cannot be predicted. Data presented in this Official Statement regarding revenues received by the System in prior fiscal years should not be relied upon as a projection of revenues to be received by the System in the present and future fiscal years. This Official Statement presents historical data, which may not be indicative of near-term trends. Investors should exercise caution when relying on such information.

### **Cyber Security**

The City, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, "Systems Technology"). As a recipient and provider of personal, private, or sensitive information, the City may be the target of cybersecurity incidents that could result in adverse consequences to the City and its Systems Technology, requiring a response action to mitigate the consequences.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the City invests in multiple forms of cybersecurity and operational safeguards. In particular, the City maintains a firewall between the City's network and the network that supports the System.

The City employs a full time employee dedicated to network security. While the City's cybersecurity and operational safeguards are periodically tested, no assurances can be given by the City that such measures will ensure against other cybersecurity threats and attacks. Cybersecurity breaches could cause material disruption to the City's finances or operations. The costs of remedying any such damage or obtaining insurance related thereto, or protecting against future attacks could be substantial, and insurance (if any can be obtained) may not be adequate to cover such losses or other resultant City costs and expenses. Further, cybersecurity breaches could expose the City to material litigation, liability under laws that protect the privacy of personal information, regulatory penalties and other legal risks, which could cause the City to incur material costs in connection therewith.

To date, the City has not experienced a material cybersecurity event.

### **Climate Change**

The State is susceptible to the effects of extreme weather events and natural disasters, including floods, droughts and hurricanes, which could result in negative economic impacts on communities like the City. These effects may be amplified by a prolonged global temperature increase over the next several decades (commonly referred to as "climate change"). The City continues to monitor the impact of climate change on the City and the System. The City has been impacted by one or more extreme weather events within the past five fiscal years. As a result of the impact of such extreme weather events, the City has implemented and is implementing improvements to provide a more stable water supply and potentially reduce the impact of a future extreme weather event. See "THE CITY AND THE SYSTEM – Impact of Weather Event" above.

However, no assurances can be given that a future extreme weather event driven by climate change will not adversely affect the operations of the City or the System.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the owners of the Series 2025 Bonds on an event of default under the Ordinance are in many respects dependent on judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy code and the Ordinance, the Series 2025 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds (including Co-Bond Counsel's approving opinions) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of credits enacted before or after such delivery.

## **LEGAL MATTERS**

### **Litigation**

No litigation is pending or, to the knowledge of the City, threatened in writing in any court to restrain or enjoin the issuance or delivery of the Series 2025 Bonds or the collection, payment or receipt of the moneys pledged or to be pledged to pay the principal of, premium, if any, and interest on the Series 2025 Bonds or, in any way contesting or affecting the validity of the Series 2025 Bonds, the General Ordinance or the Supplemental Ordinance, the power to collect, pay or receive the moneys with which to pay the Series 2025 Bonds or the organization or the powers of the City, including the power to operate the System and to collect revenues therefrom.

### **United States Bankruptcy Code**

The undertakings of the City should be considered with reference to Chapter 9 of the Bankruptcy Code, 11 U.S.C. § 901, *et seq.*, as amended ("Bankruptcy Code"), and other laws affecting creditors' rights and municipalities generally. Chapter 9 permits a municipality, political subdivision, public agency, or other instrumentality of a state that is insolvent or unable to meet its debts as such debts mature to file a petition in the United States Bankruptcy Court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of its creditors; provides that the filing of the petition under that Chapter operates as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; directs a petitioner to file a plan for the adjustment of its debts; permits the petitioner in its plan to modify the rights to payment of its creditors; provides that the plan must be accepted in writing by or on behalf of creditors; and provides that the plan must be accepted in writing by or on behalf of creditors of each impaired class of claims holding at least two-thirds in amount and more than one-half in number of the creditors which have accepted or rejected the plan. The plan may be confirmed notwithstanding the negative vote of one or more classes of claims if the court finds that the plan is in the best interest of creditors, is feasible, and is fair and equitable with respect to the dissenting classes of creditors. A petitioner has the right to reinstate indebtedness under its plan according to the original maturity schedule of such indebtedness notwithstanding any provision in the documents under which the indebtedness arose relating to the insolvency or financial condition of the debtor before the confirmation of the plan, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

### **Other Legal Matters**

Certain legal matters incident to the authorization, issuance and sale of the Series 2025 Bonds are subject to the approval of the legality of issuance thereof by Burr & Forman LLP, Columbia, South Carolina, and Johnson, Toal & Battiste, P.A., Columbia, South Carolina, as Co-Bond Counsel. The proposed forms of the opinions of Co-Bond Counsel to be delivered when the Series 2025 Bonds are issued are set forth in Appendix D hereto. Certain matters will be passed on for the Underwriters by Parker Poe Adams & Bernstein LLP, Columbia, South Carolina, and Starkes Law Firm, LLC, Columbia, South Carolina, as Co-Underwriters' Counsel. Certain legal matters will be passed on behalf of the City by the City Attorney, Teresa A. Knox, Esquire.

From time to time, Parker Poe Adams & Bernstein LLP serves as bond counsel to the City and, from time to time, one or both Parker Poe Adams & Bernstein LLP, Starkes Law Firm, LLC, and Burr & Forman LLP have represented one or more of the Underwriters or Stifel, Nicolaus & Company, Incorporated, as counsel in financing transactions unrelated to the sale of the Series 2025 Bonds. Neither the City nor any of the Underwriters nor Stifel, Nicolaus & Company, Incorporated, has conditioned the future employment of any of these firms in connection with any proposed financing issues for the City or either Underwriter on the successful execution and delivery of the Series 2025 Bonds.

## TAX EXEMPTION AND OTHER TAX MATTERS

### Federal Tax Matters

*Generally.* In the opinion of Burr & Forman LLP, to be delivered on the date of issuance of the Series 2025 Bonds, under existing laws, regulations, rulings and judicial decisions and assuming the City's continued compliance with certain covenants described below, interest on the Series 2025 Bonds is excludable from gross income of the recipients thereof for federal income tax purposes.

The Internal Revenue Code of 1986, as amended (the "Code"), including the Treasury Regulations promulgated thereunder, includes provisions that relate to tax-exempt obligations, such as the Series 2025 Bonds, including, among other things, permitted uses and investment of the proceeds of the Series 2025 Bonds and the rebate of certain net arbitrage earnings from the investment of such proceeds to the United States Treasury. Noncompliance with these requirements may result in interest on the Series 2025 Bonds becoming subject to federal income taxation retroactive to the respective issuance dates thereof. The City has covenanted to comply with the requirements of the Code to the extent required to maintain the exclusion of interest on the Series 2025 Bonds from gross income for federal tax purposes. Failure of the City to comply with the covenant could cause the interest on the Series 2025 Bonds to be taxable retroactively to the date of issuance.

Interest on the Series 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. The Inflation Reduction Act of 2022, as amended, includes an alternative minimum tax to be imposed on the "adjusted financial statement income" of "applicable corporations," as each is defined therein. The interest on the Series 2025 Bonds may be included in the adjusted financial statement income of such applicable corporations for purposes of computing such alternative minimum tax.

Although Burr & Forman LLP is of the opinion that interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Series 2025 Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend on the recipient's particular tax status or other items of income or deduction. Prospective purchasers of the Series 2025 Bonds should be aware that ownership of the Series 2025 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, banks, thrifts and other financial institutions, property and casualty insurance companies, certain recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, taxpayers otherwise entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2025 Bonds. Burr & Forman LLP will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Series 2025 Bonds should consult their tax advisors as to collateral federal income tax consequences.

Burr & Forman LLP has not undertaken to determine (or to inform any person) whether any action taken (or not taken) or event occurring (or not occurring) after the issuance date of the Series 2025 Bonds may affect the tax status of interest on the Series 2025 Bonds. In rendering its opinion, Burr & Forman LLP will rely on certificates and representations of the City with respect to certain material facts solely within the City's knowledge relating to the investment and use of the proceeds of the Series 2025 Bonds and compliance by the City with certain covenants.

The opinion of Burr & Forman LLP is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Burr & Forman LLP's judgment as to the proper treatment of the Series 2025 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (the "IRS") or the courts.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2025 Bonds to be subject, directly or indirectly, to federal or State income taxation, or otherwise prevent the holders thereof from realizing the full current benefit of the tax-exempt status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2025 Bonds and could also affect, perhaps significantly, the market price for, or marketability of, the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Burr & Forman LLP expresses no opinion.

The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Burr & Forman LLP cannot predict whether the IRS will commence an audit of the Series 2025 Bonds. Burr & Forman LLP's engagement with respect to the Series 2025 Bonds ends with the issuance of the Series 2025 Bonds, and, unless separately engaged, Burr & Forman LLP is not obligated to defend the City or owners of the Series 2025 Bonds regarding the tax-exempt status of the Series 2025 Bonds in the event of an audit by the IRS. Under current procedures, parties other than the City and its appointed counsel, including the Series

2025 Bond owners, would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2025 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2025 Bonds, and may cause the City or the Series 2025 Bond owners to incur significant expense, regardless of the ultimate outcome.

[*Original Issue Discount.* Certain of the Series 2025 Bonds have been sold at initial public offering prices which are less than the amount payable at maturity (the “Discount Bonds”). An amount not less than the difference between the initial public offering prices of the Discount Bonds and the amount payable at maturity constitutes original issue discount, which will be treated as interest on such Discount Bonds and, to the extent properly allocable to particular owners who acquire such Discount Bonds at the initial offering thereof, will be excludable from gross income for federal income tax purposes to the same extent as other interest on the Series 2025 Bonds.

For this purpose, the issue price of a particular maturity of the Series 2025 Bonds is the first price at which a substantial amount of such maturity is sold to the public (excluding bond houses, brokers, or other similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2025 Bonds accrues daily over the term to maturity of such Series 2025 Bonds on the basis of a constant interest rate compounded semi-annually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2025 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2025 Bonds.

Owners who may acquire Series 2025 Bonds that are Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount or interest properly accruable with respect to such Series 2025 Bonds, other tax consequences of owning Discount Bonds and the state and local tax consequences of owning Discount Bonds.]

[*Original Issue Premium.* Certain of the Series 2025 Bonds have been sold at initial public offering prices which are greater than the amount payable at maturity (the “Premium Bonds”). An amount equal to the excess of the purchase price of the Premium Bonds over their stated redemption prices at maturity constitutes premium on such Premium Bonds. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the purchaser’s basis in such Premium Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed.

Purchasers of any Series 2025 Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Series 2025 Bonds.]

*Information Reporting and Backup Withholding.* Interest paid on the Series 2025 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Series 2025 Bonds who fails to provide certain required information and who is not an exempt person. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against a holder’s U.S. federal income tax liability provided the required information is furnished by such holder to the IRS in a timely manner.

### **State Tax Law Matters**

Burr & Forman LLP is of the opinion that under present laws of the State, interest on the Series 2025 Bonds will be excluded from South Carolina taxation, except estate, transfer and certain franchise taxes. Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes on every bank engaged in business in the State a fee or franchise tax computed at the rate of 4½% of the entire net income of such bank. Regulations of the South Carolina Department of Revenue require that the term “entire net income” include income derived from any source whatsoever, including interest on obligations of any state and any political subdivision thereof. Interest on the Series 2025 Bonds will be included in such computations.

## FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Incorporated, Columbia, South Carolina, has served as Financial Advisor to the City in connection with the offer and sale of the Series 2025 Bonds. As such, it has participated in the preparation of and review of the various financing documents related to the Series 2025 Bonds. The Financial Advisor will be paid from the proceeds of the Series 2025 Bonds.

## CONTINUING DISCLOSURE

To the extent required by Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission (the “Rule”), the City, through a written agreement or contract for the benefit of registered owners and the Beneficial Owners of the Series 2025 Bonds, will provide notice, in a format as required by the Rule, either directly or indirectly through a designated agent, in a timely manner not in excess of ten business days after its occurrence, of any of the events enumerated in Section (b)(5)(i)(C) of the Rule and will provide certain financial information and operating data relating to the City by no later than February 1 after the end of each of the City’s fiscal years, commencing with the report for Fiscal Year 2025 (the “Annual Report”). The form of that written agreement, the Disclosure Dissemination Agent Agreement (the “Continuing Disclosure Agreement”), entered into by the City with Digital Assurance Certification, L.L.C. (“DAC”) in connection with the issuance of the Series 2025 Bonds, is attached as Appendix E. The Annual Report will be filed on behalf of the City by DAC, as dissemination agent, with the Municipal Securities Rulemaking Board. These covenants have been made in order to assist the original purchasers of the Series 2025 Bonds in complying with the Rule.

As provided in the Continuing Disclosure Agreement, if the City fails to comply with any provision of the Continuing Disclosure Agreement, any registered owner or “Holder” of the Series 2025 Bonds may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the City to comply with its continuing disclosure obligations under the Continuing Disclosure Agreement. “Beneficial Owner” is defined in the Continuing Disclosure Agreement to mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2025 Bonds (including persons holding Series 2025 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2025 Bonds for federal income tax purposes. If any person seeks to cause the City to comply with its continuing disclosure obligations under the Continuing Disclosure Agreement, it is the responsibility of such person to demonstrate that it is a “Holder” within the meaning of the Continuing Disclosure Agreement.

For Fiscal Year 2020, the City timely filed its Annual Report on January 25, 2021. For Fiscal Year 2021, the City timely filed its Annual Report on January 25, 2022, which initially included the City’s unaudited financial statements but was updated on February 3, 2022, once the City’s audit became available. For Fiscal Year 2022, the City timely filed its Annual Report on January 26, 2023. For Fiscal Year 2023, the City timely filed its Annual Report on January 24, 2024. For Fiscal Year 2024, the City timely filed its audited financial statements on January 21, 2025, and the remainder of its Annual Report on January 29, 2025.

The City’s policy when it learns of incomplete or late filings is to take remedial action and provide the required information as soon as possible. In addition, the City has taken and is continuing to take certain steps to help identify and report events which may trigger continuing disclosure obligations pursuant to the Rule, including but not limited to, (1) increased education (including periodic training) and awareness by the City’s finance staff of the importance of the Rule and continuing disclosure requirements provided thereby; (2) adoption of written policies and procedures related to continuing disclosure and the assignment by the City of its most senior finance staff member with responsibility for continuing disclosure; and (3) the City’s review of potential market changes that might relate to the City’s continuing disclosure requirements and engagement of advisors to help alert the City and its disclosure dissemination agent, DAC, to the same.

The City may modify from time to time, consistent with the Rule, the information provided to the extent necessary or appropriate in the judgment of the City, but: (1) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the City; (2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of this Official Statement, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and (3) any such modification does not materially impair the interest of the Holders or the beneficial owners, as determined by the nationally recognized bond counsel or by the approving vote of the Holders of a majority in principal amount of the Series 2025 Bonds then Outstanding at the time of the amendment. Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided. The City’s continuing disclosure undertakings under the Continuing Disclosure Agreement will terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the Series 2025 Bonds.

So long as required, pursuant to Section 11-1-85, Code of Laws of South Carolina 1976, as amended, the City will file with a South Carolina-based, central repository, if any, for availability in the secondary bond market when requested, an

annual independent audit within 30 days of its receipt and event specific information within 30 days of an event adversely affecting more than 5% of revenues of the City or the City's tax base. At present, there is no South Carolina-based, central repository.

## **RATINGS**

Moody's and S&P have assigned the Series 2025 Bonds their municipal bond ratings of "Aa1" and "AA+," respectively. Such ratings reflect only the views of Moody's and S&P and an explanation of the significance of such ratings may be obtained from Moody's at the following address: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and for S&P at: S&P Global Ratings, 55 Water Street, 38th Floor, New York, New York 10041. The City has furnished to Moody's and S&P certain information and materials respecting the City and the Series 2025 Bonds. Generally, Moody's and S&P base their ratings on such information and materials and on investigations, studies and assumptions furnished to and obtained and made by them. There is no assurance that such ratings will remain unchanged for any period of time or that it may not be revised downward or withdrawn entirely by Moody's or S&P, if in their judgment circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2025 Bonds.

## **UNDERWRITING**

PNC Capital Markets LLC ("PNC") and Raymond James & Associates, Inc. ("Raymond James"), are acting as co-senior managing underwriters for the Series 2025 Bonds. Siebert Williams Shank & Co., LLC ("Siebert"), serves as co-manager on the Series 2025 Bonds.

PNC and PNC Bank, National Association are both wholly owned subsidiaries of PNC Financial Services Group, Inc. PNC is not a bank, but is a distinct legal entity from PNC Bank, National Association. PNC Bank, National Association has banking and financial relationships with the City.

The Series 2025 Bonds are being purchased for reoffering by PNC and Raymond James on behalf of themselves and as representative of Siebert, as underwriters (the "Underwriters").

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2025 Bonds at a purchase price of \$[ ] (representing the par amount of the Series 2025 Bonds less an underwriter's discount of \$[ ], [plus][less][net] aggregate original issue [premium][discount] of \$[ ]).

The Underwriters may offer and sell the Series 2025 Bonds to certain dealers and others at a price lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriters.

## **CONCLUDING STATEMENT**

All quotations from and summaries and explanations of provisions of laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof. All references to the Series 2025 Bonds and the determinations of the City Council relating thereto are qualified in their entirety by reference to the definitive forms of the Series 2025 Bonds and the Ordinance and to such determinations. All such summaries, explanations and references are further qualified in their entirety by reference to the exercise of sovereign police powers of the State and the constitutional powers of the United States, and to valid bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors.

Certain of the information set forth in the Official Statement and in the appendices hereto has been obtained from sources other than the City that are believed to be reliable but is not guaranteed as to accuracy or completeness.

The agreement between the City and the holders of the Series 2025 Bonds is fully set forth in the Ordinance and neither any advertisement for the Series 2025 Bonds nor this Official Statement is to be construed as constituting an agreement with the holders of the Series 2025 Bonds.

Anyone having questions should direct them to Jeffery M. Palen, Assistant City Manager for Development and Finance and Chief Financial Officer, City of Columbia, 1737 Main Street, Columbia, South Carolina 29201, and telephone 803.545.4308.

The delivery of this Official Statement and its use in connection with the sale of the Series 2025 Bonds has been duly authorized by the City.

CITY OF COLUMBIA, SOUTH CAROLINA

By: \_\_\_\_\_  
Daniel J. Rickenmann  
Mayor

**APPENDIX A**

**A PORTION OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE CITY FOR FISCAL YEAR ENDED JUNE 30, 2024**

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**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**CITY OF COLUMBIA, SOUTH CAROLINA**

**FISCAL YEAR ENDED JUNE 30, 2024**

**Prepared by the City's Finance Department**

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## **INTRODUCTORY SECTION**



December 4, 2024

The Honorable Daniel J. Rickenmann, Mayor  
The Honorable Members of the Columbia City Council  
The Citizens of the City of Columbia

Ladies and Gentlemen:

We are pleased to present the Annual Comprehensive Financial Report ("ACFR") of the City of Columbia, South Carolina (the "City") for the fiscal year ended June 30, 2024. South Carolina law requires that all local governments publish a complete set of audited financial statements, presented in conformity with generally accepted accounting principles in the United States of America ("GAAP"). The law further requires that these financial statements be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This ACFR has been prepared by the City in accordance with these principles and standards. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management Discussion & Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

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

The City's financial statements have been audited by Scott and Company LLC. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2024, 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, 2024, 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.

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Teresa Wilson • City Manager  
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[www.columbiasc.gov](http://www.columbiasc.gov)



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

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

### **City of Columbia Overview**

The City, incorporated in 1786, is located 13 miles northwest of South Carolina's geographic center. The City currently occupies a land area of approximately 135 square miles with a population estimated at approximately 137,960 in the City and approximately 836,324 within the metropolitan statistical area according to the 2020 United States Census. Columbia is also combined with the Newberry and Orangeburg metropolitan areas to form the Columbia-Orangeburg-Newberry Combined Statistical area which has approximately 951,412 people according to the 2020 Census and is the second-largest combined statistical area in South Carolina. Columbia is considered the primary city of the Midlands region of South Carolina. The mission of the City is to provide high quality municipal services efficiently, effectively, and responsively to the citizens of Columbia.

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

### **Primary City Functions**

The City provides a full range of municipal services including police and fire protection, the maintenance of streets and other infrastructure, recreational activities and cultural events, land use and building regulations, water and wastewater treatment, storm-water operations, parking operations, and economic development. The City accounts for water and wastewater operations, parking operations and storm- water operations separately within the reporting entity, and attempts to recover the costs of these functions through user charges.

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



## **Budget Process**

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

## **Economic Development**

Columbia continues to benefit from the national migration trend, with the South region gaining more population than its counterparts over the past five years. South Carolina in particular has proven to be popular destination coming in at second with an increase of 1.6% population growth in 2023, and the City of Columbia has seen percentage growth of 4.1% since 2020. While the local economy remains stabilized by the three pillars of government sector that have traditionally been the bedrock of employment (state/local government, higher education, and military), economic development announcements, small business openings, and new commercial development have been resurgent since 2021, even despite the headwinds of higher commercial interest rates. Scout Motors continues to grow locally as they make preparations to open their new EV automotive production facility north of downtown Columbia, with a current headcount of around 600 employees and around 300 of those working locally. They plan to hire over 4,000 employees once that facility comes online in late 2026. Blue Cross Blue Shield of SC remains the City's largest private sector employer at around 10,000 direct employees (and another 5,000 contract workers). Other notable announcements and expansions made within the past year include Ritedose Corporation (\$81M and 100 new jobs), TMC Transportation (\$38M investment and 185 new jobs), Schneider Electric (\$24M and 280 new jobs), and US Brick (\$5.5M and 33 new jobs). From a commercial development standpoint, downtown Columbia continues to transform with multiple hotels, student housing projects, multifamily/mixed-use, and new office space development currently underway, along with many more working their way through the development pipeline. Columbia saw around \$500M in commercial development over the past year alone, with projects such as Palmetto Citizens new office headquarters (\$69M and 138 new jobs), 2222 Main View Apartments (over \$40M investment for 320 luxury apartments), Verve Columbia (\$85M investment for 250 units of student housing), and 2019 Bull Street (\$48M investment for 193 apartment units and 25,000 sq ft of commercial space) just to name a few. The City of Columbia has the potential to further escalate commercial development opportunities along the City's river front, with the first phase of the Williams Street extension project currently slated to begin sometime in 2025. This infrastructure will open up around 100 acres along the river for high-end commercial development, along with a public park, greenspace, and over 26 miles of connected trail ways.



### **Local Economy**

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

### **Quality of Life**

One area of focus for planning staff is the ongoing development of city center. Earlier this year we kicked-off the Downtown Strategic Master Plan process. Through this effort, we have been working with the community to discern a refreshed vision for the quality of the built environment Downtown. It has been 25 years since the adoption of the City Center Master Plan and more than 15 years since the adoption of the Innovista Master Plan. In the years since these plans were adopted, much has changed: major infrastructure projects have been completed or are underway, thousands of housing units have been built, the City adopted a new Unified Development Ordinance and Comprehensive Plan (Columbia Compass), the Covid-19 pandemic has shifted the way people use downtowns, and lastly, transportation trends have created new shared and electric alternatives. As such, this new Strategic Master Plan for Downtown Columbia will:

1. Create a community-driven vision for the public character of Downtown.
2. Establish priorities for public policy and public investment in the Downtown built environment.
3. Protect the unique character and assets of the historic urban core.
4. Form the basis for Downtown Design Guidelines to help shape great public spaces.

Looking ahead to next year, we will begin work on the 5-year update to Columbia Compass, the City's Comprehensive Plan. This update will assess progress on the recommendations and determine where efforts should be focused for the next five years. In addition, we look forward to working to implement the bike and pedestrian projects funded through the extension of the Transportation Penny tax.

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

The total fiscal year 2025 operating budget and capital budget was developed to meet City Council Strategic Outcomes, provide for effective and efficient services to our citizens, businesses and visitors; and continue to be good stewards of City resources. The City factored in the following key elements in the preparation of the budget:

Aligning City Council Strategic Outcome Priorities:

1. Economic Growth
  - a. Real Estate Development and Housing
  - b. Small Business Development
  - c. Pop-up Initiatives
2. Safe Communities



- a. Technology in Public Safety
- b. Partnerships and Private Security
- 3. Organizational Effectiveness
  - a. Investing in City Employees
  - b. Technology Investments
  - c. Customer Services
- 4. Communications
  - a. Comprehensive Strategy
- 5. Beautification and Appearance
  - a. Beautification Initiatives
- 6. Built Infrastructure
  - a. New Law Enforcement and Judicial Center
  - b. Capital Replacement Program
  - c. Capital Improvement Program
- 7. Vibrant Community
  - a. Finlay Park Revitalization
  - b. Love Your Block

The City's fiscal year 2025 general fund budget is approximately \$188,781,113, which is an increase of approximately \$18,189,800 or 10.7% from the fiscal year 2024 budget. The 2025 general fund budget does not contain a property tax millage rate increase and property tax revenues are expected to increase by \$7,067,376. The City did budget for the use of fund balance in the 2025 fiscal year budget in the amount of \$3,000,000. The use of the American Rescue Plan Act (ARPA) funds in the amount of \$2,500,000 is included in this budget. The general fund departmental expenditure budget for fiscal year 2024 totals approximately \$157,223,796, a 7.2% increase from the prior year.

The City projects water and sewer revenues for fiscal year 2024 to total approximately \$202,026,251, an increase of approximately \$2,546,996 or 1.3% over the fiscal year 2024 budgeted amounts. The City expects to maintain the target debt service coverage ratio of 2:1. Debt service expenditures are expected to account for 26% of the expected fiscal year 2025 expenditures. Operating expenditures are expected to total approximately \$119,245,850. Operating and capital expenditures are expected to focus on Clean Water 2020 programs. Customer care will continue to be an area of priority. Improvements will also continue in mobile field services so that water crews are better able to send and receive information remotely.

The storm water operating revenues are expected to total approximately \$19,161,082. This represents an increase of approximately \$904,320 or 5% from the prior year. Operating and capital improvement expenditures are expected to focus on projects that meet the initiatives of alleviating nuisance flooding and promoting water quality.

Parking total revenues are expected to total approximately \$10,436,904 in fiscal year 2025. This represents a decrease of \$1,020,396 or 9% from the prior year. Revenue primarily comes from the parking system, to include park meters, parking service contracts and parking garages.

The City prepares a Capital Improvement Program (CIP) which is a five-year fiscal planning document that is used to identify needed capital projects and their funding sources. The capital improvement budget is adopted annually, encompassing appropriations for the projects within the plan. The Capital Improvement Program (CIP) for water and sewer is \$93,000,000 for fiscal year



2025. It is expected there will be \$30,000,000 in water CIP expenditures and \$63,000,000 in sewer CIP expenditures. Major water projects for fiscal year 2025 include water treatment plants improvements of \$1,500,000, system expansion of \$5,700,000, and water quality improvements of \$16,650,000. Major sewer projects for fiscal year 2025 include capacity expansion of \$21,000,000 and rehab projects of \$29,100,000.

The CIP for storm water is \$4,065,000 and funded primarily with bond proceeds. The proposed projects are expected to improve drainage in several areas across the city.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Columbia, SC for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, the City has to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

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

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

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

Respectfully submitted,

Handwritten signature of Teresa B. Wilson in blue ink.

Teresa B. Wilson  
City Manager

Handwritten signature of Jeffery M. Palen in blue ink.

Jeffery M. Palen  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Columbia  
South Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**CITY LEADERS**  
**As of June 30, 2024**

**Mayor**

Daniel Rickenmann

**Council Members**

District 1	Tina N. Herbert
District 2	Edward H. McDowell, Jr.
District 3	William Brennan
District 4	Peter M. Brown
At Large	Aditi Bussells
At Large	Tyler D. Bailey

**City Manager**

Teresa Wilson

**Assistant City Managers**

Assistant City Manager for Development	Melissa Smith-Gentry, P.E
Assistant City Manager Finance & Economic Svc/CFO	Jeff Palen
Assistant City Manager for Columbia Water	Clint Shealy, P.E.
Assistant City Manager for Operations	Henry Simons, MHA
Assistant City Manager for City Administration	Pamela Benjamin, CPM

**Department Directors**

Budget and Program Management Office	Melisa Caughman, CPM
City Attorney	Teresa Knox
Community Development	Felicia Kilgore
Economic Development	Ryan Coleman, CEcD
Emergency Communications	Vacant
Emergency Management	Harry Tinsley
Engineering	Dana Higgins, P.E.
Finance	Kristine Githara
Fire	Aubrey Jenkins
General Services	Kelvin Keisler
Human Resources	Tiniece Javis, Ed.D
Homeless Services	Kameisha Heppard
Information Technology	Sylvia White
Municipal Court	Kathryn Jackson
City Clerk	Erika Hammond
Office of Business Opportunities	Ayesha Driggers
Parking	Linda "Elle" Matney
Parks and Recreation	Randy Davis
Planning and Development Services	Krista Hampton
Police	William "Skip" Holbrook
Procurement& Contracts	Shannon Lizewski, NIGP-CPP, CPPO
Public Relations	Leshia Utsey
Public Works	Robert Anderson
Customer Services	Tiffany Latimer
Utilities	Frank Eskridge

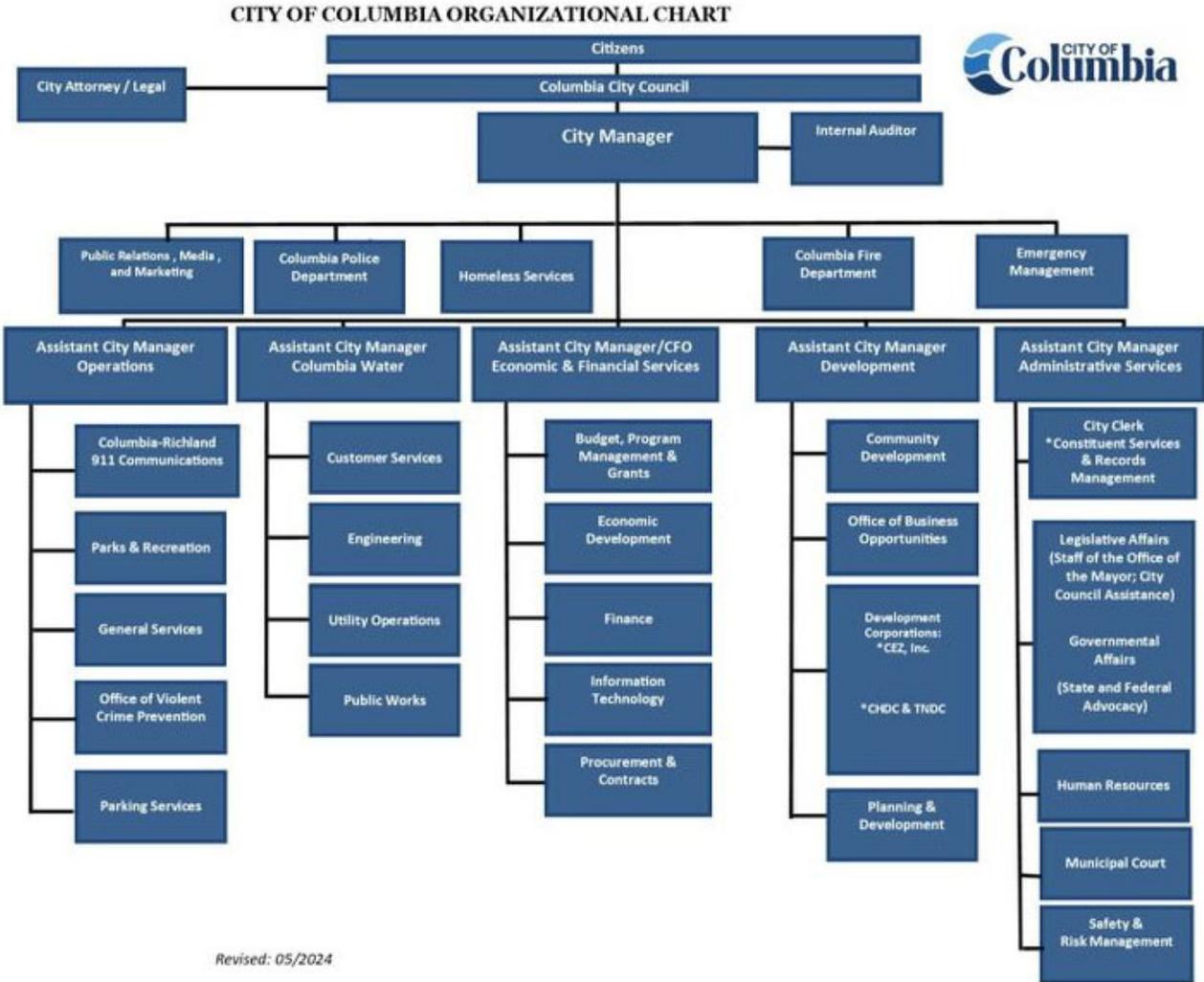
**Development Corporation Directors**

Columbia Empowerment Zone, Inc.	Felicia Maloney
Columbia Housing/TN Development Corp.	Harrison C. Joseph III

**Other Directors**

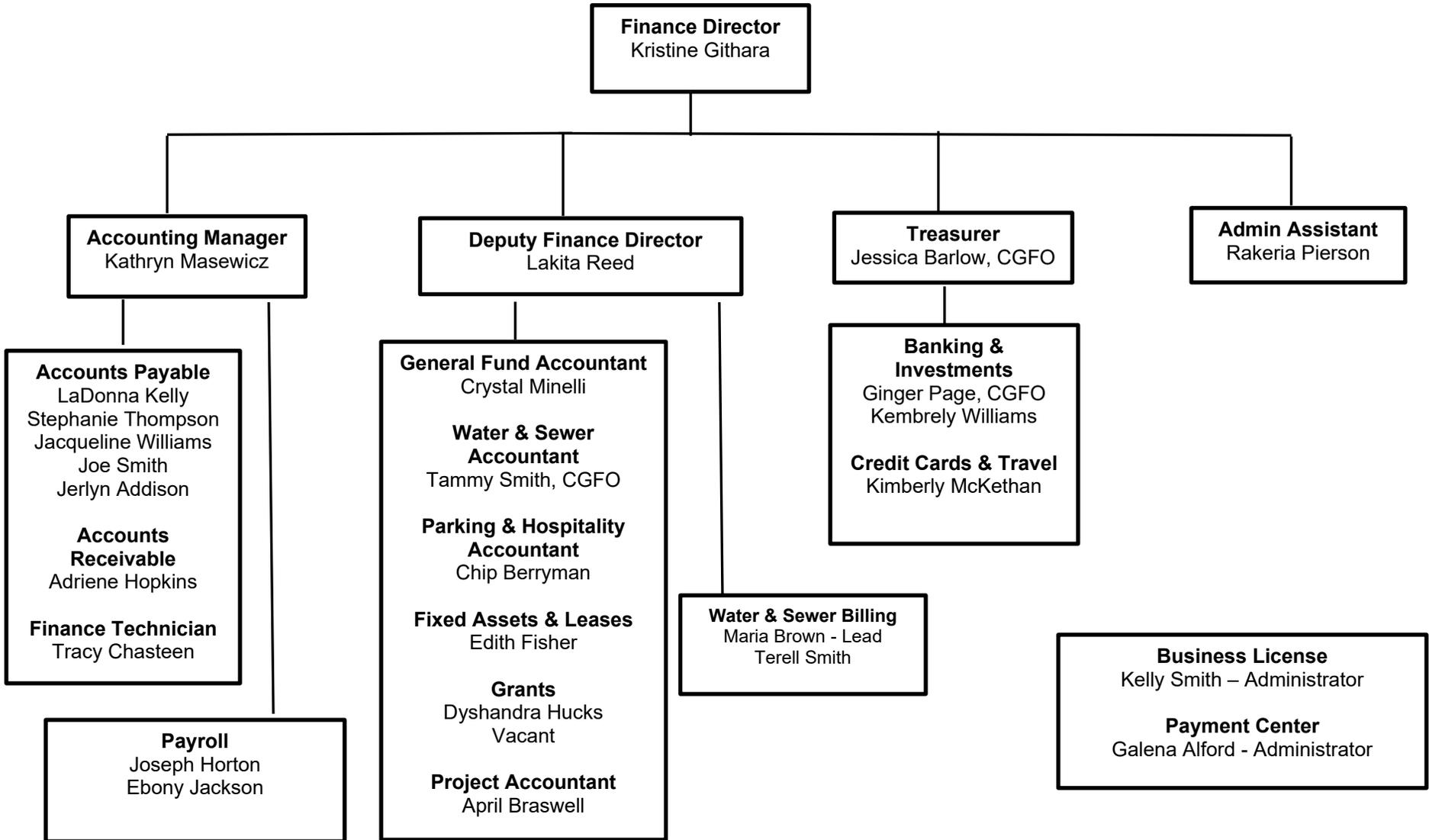
Experience Columbia SC	Bill Ellen
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# City of Columbia Organizational Chart



CITY OF COLUMBIA, SOUTH CAROLINA  
Finance Department  
Organizational Chart

As of June 30, 2024



## **FINANCIAL SECTION**

## Independent Auditor's Report

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Columbia, South Carolina (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Experience Columbia SC, which represent 63.89 percent, 66.97 percent, and 79.56 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2024, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Experience Columbia SC, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund statements and schedules, Uniform Schedule of Court Fines, Assessments and Surcharges, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents, are presented for

purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, Uniform Schedule of Court Fines, Assessments and Surcharges, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Scott and Company LLC*

Columbia, South Carolina  
December 4, 2024

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

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, 2024, as part of the overall Annual Comprehensive Financial Report (ACFR). This overview compares the year ended June 30, 2024, with the year ended June 30, 2023. The Management's Discussion and Analysis is intended to highlight significant transactions, events, and conditions, and readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, which can be found on the pages indicated in the table of contents of this report. This discussion and analysis is intended to provide a broad overview using a short-term and long-term analysis of the City's activities based on information presented in the financial report and fiscal policies that have been adopted by City Council (the "Council"). The intent of this discussion and analysis is to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activities, (c) identify changes in the City's financial position, (d) identify significant deviations from the approved General Fund budget, and (e) highlight significant issues in the individual funds.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Financial Highlights**

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of fiscal year 2024 by \$777,641,163. This amount represents the City's net position. The City has a balance of \$45,590,345 in unrestricted net position as of June 30, 2024.
- The City's total net position increased by \$52,665,820 (an increase of \$24,831,342 from governmental activities and an increase of \$27,834,478 from business-type activities). Total revenues of \$492,139,011 exceeded total expenses of \$439,473,191. This resulted in an increase in net position for the year ended June 30, 2024, of \$52,665,820. This increase in net position for the current year is approximately \$12,820,000 less than the prior year. This is the result of a decrease of approximately \$28,553,000 in the governmental activities and an increase of approximately \$15,733,000 in business-type activities.
- Revenues from governmental activities decreased by approximately \$20,088,000 during fiscal year 2024. Operating grants and contributions decreased by approximately \$11,989,000 or 52%. Capital grants and contributions decreased by approximately \$27,720,000 or 67% in 2024. General government revenues increased by approximately \$6,351,000 or 14%. Public safety revenue received from Richland County, which is recorded in the County Services Fund, increased by approximately \$2,659,000 or 11% in 2024. Local option sales tax and hospitality and admission taxes increased by approximately \$4,216,000 or 16% and \$2,246,000 or 16%, respectively. Unrestricted investment earnings increased by approximately \$2,938,000. Total governmental activities expenses incurred by the City increased by approximately \$7,871,000 during fiscal year 2024. Public safety, and parks and recreation expenses increased by approximately \$4,378,000 or 21%, \$7,575,000 or 7%, and \$2,914,000 or 19%, respectively. These increases were partially offset by a decrease in planning and development expenses of approximately \$6,000,000 or 41%.
- Revenues from business-type activities increased by approximately \$27,428,000 during fiscal year 2024. This was primarily due to an increase in Water and Sewer Facilities revenue. Total operating revenues, which primarily consist of water and sewer fees, increased by approximately \$13,041,000 or 8%. Nonoperating revenues increased by approximately \$4,935,000. Development contributions and capital grants decreased by approximately \$2,006,000 or 25%. Investment income increased by approximately \$6,929,000 or 74%. Total Water and Sewer Facilities revenues increased by approximately \$23,064,000 or 12%. Total Parking Facilities revenues for the year ended June 30, 2024 increased by approximately \$1,085,000 or 11%. Total business-type activities expenses incurred by the City increased by approximately \$12,289,000 during fiscal year 2024. The increase was primarily related to the Water and Sewer Facilities Fund.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

Total Water and Sewer Facilities operating expenses increased by approximately \$10,659,000, or 8%, when compared to the year ended June 30, 2023. Interest and amortization expense increased by approximately 424,000, or 1%, due to the issuance of a new revenue bond in the current year. Total Parking Facilities expenses increased by approximately \$782,000 or 8%.

- As of June 30, 2024, the City's governmental funds reported combined ending fund balances of \$164,904,612. The unassigned General Fund balance of \$23,455,948 is available for spending at the City's discretion and represents approximately 13% of the General Fund's actual expenditures and transfers out for the year ended June 30, 2024.
- The City's total net capital assets were \$1,593,213,371 as of June 30, 2024, increasing \$122,953,150 (8%). This increase was the result of additions of \$79,481,991 in governmental activities and \$115,830,046 in business-type activities offset by depreciation and amortization expense and net disposals of \$19,788,977 in governmental activities and \$52,569,910 in business-type activities.
- The City's long-term debt at June 30, 2024 totaled \$1,015,907,085, a net increase of \$29,709,861 or 3% from the balance at June 30, 2023, of \$986,197,224. This net increase was the result of \$117,408,553 in principal payments and \$3,265,352 in premium amortization. In addition, a finance lease in the amount of \$9,000,000 was issued in the governmental funds. A revenue bond in the amount of \$126,735,000 with a premium of \$14,648,766 was issued in the business-type funds.
- As of June 30, 2024, the City's General Obligation bonds were rated AA+ by Standard and Poor's and Aa1 by Moody's. The City's Water and Sewer Facilities revenue bonds were rated AA+ by Standard and Poor's and Aa1 by Moody's. The City's Parking Facilities revenue bonds were rated A- by Standard and Poor's and A1 by Moody's. The City's Stormwater Facilities revenue bonds were rated AA+ by Standard and Poor's and Aa2 by Moody's. The City's IPRB Bonds were rated AA by Standard and Poor's and Aa2 by Moody's.

### **Using This Annual Report**

This discussion and analysis is intended to serve as an introduction to the City of Columbia's financial statements. This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on the pages identified in the table of contents) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 39. For governmental funds, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

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

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

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

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

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the related timing of the cash flows.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused annual leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are designed to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, finance, tourism and community development, public safety, parks and recreation, public services, general services, and community promotions. Governmental activities are financed primarily through property taxes, business licenses and permits, intergovernmental revenues, and federal and state grants.

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

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

The government-wide financial statements can be found beginning on page 36.

**Fund financial statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Our analysis of the City's major funds begins on page 30. The fund financial statements beginning on page 39 provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council established many other funds to help it control and manage for particular purposes or to show it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's three kinds of funds – governmental, proprietary, and fiduciary – use different accounting approaches.

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

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 19 individual governmental funds within these generic fund types. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund and the County Services Fund, which are considered to be major funds. Data from the 19 other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these 17 nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

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

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

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

Trust funds are used to account for resources received and held by the City as trustee. The accounting for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements follow the proprietary funds statements.

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

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

**Financial Analysis – Government-wide Statements**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceed liabilities and deferred inflows by \$777,641,163 as of June 30, 2024. The City's overall financial position increased, and net position increased by \$52,665,820 during the year ended June 30, 2024. This overall increase is the result of a \$24,831,342 increase in governmental activities and a \$27,834,478 increase in business activities. Revenues from governmental activities decreased by approximately \$20,088,000 during fiscal year 2024. Operating grants and contributions decreased by approximately \$11,989,000 or 52%, primarily due to a decrease in federal grant revenue. Capital grants and contributions decreased by approximately \$27,720,000 or 67% in 2024, primarily due to funding received in the State Appropriations Fund for capital projects in the prior year. General government revenues increased by approximately \$6,351,000 or 14%, primarily due to an increase in licenses and permits revenue from insurance licenses. Public safety revenue received from Richland County, which is recorded in the County Services Fund, increased by approximately \$2,659,000 or 11% in 2024. Local option sales tax and hospitality and admission taxes increased by approximately \$4,216,000 or 16% and \$2,246,000 or 16%, respectively, due to increases in property taxes and credits in 2024. Unrestricted investment earnings increased by approximately \$2,938,000 due to market performance in each year. Total governmental activities expenses incurred by the City increased approximately \$7,871,000 during fiscal year 2024. General government, public safety, and parks and recreation expenses increased by approximately \$4,378,000 or 21%, \$7,575,000 or 7%, and \$2,914,000 or 19%, respectively, primarily due to increases in salaries and benefits related expenses in these areas. These increases were partially offset by a decrease in planning and development expenses of approximately \$6,000,000 or 41% in 2024, primarily due to use of federal grant funds for planning and development projects in 2023, including the 2015 flood recovery.

Total business-type activities revenues incurred by the City increased approximately \$27,428,000 during fiscal year 2024. The increase in overall business activities change in net position is due primarily to the Water and Sewer Facilities Fund. Total operating revenues, which primarily consist of water and sewer fees, increased by approximately \$13,041,000 or 8%. The increase was primarily due to increases in water sales, meter installation fees, sewer service charges, and late fees compared to the prior year. Nonoperating revenues increased by approximately \$4,935,000. The increase was primarily due to a SCIIIP grant received in 2024. Development contributions and capital grants decreased by approximately \$2,006,000 or 25%. Investment income increased by approximately \$6,929,000 or 74%, due to market performance in each year. Total Water and Sewer Facilities revenues increased by approximately \$23,064,000 or 12%. Total Parking Facilities operating revenues, which primarily consist of parking fees and fines, increased by approximately \$524,000, or 6%. The increase in operating revenues was due to an increase in traffic and non-moving violations during the year ended June 30, 2024. Nonoperating revenue increased by approximately \$561,000 due primarily to increased investment income based on market performance in each year. Total Parking Facilities revenues for the year ended June 30, 2024, increased by approximately \$1,085,000 or 11%. Total business-type activities expenses incurred by the City increased by approximately \$12,289,000 during fiscal year 2024. The increase was primarily related to the Water and Sewer Facilities Fund.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

Total Water and Sewer Facilities operating expenses increased by approximately \$10,659,000, or 8%, when compared to the year ended June 30, 2023. The increase was primarily the result of an increase in chemicals needed and an increase in depreciation expense due to capital asset additions in 2024. Interest and amortization expense increased by approximately \$424,000, or 1%, due to the issuance of a new revenue bond in the current year. Total Parking Facilities operating expenses increased by approximately \$1,039,000, or 15%, when compared to the year ended June 30, 2023. Total Parking Facilities expenses increased by approximately \$782,000 or 8%.

Table 1 summarizes the major categories of assets, deferred outflows, liabilities, deferred inflows, and net position for governmental activities, business type activities, and the City as a whole.

**Table 1**  
**City of Columbia**  
**Statement of Net Position**  
**As of June 30, 2024 and June 30, 2023**

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2024	As of June 30, 2023	As of June 30, 2024	As of June 30, 2023	As of June 30, 2024	As of June 30, 2023
Current and other assets	\$ 397,730,829	\$ 382,228,388	\$ 388,239,680	\$ 388,396,047	\$ 785,970,509	\$ 770,624,435
Capital assets, net of depreciation and amortization	332,413,524	272,720,510	1,260,799,847	1,197,539,711	1,593,213,371	1,470,260,221
Total assets	730,144,353	654,948,898	1,649,039,527	1,585,935,758	2,379,183,880	2,240,884,656
Deferred outflows of resources	83,952,196	72,726,633	82,823,488	83,031,711	166,775,684	155,758,344
Total assets and deferred outflows of resources	814,096,549	727,675,531	1,731,863,015	1,668,967,469	2,545,959,564	2,396,643,000
Long-term liabilities outstanding	545,404,831	470,906,528	1,017,335,756	988,785,484	1,562,740,587	1,459,692,012
Other liabilities	61,331,016	62,718,015	52,933,859	44,463,535	114,264,875	107,181,550
Total liabilities	606,735,847	533,624,543	1,070,269,615	1,033,249,019	1,677,005,462	1,566,873,562
Deferred inflow of resources	66,848,015	78,369,643	24,464,924	26,424,452	91,312,939	104,794,095
Net position						
Net investment in capital assets	179,992,475	152,481,227	456,580,042	454,332,686	636,572,517	606,813,913
Restricted	94,372,154	95,053,771	1,106,147	3,979,810	95,478,301	99,033,581
Unrestricted	(133,851,942)	(131,853,653)	179,442,287	150,981,502	45,590,345	19,127,849
Total net position	\$ 140,512,687	\$ 115,681,345	\$ 637,128,476	\$ 609,293,998	\$ 777,641,163	\$ 724,975,343

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

As of June 30, 2024, the City is able to report positive net position for the government as a whole as well as for its governmental activities and business-type activities.

The largest portion of the City's net position, \$636,572,517 (82%), reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related liabilities used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related liabilities, it should be noted that the resources needed to repay these liabilities must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position, \$95,478,301 (12%), represents resources that are subject to external restrictions on how they may be used. The remaining \$45,590,345 (6%) is unrestricted.

For governmental activities, the City reported a deficit balance in unrestricted net position of \$(133,851,942). This deficit resulted primarily from the adoption of Governmental Accounting Standards Board ("GASB") 68 and GASB 75. GASB 68 required the City to recognize a pension liability. GASB 75 required the City to recognize a total OPEB liability, any related deferred outflows/inflows of resources, and a more comprehensive measure of OPEB expense for the City's OPEB plan. For business-type activities, the City reported a positive balance in unrestricted net position of \$179,442,287. The City reported a positive balance of \$23,455,948 in unassigned fund balance for the General Fund as of June 30, 2024. Unrestricted fund balance represents the spendable resources available for governmental activities without externally enforceable limitation. The major contributing factors to the difference between unrestricted fund balance and unrestricted net position are changes in accrued receivables or payables, operating losses in the internal service fund operations, charges related to post-employment benefits, capital assets, debt, and expenses related to compensated absences and pension benefits.

Revenue for the City for the year ended June 30, 2024, which totaled approximately \$492,139,000, increased from the year ended June 30, 2023. The increase for the City as a whole was approximately \$7,340,000, which was an increase of 2%. Revenues for the business-type activities increased approximately \$27,428,000 (12%). This was primarily due to an increase in Water and Sewer Facilities revenue. Total operating revenues, which primarily consist of water and sewer fees, increased by approximately \$13,041,000 or 8%. The increase was primarily due to increases in water sales, meter installation fees, sewer service charges, and late fees compared to the prior year. Nonoperating revenues increased by approximately \$4,935,000. The increase was primarily due to a SCIIP grant received in 2024. Development contributions and capital grants decreased by approximately \$2,006,000 or 25%. Investment income increased by approximately \$6,929,000 or 74%, due to market performance in each year. Total Water and Sewer Facilities revenues increased by approximately \$23,064,000 or 12%. Total Parking Facilities operating revenues, which primarily consist of parking fees and fines, increased by approximately \$524,000, or 6%. The increase in operating revenues was due to an increase in traffic and non-moving violations during the year ended June 30, 2024. Nonoperating revenue increased by approximately \$561,000 due primarily to increased investment income based on market performance in each year. Total Parking Facilities revenues for the year ended June 30, 2024, increased approximately \$1,085,000, or 11%.

Revenues from governmental activities decreased by approximately \$20,088,000 (8%) during fiscal year 2024. Operating grants and contributions decreased by approximately \$11,989,000 or 52%, primarily due to a decrease in federal grant revenue. Capital grants and contributions decreased by approximately \$27,720,000 or 67% in 2024, primarily due to funding received in the State Appropriations Fund for capital projects in the prior year. General government revenues increased by approximately \$6,351,000 or 14%, primarily due to an increase in licenses and permits revenue from insurance licenses. Public safety revenue received from Richland County, which is recorded in the County Services Fund, increased by approximately \$2,659,000 or 11% in 2024. Local option sales tax and hospitality and admission taxes increased by approximately \$4,216,000 or 16% and \$2,246,000 or 16%, respectively, due to increases in property taxes and credits in 2024. Unrestricted investment earnings increased by approximately \$2,938,000 due to market performance in each year.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

**Table 2**  
**City of Columbia**  
**Changes in Net Position**  
**Years Ended June 30, 2024 and June 30, 2023**

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year ended June 30, 2024	Year ended June 30, 2023	Year ended June 30, 2024	Year ended June 30, 2023	Year ended June 30, 2024	Year ended June 30, 2023
Revenues:						
Program revenues						
Charges for services						
General government	\$ 51,804,800	\$ 45,453,703	\$ -	\$ -	\$ 51,804,800	\$ 45,453,703
Public safety	59,104,070	53,976,926	-	-	59,104,070	53,976,926
Parks and recreation	923,177	795,842	-	-	923,177	795,842
Public services	472,286	662,476	-	-	472,286	662,476
General services	443,874	326,162	-	-	443,874	326,162
Water/sewer facilities	-	-	186,550,503	173,553,605	186,550,503	173,553,605
Stormwater facilities	-	-	17,499,562	17,360,822	17,499,562	17,360,822
Parking facilities	-	-	9,662,787	9,168,354	9,662,787	9,168,354
Redevelopment programs	-	-	657,522	509,241	657,522	509,241
Parks and recreation camps	-	-	320,062	256,269	320,062	256,269
Operating grants and contributions						
General government	98,696	1,950,755	-	-	98,696	1,950,755
Public safety	9,249,577	15,893,961	-	-	9,249,577	15,893,961
Tourism and community development	1,830,612	5,323,015	-	-	1,830,612	5,323,015
Water/sewer facilities	-	-	4,990,672	12,290	4,990,672	12,290
Redevelopment programs	-	-	-	1,798	-	1,798
Capital grants and contributions						
General government	1,727,427	29,701,816	-	-	1,727,427	29,701,816
Parks and recreation	11,561,326	2,500,000	-	-	11,561,326	2,500,000
Tourism and community development	436,040	9,242,530	-	-	436,040	9,242,530
Water/sewer facilities	-	-	6,145,180	8,150,965	6,145,180	8,150,965
General revenues						
General property taxes	36,709,380	37,930,169	-	-	36,709,380	37,930,169
Local option sales tax	31,058,772	26,842,273	-	-	31,058,772	26,842,273
Hospitality and admission taxes	16,499,786	14,253,665	-	-	16,499,786	14,253,665
Accommodations tax	3,612,420	3,337,336	-	-	3,612,420	3,337,336
Tourism development revenue	4,935,752	4,428,815	-	-	4,935,752	4,428,815
Liquor permit revenue	387,505	417,495	-	-	387,505	417,495
State shared revenue	3,361,499	3,202,108	-	-	3,361,499	3,202,108
Unrestricted investment earnings	7,763,579	4,826,075	22,926,931	12,526,333	30,690,510	17,352,408
Gain on disposal of capital assets	248,417	568,547	359,525	145,047	607,942	713,594
Donation of capital assets	185,632	869,524	-	-	185,632	869,524
Insurance recoveries	211,147	143,012	-	-	211,147	143,012
Other revenue	400,493	467,964	-	-	400,493	467,964
<b>Total revenues</b>	<b>\$ 243,026,267</b>	<b>\$ 263,114,169</b>	<b>\$ 249,112,744</b>	<b>\$ 221,684,724</b>	<b>\$ 492,139,011</b>	<b>\$ 484,798,893</b>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

**Table 2**  
**City of Columbia**  
**Changes in Net Position (Continued)**  
**Years Ended June 30, 2024 and June 30, 2023**

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year ended June 30, 2024	Year ended June 30, 2023	Year ended June 30, 2024	Year ended June 30, 2023	Year ended June 30, 2024	Year ended June 30, 2023
<b>Expenses:</b>						
General government	\$ 25,643,889	\$ 21,265,562	\$ -	\$ -	\$ 25,643,889	\$ 21,265,562
Judicial	4,211,349	3,923,129	-	-	4,211,349	3,923,129
Finance	2,106,209	2,012,655	-	-	2,106,209	2,012,655
Community promotion	262,375	164,134	-	-	262,375	164,134
Planning and development	8,751,848	14,752,041	-	-	8,751,848	14,752,041
Public safety	115,623,850	108,049,195	-	-	115,623,850	108,049,195
Parks and recreation	18,122,073	15,208,077	-	-	18,122,073	15,208,077
Public services	20,484,529	19,887,938	-	-	20,484,529	19,887,938
General services	3,691,935	3,294,818	-	-	3,691,935	3,294,818
Tourism and community development	23,643,448	26,551,607	-	-	23,643,448	26,551,607
Interest and other fiscal charges	3,958,243	4,455,109	-	-	3,958,243	4,455,109
Unallocated depreciation	2,521,559	1,585,594	-	-	2,521,559	1,585,594
Water/sewer facilities	-	-	186,069,357	174,900,707	186,069,357	174,900,707
Hydro-electric plant	-	-	791,760	747,137	791,760	747,137
Stormwater facilities	-	-	13,025,916	13,413,140	13,025,916	13,413,140
Parking facilities	-	-	9,680,761	8,682,339	9,680,761	8,682,339
Redevelopment programs	-	-	397,625	413,144	397,625	413,144
Parks and recreation camps	-	-	486,465	6,327	486,465	6,327
<b>Total expenses</b>	<b>229,021,307</b>	<b>221,149,859</b>	<b>210,451,884</b>	<b>198,162,794</b>	<b>439,473,191</b>	<b>419,312,653</b>
Change in net position before transfers	14,004,960	41,964,310	38,660,860	23,521,930	52,665,820	65,486,240
Transfers	10,826,382	11,420,254	(10,826,382)	(11,420,254)	-	-
<b>Change in net position</b>	<b>24,831,342</b>	<b>53,384,564</b>	<b>27,834,478</b>	<b>12,101,676</b>	<b>52,665,820</b>	<b>65,486,240</b>
Net position, beginning of period	115,681,345	62,296,781	609,293,998	597,192,322	724,975,343	659,489,103
<b>Net position, end of period</b>	<b>\$ 140,512,687</b>	<b>\$ 115,681,345</b>	<b>\$ 637,128,476</b>	<b>\$ 609,293,998</b>	<b>\$ 777,641,163</b>	<b>\$ 724,975,343</b>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

Total expenses for the City were approximately \$439,473,000 for the year ended June 30, 2024. This represents an increase of approximately \$20,161,000 (5%) when compared to the year ended June 30, 2023. This overall increase in expenses resulted from an increase of approximately \$7,871,000 in governmental activities and an increase of approximately \$12,289,000 in business-type activities.

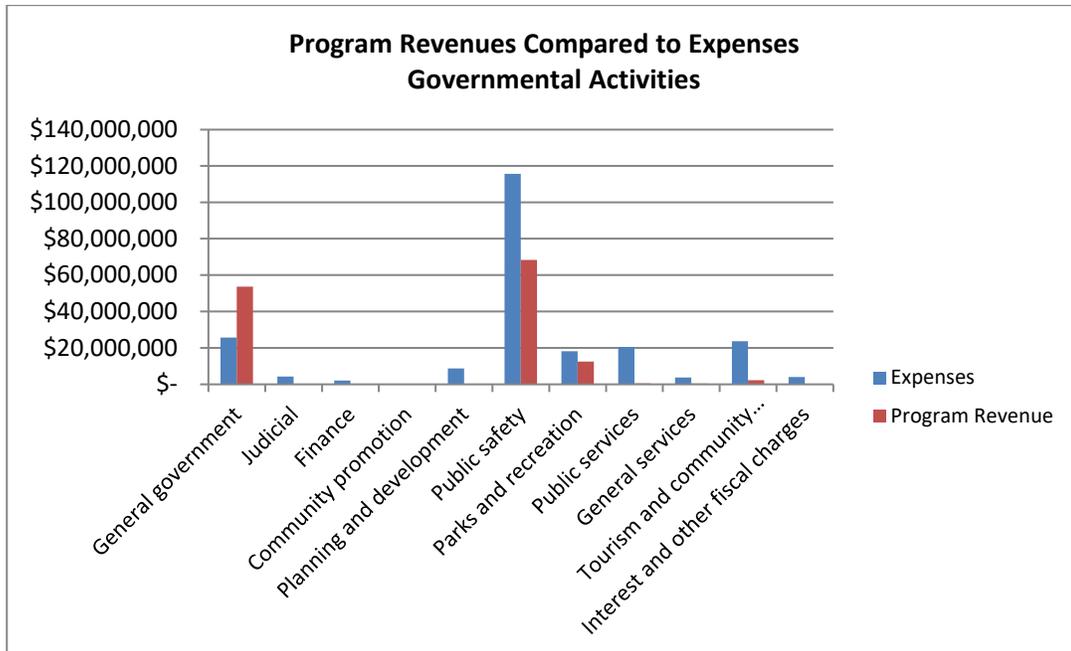
For governmental activities, general government, public safety, and parks and recreation expenses increased by approximately \$4,378,000 or 21%, \$7,575,000 or 7%, and \$2,914,000 or 19%, respectively, primarily due to increases in salaries and benefits related expenses in these areas. These increases were partially offset by a decrease in planning and development expenses of approximately \$6,000,000 or 41% in 2024, primarily due to use of federal grant funds for planning and development projects in 2023, including the 2015 flood recovery.

Expenses for business-type activities increased by approximately \$12,289,000, or 6%, compared to the year ended June 30, 2023. The increase was primarily related to the Water and Sewer Facilities Fund. Total Water and Sewer Facilities operating expenses increased by approximately \$10,659,000, or 8%, when compared to the year ended June 30, 2023. The increase was primarily the result of an increase in chemicals needed and an increase in depreciation expense due to capital asset additions in 2024. Interest and amortization expense increased by approximately \$424,000, or 1%, due to the issuance of a new revenue bond in the current year. Total Parking Facilities operating expenses increased by approximately \$1,039,000, or 15%, when compared to the year ended June 30, 2023. Total Parking Facilities expenses increased by approximately \$782,000, or 8%.

The City's net position increased by approximately \$52,666,000 during the year ended June 30, 2024. The net position for governmental activities increased by approximately \$24,831,000, while the net position of business-type activities increased by \$27,834,000. The overall increase in net position was approximately \$12,820,000 lower when compared to the prior fiscal year. This was due to an approximate \$28,553,000 decrease in the governmental activities and an approximate \$15,733,000 increase in business-type activities.

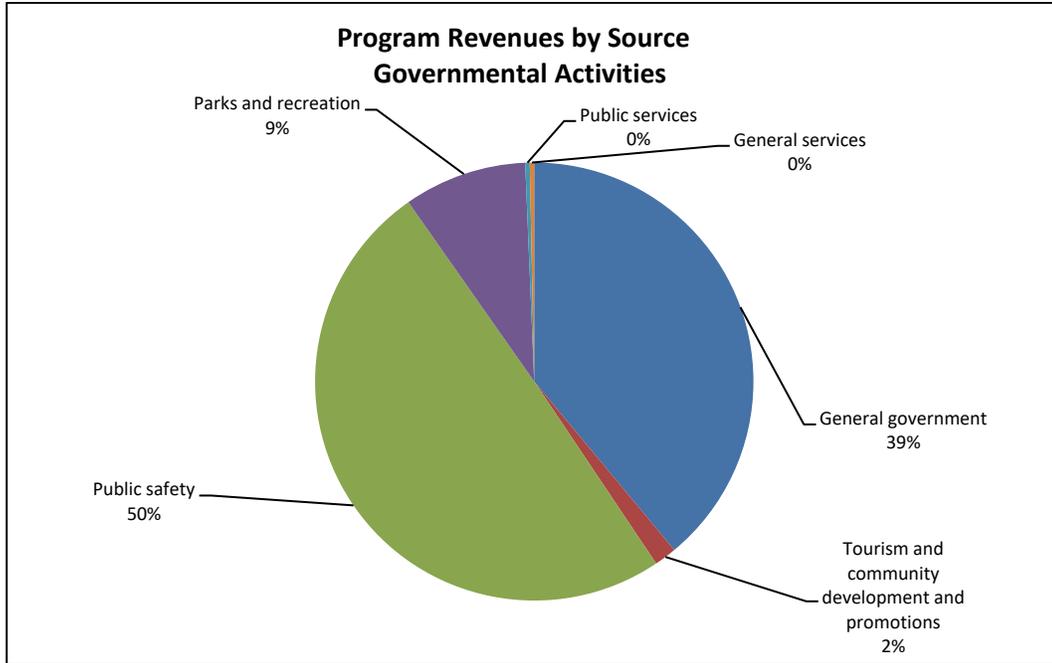
**Governmental Activities** – A comparative analysis of the governmental activities expenses and program revenues is presented below.

**Figure 1**  
**Program Revenues Compared to Expenses**  
**Governmental Activities**  
**Year Ended June 30, 2024**



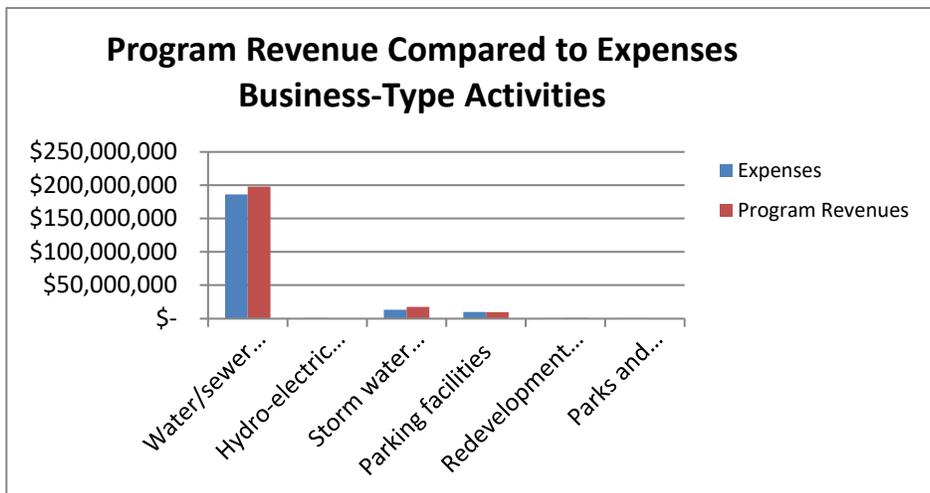
**CITY OF COLUMBIA, SOUTH CAROLINA  
Management's Discussion and Analysis (Unaudited)  
JUNE 30, 2024**

**Figure 2  
Program Revenues by Source  
Governmental Activities  
Year Ended June 30, 2024**



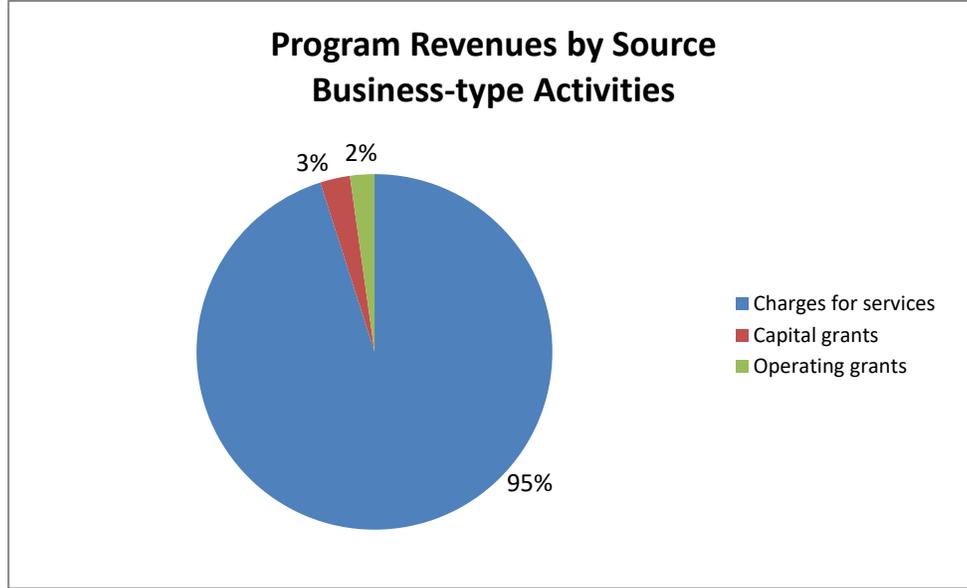
**Business-type Activities** – The net position of the City's business-type activities increased by approximately \$27,834,000 for the year ended June 30, 2024. This increase is primarily attributable to the operations of the Water and Sewer operations. A comparative analysis and discussion of expenses and program revenues for these enterprise operations is presented below.

**Figure 3  
Program Revenue Compared to  
Expenses for Business-type Activities  
Year Ended June 30, 2024**



**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

**Figure 4**  
**Program Revenues by Source**  
**for Business-type Activities**  
**Year Ended June 30, 2024**



**Water and Sewer Facilities Fund** – The net position for the Water and Sewer Facilities Fund for the year ended June 30, 2024, increased by approximately \$26,229,000.

**Table 3**  
**Water and Sewer Facilities Fund Revenues and Expenses**  
**Years Ended June 30, 2024 and June 30, 2023**

	Year Ended June 30,	
	2024	2023
<b>Revenues</b>		
Total operating revenues	\$186,223,326	\$ 173,182,771
Non-operating revenues	5,317,849	383,124
Development contributions and capital grants	6,145,180	8,150,965
Gain on sale of assets	274,800	108,797
Investment gain	16,284,796	9,355,933
Total revenues	214,245,951	191,181,590
<b>Expenses</b>		
Total operating expenses	148,575,241	137,916,086
Interest and amortization expense	30,284,015	29,859,938
Transfers, net	9,157,417	9,022,637
Total expenses	188,016,673	176,798,661
Change in net position	\$ 26,229,278	\$ 14,382,929

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

Total operating revenues, which primarily consist of water and sewer fees, increased by approximately \$13,041,000 or 8%, to \$186,223,000. The increase was primarily due to increases in water sales, meter installation fees, sewer service charges, and late fees compared to the prior year. Nonoperating revenues were approximately \$5,318,000, an increase of approximately \$4,935,000. The increase was primarily due to a SCIIP grant received for completed work on the Crane Creek projects in 2024. Development contributions and capital grants decreased by approximately \$2,006,000 or 25%. Gain on sale of assets increased by approximately \$166,000 based on the assets disposed and related proceeds received in each year. Investment income increased by approximately \$6,929,000 or 74%, due to market performance in each year. Total revenues increased by approximately \$23,064,000 or 12%.

Total operating expenses increased by approximately \$10,659,000, or 8%, to \$148,575,000 when compared to the year ended June 30, 2023. The increase was primarily the result of an increase in chemicals as higher organic loads and more particulates drove the need for increased chemical feeds of activated carbon and aluminum sulfate, and an increase in depreciation expense due to capital asset additions in 2024. Interest and amortization expense was approximately \$30,284,000, an increase of \$424,000, or 1%, due to the issuance of a new revenue bond in the current year. Net transfers to the Water and Sewer Facilities Fund increased by approximately \$135,000 or 1% to \$9,157,000, compared to the year ended June 30, 2023.

**Parking Facilities Fund** – The net position of the Parking Facilities Fund for the year ended June 30, 2024, increased by approximately \$211,000.

**Table 4**  
**Parking Facilities Fund Revenue and Expenses**  
**Years Ended June 30, 2024 and June 30, 2023**

	Year Ended June 30,	
	2024	2023
<b>Revenues</b>		
Total operating revenues	\$ 9,580,887	\$ 9,056,863
Non-operating revenues	965,658	404,720
Gain on sale of assets	8,250	8,250
Total revenues	10,554,795	9,469,833
<b>Expenses</b>		
Total operating expenses	7,989,924	6,950,467
Interest and amortization expense	1,315,712	1,378,192
Transfers, net	1,037,916	1,232,956
Total expenses	10,343,552	9,561,615
Change in net position	\$ 211,243	\$ (91,782)

Total operating revenues, which primarily consist of parking fees and fines, increased by approximately \$524,000, or 6%, to \$9,581,000. The increase in operating revenues was due to an increase in traffic and non-moving violations during the year ended June 30, 2024. Nonoperating revenue increased by approximately \$561,000 due primarily to increased investment income based on market performance in each year. Total revenues for the year ended June 30, 2024, increased approximately \$1,085,000, or 11%, to \$10,555,000.

Total operating expenses increased by approximately \$1,039,000, or 15%, to \$7,990,000 when compared to the year ended June 30, 2023. Interest and amortization expense decreased in fiscal year 2024 by approximately \$62,000, or 5%, when compared to fiscal year 2023. Total expenses increased by approximately \$782,000, or 8%, to \$10,344,000.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

**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, 2024, the City's governmental funds reported combined ending fund balances of approximately \$164,905,000, an increase of approximately \$5,169,000. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2024, the City's governmental funds had an unassigned fund balance of approximately \$15,868,000, a decrease of approximately \$2,266,000 compared to the year ended June 30, 2023.

The General Fund is the chief operating fund of the City. During the year ended June 30, 2024, the fund balance of the general fund increased by approximately \$2,399,000 to approximately \$51,234,000. Total revenues increased approximately \$10,396,000 (7%) from the prior year. Local option sales taxes increased approximately \$4,216,000 due to an increase in taxable properties during the current year. Licenses and permits increased by approximately \$5,585,000. Total expenditures increased by approximately \$14,438,000 (10%) from the prior year, due primarily to increased expenses for general government and public safety. Other financing sources increased by approximately \$13,338,000, primarily due to significant transfers to other funds in the prior year. In addition, other financing sources included the issuance of a finance lease in the amount of \$9,000,000 for the year ended June 30, 2024.

The unassigned fund balance of governmental funds, which is available for use without restriction, decreased by approximately \$2,266,000 to approximately \$15,868,000. Unrestricted fund balance is the combination of unassigned fund balance (\$15,868,000), assigned fund balance (\$48,254,000), and committed fund balance (\$5,552,000), and totals approximately \$69,674,000. The fund balance in the general fund is comprised of approximately \$15,951,000 in restricted fund balance, \$753,000 in nonspendable fund balance, \$5,552,000 in committed fund balance, \$5,521,000 in assigned fund balance, and \$23,456,000 in unassigned fund balance. As a measure of liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

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

Revenue payments from Richland County for the year ended June 30, 2024, increased by approximately \$2,659,000. Revenue payments to the City from Richland County are based on the agreed upon budgeted amounts. Expenditures for the year ended June 30, 2024, increased by approximately \$2,504,000. If actual expenditures exceed the expected amounts during the fiscal year, the City can try and recover some of these costs in subsequent year contract negotiations.

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

**General Fund Budgetary Highlights**

The General Fund is the principal operating fund of the City and is used to account for all activities of the City not otherwise accounted for by a specified fund. It is also the largest of the City's funds and is mostly comprised of general tax revenues and license and permit fees. Over the course of the fiscal year, the City revises its budget to address unanticipated changes in revenues and expenditures.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

The City provides basic city services such as police, fire, parks and recreation, and other public services. Each department budget must be developed and justified annually during the legally required budget adoption process. Total General Fund revenues and other financing sources for the year ended June 30, 2024, were approximately \$179,544,000, approximately \$7,630,000, or 4%, less than the final budget of approximately \$187,173,000. The decrease in total revenues and other financing sources was primarily the result of the unappropriated surplus being less than budgeted.

Total General Fund expenditures and other financing uses were approximately \$177,144,000 for the year ended June 30, 2024, approximately \$10,029,000, or 5%, less than the final budgeted expenditures and other financing uses of approximately \$187,173,000. The decrease in total expenditures and other financing uses was primarily the result of transfers to other funds being less than budgeted.

**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, 2024, totaled \$1,593,213,371 net of accumulated depreciation and amortization. This investment in capital assets includes land, buildings, infrastructure, construction in progress, machinery and equipment, subscription information technology assets, and right to use leased assets. The net increase in the City's investment in capital assets for the year ended June 30, 2024, was approximately \$122,953,000, or 8%.

Major capital asset events during the year ended June 30, 2024, included the following:

- Land increased by approximately \$4,052,000. The land additions included Roslyn Drive, Burwell Lane and Oxford road.
- Construction in progress (CIP) increased by a net of approximately \$30,438,000. The projects with the most significant additions included the Saluda River Force Main extension, Crane Creek capacity upgrade, Finlay Park renovation, multiple other park improvement projects, and the Broad River Basin project. There was an approximate increase of \$15,712,000 in the governmental CIP balance and \$14,726,000 in the business-type activities CIP balance.
- Subscription information technology assets decreased by a net of approximately \$2,539,000 during the year ended June 30, 2024, primarily due to amortization in the current year.
- Right to use leased assets increased by a net of approximately \$51,374,000 during the year ended June 30, 2024, due to new lease additions totaling approximately \$52,316,000, less amortization of approximately \$942,000. The significant addition includes the multi-year lease at 400 Laurel.
- Buildings and improvements additions totaled approximately \$92,941,000 during the year ended June 30, 2024. Significant additions included improvements to water lines in the Water and Sewer Fund and storm drain improvements in the Stormwater Facilities Fund. There were no significant disposals of buildings and improvements during the current fiscal year.
- Machinery and equipment additions totaled approximately \$15,046,000 during the year ended June 30, 2024. These additions consisted mainly of vehicles, security systems and devices for the police department, and playground equipment. Disposals consisted mainly of fully depreciated vehicles.
- Depreciation and amortization expense of capital assets totaled approximately \$70,571,000 for the City as a whole.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

Capital assets, net of depreciation and amortization, for the governmental and business-type activities are as follows:

**Table 5**  
**Capital Assets (Net of Depreciation and Amortization)**  
**As of June 30, 2024 and June 30, 2023**

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2024	As of June 30, 2023	As of June 30, 2024	As of June 30, 2023	As of June 30, 2024	As of June 30, 2023
Land	\$ 41,585,550	\$ 41,585,545	\$ 37,061,283	\$ 33,009,037	\$ 78,646,833	\$ 74,594,582
Construction in progress	41,097,163	25,384,894	164,261,488	149,535,513	205,358,651	174,920,407
Subscription information technology assets	3,410,620	4,430,110	16,524,222	18,043,920	19,934,842	22,474,030
Right to use leased assets	51,580,882	169,161	5,024,147	5,062,169	56,605,029	5,231,330
Buildings and improvements	156,269,904	163,731,826	1,023,519,705	978,878,340	1,179,789,609	1,142,610,166
Infrastructure	16,740,825	18,545,771	-	-	16,740,825	18,545,771
Machinery and equipment	21,728,580	18,873,203	14,409,002	13,010,732	36,137,582	31,883,935
<b>Total</b>	<b>\$ 332,413,524</b>	<b>\$ 272,720,510</b>	<b>\$ 1,260,799,847</b>	<b>\$ 1,197,539,711</b>	<b>\$ 1,593,213,371</b>	<b>\$ 1,470,260,221</b>

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

**Long-term debt** – The City's long-term debt reflected a net increase of approximately \$29,710,000, or 3%, as shown in Table 6. This net increase was the result of approximately \$117,409,000 in principal payments and approximately \$3,265,000 in amortization of bond premiums and discounts. In addition, a finance lease in the amount of \$9,000,000 was issued in the governmental funds. A revenue bond in the amount of \$126,735,000 with a premium of approximately \$16,649,000 was issued in the business-type funds.

Principal payments of approximately \$10,779,000 were made on governmental activities bonds, notes payable, and finance leases. Principal payments of approximately \$106,630,000 were made on business-type activity revenue bonds. This includes the defeasance of the Series 2009 Water and Sewer Revenue Bond with the proceeds from the new Series 2023B Revenue Bond. The amount defeased related to this bond was \$80,785,000. The previous swap agreement was also terminated as part of the transaction.

Total governmental activities debt had a net decrease of approximately \$1,854,000, while business-type activities debt had a net increase of approximately \$31,564,000.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

**Table 6**  
**Outstanding Indebtedness**  
**As of June 30, 2024 and June 30, 2023**

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2024	As of June 30, 2023	As of June 30, 2024	As of June 30, 2023	As of June 30, 2024	As of June 30, 2023
Notes payable	\$ 150,000	\$ 225,000	\$ -	\$ -	\$ 150,000	\$ 225,000
General obligation bonds	20,710,000	22,995,000	-	-	20,710,000	22,995,000
Bond premiums	917,010	1,012,107	-	-	917,010	1,012,107
Revenue bonds	86,335,000	88,590,000	-	-	86,335,000	88,590,000
Bond discounts	(140,000)	(160,000)	-	-	(140,000)	(160,000)
Parking Facilities revenue bonds	-	-	30,095,000	31,830,000	30,095,000	31,830,000
Waterworks and Sewer System revenue bonds	-	-	751,730,000	729,130,000	751,730,000	729,130,000
Bond premiums	-	-	59,803,319	48,169,057	59,803,319	48,169,057
Stormwater System revenue bonds	-	-	34,645,000	35,405,000	34,645,000	35,405,000
Bond premiums	-	-	4,144,801	4,320,552	4,144,801	4,320,552
Finance Leases Payable	27,516,955	24,680,508	-	-	27,516,955	24,680,508
<b>Total</b>	<b>\$ 135,488,965</b>	<b>\$ 137,342,615</b>	<b>\$ 880,418,120</b>	<b>\$ 848,854,609</b>	<b>\$ 1,015,907,085</b>	<b>\$ 986,197,224</b>

As noted earlier, the City's underlying bond rating for its general obligation debt issues was an "AA+" by Standard and Poor's and "Aa1" by Moody's. The underlying bond rating for its Water and Sewer revenue bonds as of June 30, 2024, 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, 2024, were rated "A-" by Standard and Poor's Rating Service and "A1" by Moody's Investor Service, Inc. Stormwater revenue bonds received a rating of "Aa2" from Moody's Rating Service and "AA+" from Standard and Poor's Rating Service.

Article X, Section 14 of the State Constitution limits the amount of general obligation debt a governmental entity may issue to 8% of its assessed property value. The City as of June 30, 2024, had \$20,710,000 in debt subject to this limitation which is less than the \$57,387,997 allowed without approval by the voters in the City.

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

**Economic Factors and Next Year's Budget**

The City's financial condition remained strong as of June 30, 2024. The City continues to have low unemployment at 3.5%, growth in population and growth in gross domestic product. The uncertainty of the past four years concerning the economic outlook and the impact on City revenues resulting from the COVID-19 pandemic has been minimized and is reflected by increased spending in the fiscal year 2025 budget for the priorities set by council.

The City's adopted operating budget for all funds for the year ending June 30, 2025, is \$444,888,236. The adopted budget for the General Fund for the year ending June 30, 2025, is \$188,781,113. This represents an increase from the prior budget year in the amount of \$18,189,800 or 10.7%. Revenues are budgeted at an increase of \$8,388,170 or 5.7%. The largest increase is expected to be property tax which is projected to increase \$7,067,376 or 11.0%. Licenses & permits is expected to increase \$641,729. The fiscal year 2025 budget reflects funding with a focus on investments in the City Council's Strategic Outcomes.

The General Fund millage rate for fiscal year 2025 remains at 93.8 mills, no change from the prior year. The City has included use of fund balance in the amount of \$3,000,000 and the use of American Rescue Plan funds of \$2,500,000.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

Key elements that factored into the preparation of the fiscal year 2025 budget are based on the Strategic Outcomes as detailed below:

- Economic Growth
  - Implementing the Economic Development Strategic Plan and restructured functions to include filling key staff positions in real estate and business recruitment, a renewed focus on urban recruitment of multi-family housing, mixed use retail, restaurants and hotel.
  - Working with community partners to provide educational events and technical assistance to help develop our small business community.
  
- Safe communities
  - The ability to retain and recruit Public Safety employees is critical for a safe, thriving community. Competitive pay plan for firefighters based on a new pay structure that incorporates salary progressions through steps.
  - Continue to improve our utilization of technology in delivery of public safety services.
  - Executed phase of retention and recruitment efforts by implementing alternative service delivery solutions and a marketing strategy.
  
- Organizational effectiveness - Investing in city employees / city services / customer services
  - Attracting, training and retaining a competent, high-quality workforce is essential to being a high performing organization.
  - City Manager's Retention and Recruitment Initiative
  
- Communications
  - Work with a professional communications and marketing firm, investments in developing and implementing a comprehensive communication strategy that will showcase the City as a great destination to live, work, play, and conduct business.
  
- Beautification and Appearance
  - Expansion of beautification initiative in addressing our gateways, main thoroughfares and medians with painting, planting and cleanings
  
- Built Infrastructure
  - Continuation of capital replacement program for rolling stock and technology upgrades.
  - Provide funding for Capital Improvement Program addressing water quality, sewer system rehabilitation, storm drain and nuisance flooding.
  
- Vibrant Community
  - Public art initiative in our neighborhood districts
  - Focus on quantifying the many services provided for special events and the assistance provided to event organizers by reviewing the various functions and developing a needed permitting and fee structure.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**JUNE 30, 2024**

**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, 2024

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
Current assets				
Cash and equivalents	\$ 235,992,028	\$ 235,882,336	\$ 471,874,364	\$ 19,675,217
Certificates of deposit	-	-	-	4,323,731
Cash on deposit with escrow agent	-	-	-	521,975
Investments	20,121,024	94,832,683	114,953,707	-
Receivables				
Property taxes, net of allowance	2,938,726	-	2,938,726	-
Federal government	4,629,989	60	4,630,049	-
State government	5,067,346	63,982	5,131,328	-
Accounts, net of allowance	13,096,636	17,140,627	30,237,263	1,914,198
Lease receivable, current portion	1,279,821	90,927	1,370,748	119,192
Accrued interest	1,562,807	7,346,397	8,909,204	2,043
Mortgage notes, net of allowance	-	-	-	39,985
Due from component units	-	200,000	200,000	-
Due from grantee agency	6	-	6	-
Due from related party	-	-	-	36,327
Internal balances	49,628,843	(49,628,843)	-	-
Prepaid expenses	1,113,253	317,608	1,430,861	382,336
Inventory	1,069,749	3,947,287	5,017,036	-
Real estate held for sale and development	-	1,029,986	1,029,986	-
Restricted assets				
Restricted cash	15,339,556	-	15,339,556	45,114
Restricted investments	19,933,735	1,106,147	21,039,882	-
Real estate held for sale and development	-	-	-	19,800
<b>Total current assets</b>	<b>371,773,519</b>	<b>312,329,197</b>	<b>684,102,716</b>	<b>27,079,918</b>
Noncurrent assets				
Cash on deposit with escrow agent	-	-	-	8,909,913
Restricted investments	21,408,952	50,579,836	71,988,788	-
Lease receivable, net of current portion	4,548,358	4,602,650	9,151,008	252,058
Mortgage notes receivable, net of current portion	-	20,570,721	20,570,721	1,693,599
Other assets				
Prepaid bond insurance costs	-	157,276	157,276	-
Real estate held for sale or development	-	-	-	1,258,869
Notes receivable	-	-	-	408,000
Security deposits	-	-	-	2,000
Investment in joint venture	-	-	-	100
Capital assets not being depreciated or amortized				
Land	41,585,550	37,061,283	78,646,833	4,076,949
Construction in progress	41,097,163	164,261,488	205,358,651	-
Capital assets, net of accumulated depreciation and amortization				
Subscription information technology assets	3,410,620	16,524,222	19,934,842	-
Right to use leased assets	51,580,882	5,024,147	56,605,029	132,990
Buildings, improvements and utility plant	156,269,904	1,023,519,705	1,179,789,609	7,787,118
Infrastructure	16,740,825	-	16,740,825	-
Machinery and equipment	21,728,580	14,409,002	36,137,582	-
<b>Total noncurrent assets</b>	<b>358,370,834</b>	<b>1,336,710,330</b>	<b>1,695,081,164</b>	<b>24,521,596</b>
<b>TOTAL ASSETS</b>	<b>730,144,353</b>	<b>1,649,039,527</b>	<b>2,379,183,880</b>	<b>51,601,514</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	203,104	54,521,867	54,724,971	-
Deferred outflows related to other postemployment benefits liability	57,823,822	19,521,844	77,345,666	-
Deferred outflows related to net pension liability	25,925,270	8,779,777	34,705,047	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>83,952,196</b>	<b>82,823,488</b>	<b>166,775,684</b>	<b>-</b>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
June 30, 2024

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued expenses	\$ 11,254,385	\$ 24,734,460	\$ 35,988,845	\$ 1,027,284
Accrued salaries and benefits	10,112,030	2,648,065	12,760,095	-
Accrued liability for claims	24,723,102	23,600	24,746,702	-
Accrued interest	799,166	13,860,189	14,659,355	-
Retainage payable	2,525	7,723,049	7,725,574	-
Unearned revenue	709,774	95,531	805,305	1,869,169
Due to primary government	-	-	-	200,000
Refundable advances	13,072,001	-	13,072,001	-
Compensated absences, current portion	2,016,126	433,335	2,449,461	235,185
Due to others	56,143	-	56,143	-
Deposits payable	26,594	3,052,141	3,078,735	64,364
Subscription information technology liability, current portion	575,296	727,026	1,302,322	-
Lease liability, current portion	111,036	125,020	236,056	47,259
Note payable, current portion	75,000	-	75,000	172,150
General obligation bonds, current portion	2,395,000	-	2,395,000	-
Revenue bonds, current portion	2,470,000	26,190,000	28,660,000	-
Obligation under finance leases, current portion	6,477,651	-	6,477,651	-
Forgivable loan	-	69,798	69,798	-
<b>Total current liabilities</b>	<b>74,875,829</b>	<b>79,682,214</b>	<b>154,558,043</b>	<b>3,615,411</b>
Noncurrent liabilities				
Compensated absences, net of current portion	8,064,503	1,733,339	9,797,842	54,958
Net pension liability	154,217,532	51,582,351	205,799,883	-
Total OPEB liability	191,596,829	62,715,298	254,312,127	-
Subscription information technology liability, net of current portion	1,985,454	15,225,028	17,210,482	-
Lease liability, net of current portion	51,924,386	5,103,265	57,027,651	89,289
Note payable, net of current portion	75,000	-	75,000	2,655,955
General obligation bonds, net of current portion	19,232,010	-	19,232,010	-
Revenue bonds, net of current portion	83,725,000	854,228,120	937,953,120	-
Obligation under finance leases, net of current portion	21,039,304	-	21,039,304	-
<b>Total noncurrent liabilities</b>	<b>531,860,018</b>	<b>990,587,401</b>	<b>1,522,447,419</b>	<b>2,800,202</b>
<b>TOTAL LIABILITIES</b>	<b>606,735,847</b>	<b>1,070,269,615</b>	<b>1,677,005,462</b>	<b>6,415,613</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to net pension liability	11,684,341	4,687,037	16,371,378	-
Deferred inflows related to other postemployment benefits liability	45,238,658	15,272,980	60,511,638	-
Deferred inflow - leases	5,602,419	4,504,907	10,107,326	364,801
Deferred inflow - property sale	50,000	-	50,000	-
Deferred inflow - property tax credit	4,272,597	-	4,272,597	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>66,848,015</b>	<b>24,464,924</b>	<b>91,312,939</b>	<b>364,801</b>
<b>NET POSITION</b>				
Net investment in capital assets	179,992,475	456,580,042	636,572,517	9,032,404
Restricted for				
Capital projects	35,481,426	-	35,481,426	-
Debt service	3,382,148	1,106,147	4,488,295	-
General government	40,553,000	-	40,553,000	-
Tourism	11,822,694	-	11,822,694	8,575,282
Parks and recreation	1,500,000	-	1,500,000	-
Public safety	632,082	-	632,082	-
Community development				
Expendable	995,235	-	995,235	5,519,332
Nonexpendable	5,569	-	5,569	-
Unrestricted	(133,851,942)	179,442,287	45,590,345	21,694,082
<b>TOTAL NET POSITION</b>	<b>\$ 140,512,687</b>	<b>\$ 637,128,476</b>	<b>\$ 777,641,163</b>	<b>\$ 44,821,100</b>

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

**CITY OF COLUMBIA, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2024**

FUNCTIONS/PROGRAMS	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Operating Grants and Contributions		Capital Grants and Contributions	Primary Government			Component Units
		Charges for Services			Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities								
General government	\$ 25,643,889	\$ 51,804,800	\$ 98,696	\$ 1,727,427	\$ 27,987,034	\$ -	\$ 27,987,034	\$ -
Judicial	4,211,349	-	-	-	(4,211,349)	-	(4,211,349)	-
Finance department	2,106,209	-	-	-	(2,106,209)	-	(2,106,209)	-
Community promotions	262,375	-	-	-	(262,375)	-	(262,375)	-
Planning and development	8,751,848	-	-	-	(8,751,848)	-	(8,751,848)	-
Public safety	115,623,850	59,104,070	9,249,577	-	(47,270,203)	-	(47,270,203)	-
Parks and recreation	18,122,073	923,177	-	11,561,326	(5,637,570)	-	(5,637,570)	-
Public services	20,484,529	472,286	-	-	(20,012,243)	-	(20,012,243)	-
General services	3,691,935	443,874	-	-	(3,248,061)	-	(3,248,061)	-
Tourism and community development	23,643,448	-	1,830,612	436,040	(21,376,796)	-	(21,376,796)	-
Interest and other fiscal charges	3,958,243	-	-	-	(3,958,243)	-	(3,958,243)	-
Unallocated depreciation	2,521,559	-	-	-	(2,521,559)	-	(2,521,559)	-
Total governmental activities	<u>229,021,307</u>	<u>112,748,207</u>	<u>11,178,885</u>	<u>13,724,793</u>	<u>(91,369,422)</u>	<u>-</u>	<u>(91,369,422)</u>	<u>-</u>
Business-type activities								
Water/sewer facilities	186,069,357	186,550,503	4,990,672	6,145,180	-	11,616,998	11,616,998	-
Hydro-electric plant	791,760	-	-	-	-	(791,760)	(791,760)	-
Stormwater facilities	13,025,916	17,499,562	-	-	-	4,473,646	4,473,646	-
Parking facilities	9,680,761	9,662,787	-	-	-	(17,974)	(17,974)	-
Redevelopment programs	397,625	657,522	-	-	-	259,897	259,897	-
Parks and recreation camps	486,465	320,062	-	-	-	(166,403)	(166,403)	-
Total business-type activities	<u>210,451,884</u>	<u>214,690,436</u>	<u>4,990,672</u>	<u>6,145,180</u>	<u>-</u>	<u>15,374,404</u>	<u>15,374,404</u>	<u>-</u>
Total Primary Government	<u>\$ 439,473,191</u>	<u>\$ 327,438,643</u>	<u>\$ 16,169,557</u>	<u>\$ 19,869,973</u>	<u>(91,369,422)</u>	<u>15,374,404</u>	<u>(75,995,018)</u>	<u>-</u>
COMPONENT UNITS	<u>\$ 15,174,277</u>	<u>\$ 15,821,199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>646,922</u>
General revenues:								
General property taxes					36,709,380	-	36,709,380	-
Local option sales tax					31,058,772	-	31,058,772	-
Hospitality and admission taxes					16,499,786	-	16,499,786	-
Accommodations tax					3,612,420	-	3,612,420	-
Tourism development revenue					4,935,752	-	4,935,752	-
Liquor permit revenue					387,505	-	387,505	-
State shared revenue					3,361,499	-	3,361,499	-
Appropriations - City of Columbia					-	-	-	1,498,775
Unrestricted investment income					7,763,579	22,926,931	30,690,510	1,023,839
Gain on disposal of capital assets					248,417	359,525	607,942	2,200
Donation of capital assets					185,632	-	185,632	-
Insurance recoveries					211,147	-	211,147	-
Gain on debt forgiveness					-	-	-	592,765
Other revenues					400,493	-	400,493	42,236
Transfers					10,826,382	(10,826,382)	-	-
Total general revenues and transfers					<u>116,200,764</u>	<u>12,460,074</u>	<u>128,660,838</u>	<u>3,159,815</u>
Change in net position					24,831,342	27,834,478	52,665,820	3,806,737
Net position - beginning of period, as previously presented					115,681,345	609,293,998	724,975,343	41,688,918
Change within financial reporting entity (former component unit)					-	-	-	(674,555)
Net position - beginning of period, as adjusted					<u>115,681,345</u>	<u>609,293,998</u>	<u>724,975,343</u>	<u>41,014,363</u>
Net position - end of period					<u>\$ 140,512,687</u>	<u>\$ 637,128,476</u>	<u>\$ 777,641,163</u>	<u>\$ 44,821,100</u>

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

**CITY OF COLUMBIA, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2024**

	General Fund	County Services Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 38,235,018	\$ -	\$ 86,432,592	\$ 124,667,610
Restricted cash	15,339,556	-	-	15,339,556
Investments	9,236,135	-	10,884,889	20,121,024
Restricted investments	-	-	41,342,687	41,342,687
Receivables				
Property taxes, net	2,938,726	-	-	2,938,726
Federal government	2,433,246	-	2,196,743	4,629,989
State government	5,065,302	-	1,944	5,067,246
Accounts, net	315,900	4,866,664	6,948,177	12,130,741
Accrued interest	719,981	-	842,826	1,562,807
Lease receivable	5,828,179	-	-	5,828,179
Due from other funds	-	-	4,961,146	4,961,146
Due from grantee agency	-	-	6	6
Prepaid charges	753,361	105,069	-	858,430
<b>TOTAL ASSETS</b>	<b>\$ 80,865,404</b>	<b>\$ 4,971,733</b>	<b>\$ 153,611,010</b>	<b>\$ 239,448,147</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 3,807,425	\$ 322,725	\$ 6,137,164	\$ 10,267,314
Accrued salaries and benefits	8,156,444	1,523,336	92,827	9,772,607
Retainage payable	-	-	2,525	2,525
Refundable advances	-	-	13,072,001	13,072,001
Due to other funds	4,502,478	8,245,434	15,515,909	28,263,821
Due to others	56,143	-	-	56,143
Customer deposits	26,594	-	-	26,594
Advances from other funds	1,150,042	-	-	1,150,042
Total liabilities	17,699,126	10,091,495	34,820,426	62,611,047
<b>Deferred inflows of resources</b>				
Deferred revenue - deferred property tax credit	4,272,597	-	-	4,272,597
Deferred revenue - property sale	50,000	-	-	50,000
Unavailable revenue - property taxes	2,007,472	-	-	2,007,472
Deferred inflow - leases	5,602,419	-	-	5,602,419
Total deferred inflows of resources	11,932,488	-	-	11,932,488
<b>Fund balances</b>				
Nonspendable	753,361	105,069	5,569	863,999
Restricted	15,950,949	-	78,415,636	94,366,585
Committed	5,552,305	-	-	5,552,305
Assigned	5,521,227	-	42,732,772	48,253,999
Unassigned	23,455,948	(5,224,831)	(2,363,393)	15,867,724
Total fund balances (deficits)	51,233,790	(5,119,762)	118,790,584	164,904,612
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 80,865,404</b>	<b>\$ 4,971,733</b>	<b>\$ 153,611,010</b>	<b>\$ 239,448,147</b>

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2024**

Total fund balance, governmental funds		\$ 164,904,612
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net position.		
Land	\$ 41,585,550	
Construction in progress	41,097,163	
Subscription information technology assets	3,410,620	
Right to use leased assets	51,580,882	
Buildings and improvements, net	156,269,904	
Infrastructure, net	16,740,825	
Machinery and equipment, net	21,728,580	
Less: Net capital assets reported in the Internal Service Funds	(379,584)	332,033,940
Certain other long-term deferred outflows are not available to pay current period expenditures and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net position.		
Unamortized deferred change on refunding	\$ 203,104	
Pension related deferred outflows	25,925,270	
Less: Pension related deferred outflows reported in the Internal Service Funds	(912,076)	25,216,298
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.		
		2,007,472
Certain intergovernmental revenues will be collected before year end, but are not able to be recognized on the government-wide statements until the expense is recognized and are deferred on the government-wide statements.		
		(709,774)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		(80,894,329)
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.		
		58,775,175
Some liabilities (such as notes and bonds payable, lease and subscription liabilities, compensated absences, and net pension liability) are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the statement of net position.		
Accrued compensated absences	\$ (10,080,629)	
Less: Compensated absences reported in the Internal Service Funds	408,913	
Accrued interest payable	(797,838)	
Net pension liability	(154,217,532)	
Less: Net pension liability reported in the Internal Service Funds	4,836,164	
Bonds and note payable	(107,195,000)	
Finance leases payable	(27,516,955)	
Lease liability	(52,035,422)	
Less: Lease liability reported in the Internal Service Funds	53,292	
Subscription liability	(2,560,750)	
Less: Subscription liability reported in the Internal Service Funds	171,729	
Unamortized discount	140,000	
Unamortized premium	(917,010)	(349,711,038)
Other long term deferred inflows related to pension expense do not consume current financial resources and are, therefore, not reported in the fund financial statements:		
Pension related deferred inflows	\$ (11,684,341)	
Less: Pension related deferred inflows reported in the Internal Service Funds	574,672	(11,109,669)
<b>Net position of governmental activities in the statement of net position</b>		<b>\$ 140,512,687</b>

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2024**

	General Fund	County Services Fund	Formerly Major Fund - State Appropriations Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
General property taxes	\$ 35,394,337	\$ -	\$ -	\$ 1,159,840	\$ 36,554,177
Local option sales tax	31,058,772	-	-	-	31,058,772
Hospitality and admission taxes	10,844	-	-	16,488,942	16,499,786
Accommodations tax	-	-	-	3,612,420	3,612,420
Tourism development fee	-	-	-	4,935,752	4,935,752
Liquor permit fee	-	-	-	387,505	387,505
Licenses and permits	34,353,509	-	-	-	34,353,509
Franchise fees	13,880,762	-	-	-	13,880,762
Intergovernmental revenue	20,327,782	-	-	12,423,875	32,751,657
Charges for services	18,348,126	-	-	19,523	18,367,649
Fines and forfeitures	337,205	-	-	117,484	454,689
Federal government	88,096	-	-	10,981,953	11,070,049
County government	-	27,133,321	-	-	27,133,321
Private grants	10,600	-	-	1,399,154	1,409,754
Lease revenue	1,591,993	-	-	-	1,591,993
Investment income	2,034,909	-	-	3,351,652	5,386,561
Other revenues	240,705	-	-	159,788	400,493
<b>Total revenues</b>	<b>157,677,640</b>	<b>27,133,321</b>	<b>-</b>	<b>55,037,888</b>	<b>239,848,849</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General government	15,257,907	-	-	207,854	15,465,761
Judicial	4,106,999	-	-	-	4,106,999
Finance department	2,077,443	-	-	-	2,077,443
Planning and development	3,997,321	-	-	4,634,999	8,632,320
Public safety	80,502,890	28,348,482	-	1,207,940	110,059,312
Parks and recreation	14,414,483	-	-	1,739,068	16,153,551
Public services	19,813,158	-	-	250,308	20,063,466
General services	3,613,417	-	-	-	3,613,417
Tourism and community development	5,073,429	-	-	18,247,108	23,320,537
Community promotions	258,792	-	-	-	258,792
<b>Debt service</b>					
Principal payment on bonds	6,163,553	-	-	4,615,000	10,778,553
Interest on bonds	565,427	-	-	3,345,423	3,910,850
Debt issuance costs	-	-	-	1,548	1,548
Fiscal agent charges	-	-	-	16,065	16,065
<b>Capital outlay</b>					
Capital outlay	8,932,485	-	-	18,033,075	26,965,560
<b>Total expenditures</b>	<b>164,777,304</b>	<b>28,348,482</b>	<b>-</b>	<b>52,298,388</b>	<b>245,424,174</b>
(Deficiency) excess of revenues (under) over expenditures	(7,099,664)	(1,215,161)	-	2,739,500	(5,575,325)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	12,381,454	1,243,691	-	35,570,811	49,195,956
Transfers (out)	(12,366,938)	-	-	(35,569,645)	(47,936,583)
Proceeds from sale of general capital assets	273,499	-	-	-	273,499
Issuance of finance lease	9,000,000	-	-	-	9,000,000
Insurance recoveries	211,147	-	-	-	211,147
<b>Total other financing sources</b>	<b>9,499,162</b>	<b>1,243,691</b>	<b>-</b>	<b>1,166</b>	<b>10,744,019</b>
<b>Net change in fund balances (deficit)</b>	<b>2,399,498</b>	<b>28,530</b>	<b>-</b>	<b>2,740,666</b>	<b>5,168,694</b>
Beginning fund balances (deficit), as previously presented	48,834,292	(5,148,292)	35,674,500	80,375,418	159,735,918
Change within financial reporting entity (major to nonmajor fund)	-	-	(35,674,500)	35,674,500	-
Beginning fund balances (deficit), as adjusted	48,834,292	(5,148,292)	-	116,049,918	159,735,918
<b>Ending fund balances (deficit)</b>	<b>\$ 51,233,790</b>	<b>\$ (5,119,762)</b>	<b>\$ -</b>	<b>\$ 118,790,584</b>	<b>\$ 164,904,612</b>

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2024**

Net change in fund balances - total governmental funds		\$ 5,168,694
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	\$ 26,965,560	
Capital assets donated	185,632	
Depreciation expense	(18,890,662)	
Less: depreciation expense reported in the Internal Service Funds	96,047	8,356,577
<p>Certain lease activities reported in the statement of activities do not require the use of current financial resources, and these are not reported in governmental funds.</p>		
		255,858
<p>Certain subscription activities reported in the statement of activities do not require the use of current financial resources, and these are not reported in governmental funds.</p>		
		266,654
<p>In the Statement of Activities, the gain or loss on disposal of capital assets is reported. Conversely, governmental funds do not report gain or loss on the disposal of capital assets.</p>		
Net book value of disposed capital assets		(27,382)
<p>Internal service funds are used by management to charge costs of certain activities to individual funds. The change in net income of the internal service funds is included in governmental activities in the statement of activities.</p>		
		(4,801,285)
<p>Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.</p>		
Property tax		155,203
<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 finance lease issued	\$ (9,000,000)	
Principal payments of long-term debt	10,778,553	
Amortization of premium	95,097	
Amortization of discount	(20,000)	
Amortization of bond refunding deferred charge	(134,417)	1,719,233
<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	\$ (925,996)	
Pension expense	6,510,014	
Accrued interest payable	29,540	5,613,558
<p>Eliminations in the consolidation of internal service funds resulted in a net increase in expenses for the business-type activities in the statement of activities.</p>		
		8,124,232
<b>Change in net position of governmental activities</b>		<b>\$ 24,831,342</b>

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
June 30, 2024

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
	Water/Sewer	Parking	Nonmajor	Total	Internal
	Facilities Fund	Facilities Fund	Enterprise Funds		Service Funds
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 191,974,778	\$ 7,289,328	\$ 36,618,230	\$ 235,882,336	\$ 111,324,418
Investments	69,297,286	4,295,542	21,239,855	94,832,683	-
Restricted investments	-	348	1,105,799	1,106,147	-
Accounts receivable, net	16,926,737	145,356	68,534	17,140,627	965,895
Accrued interest receivable	5,372,662	332,020	1,641,715	7,346,397	-
Lease receivable, current portion	90,927	-	-	90,927	-
Due from federal government	60	-	-	60	-
Due from state government	63,982	-	-	63,982	100
Due from other funds	35,085,126	-	-	35,085,126	17,043,524
Due from component units	200,000	-	-	200,000	-
Inventory	3,875,891	71,396	-	3,947,287	1,069,749
Prepaid expenses	276,680	9,000	31,928	317,608	254,823
Real estate held for resale	-	-	1,029,986	1,029,986	-
<b>Total current assets</b>	<b>323,164,129</b>	<b>12,142,990</b>	<b>61,736,047</b>	<b>397,043,166</b>	<b>130,658,509</b>
<b>Noncurrent assets</b>					
Mortgage notes receivable, net	183,384	-	20,387,337	20,570,721	-
Restricted Investments	25,934,652	-	24,645,184	50,579,836	-
Prepaid bond insurance costs	-	157,276	-	157,276	-
Advances to other funds	1,150,042	-	-	1,150,042	-
Lease receivable, net of current portion	4,602,650	-	-	4,602,650	-
<b>Capital assets</b>					
Subscription information technology asset	18,377,406	-	-	18,377,406	224,966
Right to use leased assets	379,758	5,362,497	-	5,742,255	211,913
Land	15,619,326	16,806,856	4,635,101	37,061,283	-
Buildings, improvements and utility plant	1,589,063,863	74,372,994	63,877,052	1,727,313,909	914,576
Machinery and equipment	87,800,466	2,844,442	6,394,814	97,039,722	1,564,148
Less accumulated depreciation and amortization	(732,422,951)	(32,832,610)	(23,740,655)	(788,996,216)	(2,536,019)
Construction in progress	148,996,673	1,398,404	13,866,411	164,261,488	-
<b>Net capital assets</b>	<b>1,127,814,541</b>	<b>67,952,583</b>	<b>65,032,723</b>	<b>1,260,799,847</b>	<b>379,584</b>
<b>Total noncurrent assets</b>	<b>1,159,685,269</b>	<b>68,109,859</b>	<b>110,065,244</b>	<b>1,337,860,372</b>	<b>379,584</b>
<b>TOTAL ASSETS</b>	<b>1,482,849,398</b>	<b>80,252,849</b>	<b>171,801,291</b>	<b>1,734,903,538</b>	<b>131,038,093</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	54,521,867	-	-	54,521,867	-
Deferred outflows related to other postemployment benefits liability	16,812,017	1,161,922	1,547,905	19,521,844	57,823,822
Deferred outflows related to net pension liability	7,501,205	565,788	712,784	8,779,777	912,076
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>78,835,089</b>	<b>1,727,710</b>	<b>2,260,689</b>	<b>82,823,488</b>	<b>58,735,898</b>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS (CONTINUED)**  
**June 30, 2024**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
	Water/Sewer	Parking	Nonmajor	Total	Internal
	Facilities Fund	Facilities Fund	Enterprise Funds		Service Funds
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 22,586,150	\$ 59,174	\$ 2,089,136	\$ 24,734,460	\$ 987,071
Accrued salaries and benefits	2,187,450	168,283	292,332	2,648,065	339,423
Compensated absences, current portion	379,876	30,509	22,950	433,335	81,783
Retainage payable	6,903,195	-	819,854	7,723,049	-
Subscription information technology liability, current portion	727,026	-	-	727,026	62,821
Lease liability, current portion	15,305	109,715	-	125,020	53,292
Accrued interest payable	12,620,345	533,344	706,500	13,860,189	1,328
Revenue bonds payable, current portion	23,595,000	1,800,000	795,000	26,190,000	-
Forgivable loan	69,798	-	-	69,798	-
Due to other funds	-	17,043,524	10,045,312	27,088,836	1,737,139
Deposits payable	3,052,141	-	-	3,052,141	-
Unearned revenue	4,940	4,774	85,817	95,531	-
Accrued liability for claims	23,600	-	-	23,600	24,723,102
<b>Total current liabilities</b>	<b>72,164,826</b>	<b>19,749,323</b>	<b>14,856,901</b>	<b>106,771,050</b>	<b>27,985,959</b>
<b>Noncurrent liabilities</b>					
Subscription information technology liability, net of current portion	15,225,028	-	-	15,225,028	108,908
Lease liability, net of current portion	181,101	4,922,164	-	5,103,265	-
Compensated absences, net of current portion	1,519,504	122,035	91,800	1,733,339	327,130
Net pension liability	44,242,805	3,333,089	4,006,457	51,582,351	4,836,164
Total OPEB liability	54,330,346	3,599,679	4,785,273	62,715,298	191,596,829
Revenue bonds payable, net of current portion	787,938,319	28,295,000	37,994,801	854,228,120	-
<b>Total noncurrent liabilities</b>	<b>903,437,103</b>	<b>40,271,967</b>	<b>46,878,331</b>	<b>990,587,401</b>	<b>196,869,031</b>
<b>TOTAL LIABILITIES</b>	<b>975,601,929</b>	<b>60,021,290</b>	<b>61,735,232</b>	<b>1,097,358,451</b>	<b>224,854,990</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to other postemployment benefits liability	13,152,937	909,034	1,211,009	15,272,980	45,238,658
Deferred inflows related to net pension liability	4,122,610	287,264	277,163	4,687,037	574,672
Deferred inflow - leases	4,504,907	-	-	4,504,907	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>21,780,454</b>	<b>1,196,298</b>	<b>1,488,172</b>	<b>24,464,924</b>	<b>45,813,330</b>
<b>FUND NET POSITION</b>					
Net investment in capital assets	373,686,086	32,825,704	50,068,252	456,580,042	154,877
Restricted for debt service	-	348	1,105,799	1,106,147	-
Unrestricted	190,616,018	(12,063,081)	59,664,525	238,217,462	(81,049,206)
<b>TOTAL FUND NET POSITION</b>	<b>\$ 564,302,104</b>	<b>\$ 20,762,971</b>	<b>\$ 110,838,576</b>	<b>695,903,651</b>	<b>\$ (80,894,329)</b>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time				(58,775,175)	
Net position of business-type activities				<u>\$ 637,128,476</u>	

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2024**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Water/Sewer</b>	<b>Parking</b>	<b>Nonmajor</b>	<b>Total</b>	<b>Internal</b>
	<b>Facilities</b>	<b>Facilities</b>	<b>Enterprise</b>		<b>Service</b>
<b>Fund</b>	<b>Fund</b>	<b>Funds</b>		<b>Funds</b>	
Operating revenues					
Charges for service	\$ 186,223,326	\$ 7,665,635	\$ 18,302,355	\$ 212,191,316	\$ 51,408,312
Other operating revenue	-	1,915,252	142,999	2,058,251	11,029
<b>Total operating revenues</b>	<b>186,223,326</b>	<b>9,580,887</b>	<b>18,445,354</b>	<b>214,249,567</b>	<b>51,419,341</b>
Operating expenses					
Personnel services	40,839,312	3,211,259	3,848,155	47,898,726	16,501,688
Materials and supplies	17,724,143	114,515	297,018	18,135,676	12,492,331
Other services and charges	35,644,387	1,876,805	5,798,633	43,319,825	5,213,076
Heat, light and power	7,896,411	252,767	-	8,149,178	4,663
Depreciation and amortization	46,470,988	2,534,578	2,675,188	51,680,754	96,047
Claims and premiums	-	-	-	-	33,859,148
<b>Total operating expenses</b>	<b>148,575,241</b>	<b>7,989,924</b>	<b>12,618,994</b>	<b>169,184,159</b>	<b>68,166,953</b>
Operating income (loss)	37,648,085	1,590,963	5,826,360	45,065,408	(16,747,612)
Nonoperating revenues (expenses)					
Investment income	16,284,796	883,758	5,758,377	22,926,931	2,377,018
Lease revenue	203,932	81,900	-	285,832	-
Other nonoperating revenue	123,245	-	31,792	155,037	-
Federal grant revenue	4,990,672	-	-	4,990,672	-
Gain from sale of assets	274,800	8,250	76,475	359,525	2,300
Interest expense	(24,707,384)	(1,302,213)	(1,542,016)	(27,551,613)	-
Bond related costs	(2,186,888)	(1,000)	(1,750)	(2,189,638)	-
Amortization of deferred charges	(3,389,743)	(12,499)	-	(3,402,242)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(8,406,570)</b>	<b>(341,804)</b>	<b>4,322,878</b>	<b>(4,425,496)</b>	<b>2,379,318</b>
Income (loss) before contributions and transfers	29,241,515	1,249,159	10,149,238	40,639,912	(14,368,294)
Capital contributions and transfers					
Capital contributions	6,145,180	-	-	6,145,180	-
Transfers in	-	-	-	-	11,918,912
Transfers out	(9,157,417)	(1,037,916)	(631,049)	(10,826,382)	(2,351,903)
<b>Total capital contributions and transfers</b>	<b>(3,012,237)</b>	<b>(1,037,916)</b>	<b>(631,049)</b>	<b>(4,681,202)</b>	<b>9,567,009</b>
Change in net position	26,229,278	211,243	9,518,189	35,958,710	(4,801,285)
Net position - beginning of period	538,072,826	20,551,728	101,320,387		(76,093,044)
<b>Net position - ending</b>	<b>\$ 564,302,104</b>	<b>\$ 20,762,971</b>	<b>\$ 110,838,576</b>		<b>\$ (80,894,329)</b>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				(8,124,232)	
Change in net position of business-type activities				\$ 27,834,478	

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2024**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
	Fund	Fund	Funds	Total	Funds
Cash flows from operating activities					
Receipts from customers and users	\$ 181,844,105	\$ 9,589,049	\$ 18,376,820	\$ 209,809,974	\$ 567,555
Internal activity - receipts from other funds	-	-	-	-	50,752,763
Internal activity - payments to other funds	(2,823,779)	(102,322)	(484,808)	(3,410,909)	-
Payments to suppliers	(67,553,196)	(3,267,814)	(8,448,679)	(79,269,689)	(20,520,948)
Claims paid	-	-	-	-	(33,355,109)
Payments to employees	(25,646,190)	(1,974,517)	(1,843,834)	(29,464,541)	(3,864,397)
<b>Net cash provided by (used in) operating activities</b>	<b>85,820,940</b>	<b>4,244,396</b>	<b>7,599,499</b>	<b>97,664,835</b>	<b>(6,420,136)</b>
Cash flows from noncapital financing activities					
Advances from other funds	4,461,692	270,059	389,281	5,121,032	1,150,989
Advances to other funds	(6,215,107)	-	(61,118)	(6,276,225)	(270,059)
Nonoperating grants	5,136,148	-	-	5,136,148	-
Transfers in	-	-	193,699	193,699	11,918,912
Transfers out	(9,157,417)	(1,037,916)	(824,748)	(11,020,081)	(2,351,903)
<b>Net cash (used in) provided by noncapital financing activities</b>	<b>(5,774,684)</b>	<b>(767,857)</b>	<b>(302,886)</b>	<b>(6,845,427)</b>	<b>10,447,939</b>
Cash flows from capital and related financing activities					
Proceeds from revenue bonds	141,383,766	-	-	141,383,766	-
Principal paid on bonds and notes	(104,135,000)	(1,735,000)	(760,000)	(106,630,000)	-
Payment for subscription liability	(117,747)	-	-	(117,747)	(53,237)
Payment for lease liability	(72,266)	(108,384)	-	(180,650)	(53,069)
Interest paid	(27,009,991)	(1,329,377)	(1,733,600)	(30,072,968)	(18)
Payments for bond related costs	(11,351,888)	(1,000)	(1,750)	(11,354,638)	-
Purchase of capital assets	(99,410,997)	(1,084,445)	(5,912,000)	(106,407,442)	-
Proceeds from sale of capital assets	274,800	8,250	79,330	362,380	2,300
<b>Net cash used in capital and related financing activities</b>	<b>(100,439,323)</b>	<b>(4,249,956)</b>	<b>(8,328,020)</b>	<b>(113,017,299)</b>	<b>(104,024)</b>
Cash flows from investing activities					
Purchase of investments	-	(1,682,116)	(2,249,661)	(3,931,777)	-
Sale of investments	34,125,629	-	-	34,125,629	-
Purchase of real estate held for resale	-	-	(278,500)	(278,500)	-
Receipts of property rentals	111,130	81,900	-	193,030	-
Collections of mortgage notes receivable	101,337	-	540,970	642,307	-
Interest received	14,165,819	672,034	4,921,665	19,759,518	2,377,018
<b>Net cash provided by (used in) investing activities</b>	<b>48,503,915</b>	<b>(928,182)</b>	<b>2,934,474</b>	<b>50,510,207</b>	<b>2,377,018</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>28,110,848</b>	<b>(1,701,599)</b>	<b>1,903,067</b>	<b>28,312,316</b>	<b>6,300,797</b>
Cash and cash equivalents, July 1, 2023	163,863,930	8,990,927	34,715,163	207,570,020	105,023,621
<b>Cash and cash equivalents, June 30, 2024</b>	<b>\$ 191,974,778</b>	<b>\$ 7,289,328</b>	<b>\$ 36,618,230</b>	<b>\$ 235,882,336</b>	<b>\$ 111,324,418</b>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (CONTINUED)**  
**Year Ended June 30, 2024**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
<b>Operating income (loss)</b>	<b>\$ 37,648,085</b>	<b>\$ 1,590,963</b>	<b>\$ 5,826,360</b>	<b>\$ 45,065,408</b>	<b>\$ (16,747,612)</b>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	46,470,988	2,534,578	2,675,188	51,680,754	96,047
Accrued benefits related to net pension liability	(2,104,555)	(160,537)	(214,859)	(2,479,951)	(268,692)
Change in operating assets and liabilities					
Accounts receivable	(4,741,741)	11,870	(68,534)	(4,798,405)	(100,958)
Due from state government	-	-	-	-	1,935
Inventory	(673,919)	(29,356)	-	(703,275)	(3,601)
Prepaid expenses	(20,155)	38,078	(23,343)	(5,420)	(194,007)
Accounts payable	5,189,912	(18,439)	(972,325)	4,199,148	(587,500)
Accrued salaries	332,099	38,806	82,691	453,596	88,598
Accrued compensated absences	179,690	16,345	(6,887)	189,148	48,632
OPEB liability	3,178,016	225,796	301,208	3,705,020	10,742,983
Unearned revenue	-	(3,708)	-	(3,708)	-
Deposits payable	362,520	-	-	362,520	-
Accrued liability for claims	-	-	-	-	504,039
Total adjustments	<u>48,172,855</u>	<u>2,653,433</u>	<u>1,773,139</u>	<u>52,599,427</u>	<u>10,327,476</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ 85,820,940</u></b>	<b><u>\$ 4,244,396</u></b>	<b><u>\$ 7,599,499</u></b>	<b><u>\$ 97,664,835</u></b>	<b><u>\$ (6,420,136)</u></b>

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

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

**June 30, 2024**

	<u>Private- Purpose Trust Funds</u>	<u>Custodial Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	<u>\$ 10,237</u>	<u>\$ 1,509,231</u>
<b>Total assets</b>	<u>10,237</u>	<u>1,509,231</u>
<b>LIABILITIES</b>		
Accounts payable	<u>-</u>	<u>26,918</u>
<b>Total liabilities</b>	<u>-</u>	<u>26,918</u>
<b>NET POSITION</b>		
Held in trust - other purposes	<u>\$ 10,237</u>	<u>\$ 1,482,313</u>

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

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

Year Ended June 30, 2024

	<b>Private- Purpose Trust Funds</b>	<b>Custodial Fund</b>
	<u>          </u>	<u>          </u>
<b>ADDITIONS</b>		
Contributions:		
Private donations	\$ 4,398	\$ 1,513,780
<b>Total additions</b>	<u>4,398</u>	<u>1,513,780</u>
 <b>DEDUCTIONS</b>		
Program expenses	2,177	-
Payments to other governments	-	43,232
<b>Total deductions</b>	<u>2,177</u>	<u>43,232</u>
 <b>Change in net position</b>	 2,221	 1,470,548
Net position - beginning	<u>8,016</u>	<u>11,765</u>
 <b>Net position - ending</b>	 <u>\$ 10,237</u>	 <u>\$ 1,482,313</u>

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

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

June 30, 2024

	Experience Columbia SC	TN Development Corporation	Columbia Empowerment Zone, Inc.	Total
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 17,530,669	\$ 1,292,587	\$ 851,961	\$ 19,675,217
Certificates of deposit	-	200,000	4,123,731	4,323,731
Cash on deposit with escrow agent	521,975	-	-	521,975
Accounts receivable, net	1,675,474	197,400	41,324	1,914,198
Due from related party	-	12,327	24,000	36,327
Accrued interest receivable	-	-	2,043	2,043
Mortgage notes receivable, current portion	-	22,063	17,922	39,985
Prepaid expenses	359,721	10,085	12,530	382,336
Lease receivable, current portion	-	12,553	106,639	119,192
Restricted assets				
Restricted cash	-	22,607	22,507	45,114
Real estate held for sale and development	-	19,800	-	19,800
Total current assets	<u>20,087,839</u>	<u>1,789,422</u>	<u>5,202,657</u>	<u>27,079,918</u>
Capital assets				
Right to use leased assets, net of accumulated amortization	132,990	-	-	132,990
Capital assets, not being depreciated	-	710,731	3,366,218	4,076,949
Capital assets, net of accumulated depreciation	<u>3,836,400</u>	<u>1,914,490</u>	<u>2,036,228</u>	<u>7,787,118</u>
Net capital assets	<u>3,969,390</u>	<u>2,625,221</u>	<u>5,402,446</u>	<u>11,997,057</u>
Other assets				
Mortgage note receivable, net of allowance	-	355,485	1,338,114	1,693,599
Lease receivable, net of current portion	-	3,895	248,163	252,058
Real estate held for sale and development	-	943,265	315,604	1,258,869
Notes receivable	-	-	408,000	408,000
Security deposits	2,000	-	-	2,000
Investment in joint venture	-	-	100	100
Cash on deposit with escrow agent	8,909,913	-	-	8,909,913
Total other assets	<u>8,911,913</u>	<u>1,302,645</u>	<u>2,309,981</u>	<u>12,524,539</u>
Total noncurrent assets	<u>12,881,303</u>	<u>3,927,866</u>	<u>7,712,427</u>	<u>24,521,596</u>
<b>TOTAL ASSETS</b>	<u>32,969,142</u>	<u>5,717,288</u>	<u>12,915,084</u>	<u>51,601,514</u>

(Continued)

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

June 30, 2024

	Experience Columbia SC	TN Development Corporation	Columbia Empowerment Zone, Inc.	Total
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 592,363	\$ 76,953	\$ 36,636	\$ 705,952
Accrued expenses	249,131	47,841	24,360	321,332
Customer deposits	-	41,857	22,507	64,364
Due to primary government	-	200,000	-	200,000
Compensated absences	221,410	6,724	7,051	235,185
Mortgage/bonds/notes payable/ lines of credit - current portion	-	172,150	-	172,150
Lease liability	47,259	-	-	47,259
Unearned revenue	1,754,168	115,001	-	1,869,169
<b>Total current liabilities</b>	<b>2,864,331</b>	<b>660,526</b>	<b>90,554</b>	<b>3,615,411</b>
Noncurrent liabilities				
Compensated absences	-	26,754	28,204	54,958
Mortgage/bonds/lines of credit payable	-	2,655,955	-	2,655,955
Lease liability	89,289	-	-	89,289
<b>Total noncurrent liabilities</b>	<b>89,289</b>	<b>2,682,709</b>	<b>28,204</b>	<b>2,800,202</b>
<b>TOTAL LIABILITIES</b>	<b>2,953,620</b>	<b>3,343,235</b>	<b>118,758</b>	<b>6,415,613</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow - leases	-	16,430	348,371	364,801
<b>NET POSITION</b>				
Net investment in capital assets	3,832,842	(202,884)	5,402,446	9,032,404
Restricted				
Community development	-	419,332	5,100,000	5,519,332
Tourism	8,575,282	-	-	8,575,282
Unrestricted	17,607,398	2,141,175	1,945,509	21,694,082
<b>TOTAL NET POSITION</b>	<b>\$ 30,015,522</b>	<b>\$ 2,357,623</b>	<b>\$ 12,447,955</b>	<b>\$ 44,821,100</b>

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

**CITY OF COLUMBIA, SOUTH CAROLINA  
COMBINING STATEMENT OF ACTIVITIES -  
BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS  
Year Ended June 30, 2024**

	Program Revenue				Former Component Unit -				Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Eau Claire Development Corporation	Experience Columbia SC	TN Development Corporation	Columbia Empowerment Zone, Inc.	
Experience Columbia SC Community Promotions	\$ 12,029,891	\$ 14,386,719	\$ -	\$ -	\$ -	\$ 2,356,828	\$ -	\$ -	\$ 2,356,828
TN Development Corporation Community Development	2,131,256	1,186,349	-	-	-	-	(944,907)	-	(944,907)
Columbia Empowerment Zone, Inc. Community Development	1,013,130	248,131	-	-	-	-	-	(764,999)	(764,999)
<b>Total component units</b>	<b><u>\$ 15,174,277</u></b>	<b><u>\$ 15,821,199</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>-</u></b>	<b><u>2,356,828</u></b>	<b><u>(944,907)</u></b>	<b><u>(764,999)</u></b>	<b><u>646,922</u></b>
General revenues:									
Appropriations - City of Columbia					-	-	784,546	714,229	1,498,775
Investment earnings					-	715,507	2,680	305,652	1,023,839
Gain on disposal of capital assets					-	-	-	2,200	2,200
Gain on property transfer					-	-	-	592,765	592,765
Other revenues					-	-	30,914	11,322	42,236
<b>Total general revenues</b>					<b><u>-</u></b>	<b><u>715,507</u></b>	<b><u>818,140</u></b>	<b><u>1,626,168</u></b>	<b><u>3,159,815</u></b>
Change in net position					-	3,072,335	(126,767)	861,169	3,806,737
Net position - beginning of period, as previously presented					674,555	26,943,187	2,484,390	11,586,786	41,688,918
Change within financial reporting entity (former component unit)					<u>(674,555)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(674,555)</u>
Beginning net position, as adjusted					-	26,943,187	2,484,390	11,586,786	41,014,363
<b>Net position - ending</b>					<b><u>\$ -</u></b>	<b><u>\$ 30,015,522</u></b>	<b><u>\$ 2,357,623</u></b>	<b><u>\$ 12,447,955</u></b>	<b><u>\$ 44,821,100</u></b>

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

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**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Index to Notes to Financial Statements**  
**Year Ended June 30, 2024**

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**CITY OF COLUMBIA, SOUTH CAROLINA**  
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**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Columbia (the City), a political subdivision of the State of South Carolina, incorporated in 1854, is located in the central part of South Carolina. Columbia is the state capital as well as the county seat of Richland County. The City has an estimated population of approximately 137,960 living within an area of approximately 135 square miles. The Greater Columbia Metropolitan Area consists of Lexington and Richland Counties and has an estimated population of 836,324. The City's economy is driven by education, government, military, health care, finance, and industry. In 1950, the City approved a charter adopting a Council-Manager form of government and is governed by a six member council and Mayor.

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

**A. REPORTING ENTITY**

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

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

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

**Blended Component Units**

***Public Facilities Corporation***

This is a single-purpose corporate entity that was formed in 2002 as a non-profit corporation to undertake certain obligations with respect to the acquisition of real and personal property and the design, construction, operation, and financing of a multipurpose conference/convention center and other improvements. Its board is comprised of the City Manager of Columbia, the Assistant City Manager for Operations, and the Assistant City Manager for Finance and Economic Services or the equivalent thereof. For details of the outstanding debt see Note III. 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, 2024**

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

**A. REPORTING ENTITY (Continued)**

**Blended Component Units (Continued)**

***Municipal Complex***

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

**Discretely Presented Component Units**

***Experience Columbia SC***

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

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

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

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

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

Incorporated in 2009, the CEZ was formed to carry out the mission of the Columbia Empowerment Zone, Inc., a federally designated area (1999-2009). The purpose of CEZ is to initiate, develop, and maintain projects and programs in economically depressed or blighted areas that encourage the attraction and utilization of both public and private investment capital. The Board of Directors is composed of nine members. New board members are appointed by the existing board.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

**A. REPORTING ENTITY (Continued)**

**Discretely Presented Component Units (Continued)**

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

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

**B. BASIS OF PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

**FUND FINANCIAL STATEMENTS**

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

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

**Governmental Fund Types:**

*General Fund*

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

*Special Revenue Funds*

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

- County Services (a major fund) – Revenues received in this fund must be used to provide fire services and 911 emergency communications to Richland County citizens residing outside the City limits.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

**FUND FINANCIAL STATEMENTS (Continued)**

**Governmental Fund Types (Continued):**

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

*Debt Service Fund*

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

*Capital Projects Funds*

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

- Congaree Vista District – accounts for the construction and development of parks and infrastructure within the Congaree Vista Redevelopment District.
- Streetscaping – accounts for capital improvements to street landscaping.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

**FUND FINANCIAL STATEMENTS (Continued)**

**Governmental Fund Types (Continued):**

- 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:

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

**Proprietary Fund Types:**

*Business-type Funds*

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

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

*Internal Service Funds*

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

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

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

Transactions related to assets held by the City as a custodian of a private organization are accounted for in Fiduciary Fund types. These are presented separately in the statements.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

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

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

**FUND FINANCIAL STATEMENTS (Continued)**

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

The City's fiduciary fund types are comprised of:

*Custodial Fund*

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

*Private-Purpose Trust Funds*

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

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

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

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

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

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

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

---

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

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

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

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

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

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

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

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

***Deposits***

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

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

***Investments***

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

---

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

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

***Inventory and Prepaid Assets***

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

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

***Real Estate***

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

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

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

***Accounts Receivable and Allowance for Bad Debt***

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

***Lease Receivable***

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

***Interfund Balances***

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

***Capital Assets***

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

---

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

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

***Capital Assets (Continued)***

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

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

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

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

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

***Right to Use Leased Assets***

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

***Subscription-Based Information Technology Arrangements***

The City is party to 6 subscription-based information technology arrangements ("SBITA") as part of various third-party software information technology agreements. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the statement of net position. The City recognizes subscription liabilities with an initial term greater than 12 months and an individual value of \$5,000 or more. The City's SBITAs have commencement dates ranging from March 2019 through April 2024 and expiration dates ranging from July 2025 through April 2042 with fixed payments due monthly. For SBITAs with a maximum possible term of 12 months or less at commencement, the City recognizes operating expenses based on the provisions of the arrangement.

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***Subscription-Based Information Technology Arrangements (Continued)***

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

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

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

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

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

***Restricted Assets***

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

***Compensated Absences***

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

The liability for compensated absences in the government-wide, proprietary, and fiduciary fund financial statements is calculated based upon recorded balances of unused leave for which the City would compensate employees if employment ended June 30, 2024. The change in this calculated amount from the previous year is expensed in current operations. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

***Refundable Advances***

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

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

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

***Unearned Revenues***

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

***Long-Term Obligations***

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

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

***Deferred Outflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. They are the deferred charge on refunding, the deferred outflows related to the net pension liability and OPEB liability, and the accumulated decrease in the fair value of hedging derivatives reported in the entity-wide statement of net position and in the statement of net position of the Water and Sewer Facilities fund financial statements.

A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the term of the refunded or refunding debt. The change in fair value of hedging derivatives results from changes in cash flows and interest rates over the term of the interest rate swap. The deferred outflows related to the net pension liability and OPEB liability result from contributions made to the South Carolina Public Employee Benefit Authority subsequent to the measurement date, which will be recognized as reductions of the liabilities in the subsequent year, changes in assumptions, and differences between expected and actual experience, which will be amortized beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants. Differences between projected investment return on investments and actual return on those investments will be amortized over a five year period, and changes in the proportionate share and differences between employer contributions and proportion and the proportionate share of total plan employer contributions will be recognized as a reduction of the liability over a four year period.

***Deferred Inflows of Resources***

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***Deferred Inflows of Resources (Continued)***

The City has five types of items that qualify for reporting in this category. One type, unavailable revenue, arises only under a modified accrual basis of accounting. Accordingly, this type is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the periods the amounts become available. The second type is revenue received before time requirements are met, but after all other requirements have been met. In 2006, City residents approved a Local Option Sales Tax referendum. This tax is detailed further in Note I. E. Under state law, the City is required to give the taxpayers a credit on their property tax bill once the referendum is passed. The City recognizes revenue, on both the entity-wide statements and the fund financial statements, in the period in which the credit is given on the property tax bills and for the dollar amount of credit taxpayers are given on their property tax bills. Deferred inflows result when funds are received from the State of South Carolina prior to the time requirements being met, but after all other eligibility requirements are met. The third type is deferred inflows relating to pension obligations and is the net difference between the projected and actual earnings on pension plan investments and is amortized over a closed five-year period, and differences between expected and actual experience, which will be amortized into pension expense over a closed period equal to the average remaining service lives of all participants. The fourth type is deferred inflows relating to other postemployment benefit liability and is the result of assumption changes related to plan benefits and is amortized into other postemployment benefit expense over a closed period of approximately eight years. The fifth type is deferred inflows related to lease revenue. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

**E. REVENUES, EXPENDITURES, AND EXPENSES**

***Property Tax Revenues***

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

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

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***Local Option Sales Tax Revenue***

The City incorporated a Local Option Sales Tax during the year ended June 30, 2006, of 1% to offset a reduction in property taxes. The tax generated approximately \$31 million during the year ended June 30, 2024. As a result of the City's revenue recognition policy, deferred inflows of resources of approximately \$4,273,000 are reported in the General Fund and Statement of Net Position as of June 30, 2024.

***Investment Income***

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

***Grant and Appropriations Revenue***

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

***Operating and Nonoperating Revenues and Expenses***

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

***Expenditures/Expenses***

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

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

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

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

***Pensions and Other Post Employment Benefits Liability***

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***Interfund transfers***

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

**F. NET POSITION**

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

**G. FUND BALANCE**

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

***Nonspendable fund balance***

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

***Restricted fund balance***

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

***Committed fund balance***

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

**G. FUND BALANCE (Continued)**

***Assigned fund balance***

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

***Unassigned fund balance***

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

Classification / Fund	Purpose	Amount
Nonspendable		
General Fund	Prepaid charges	\$ 753,361
County Services	Prepaid charges	105,069
Anna Dickson Trust	Nonspendable principal	5,569
Total nonspendable		863,999
Restricted		
General Fund	Capital projects	15,339,556
General Fund	Community development	611,393
State Appropriations	General government	40,553,000
State Appropriations	Parks and recreation	1,500,000
State Appropriations	Tourism	2,135,280
Liquor Permit Fee	Tourism	213,154
Tourism Development Convention Center	Tourism	976,184
Accommodations Tax	Tourism	2,803,910
Hospitality Tax	Tourism	3,196,910
Tourism Development	Tourism	2,497,256
Confiscated Drug Program	Law enforcement	16,683
Federal Grants	Public safety	615,399
Other Programs	Community development	383,842
Debt Service Fund	Debt Service	3,382,148
Congaree Vista District	Construction of parks in the Congaree Vista District	1,508,465
Miscellaneous Projects	General Fund capital projects	18,633,405
Total restricted		94,366,585

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

**G. FUND BALANCE (Continued)**

Classification / Fund	Purpose	Amount
Committed		
General Fund	Public safety	5,552,305
Total committed		5,552,305
Assigned		
General Fund	Subsequent year expenditures	5,521,227
General Capital Projects	Capital projects	36,999,080
Streetscaping	Streetscaping capital projects	5,733,692
Total assigned		48,253,999
Unassigned		
General Fund		23,455,948
County Services		(5,224,831)
Community Development		(2,363,393)
Total unassigned		15,867,724
Total fund balances		\$ 164,904,612

**H. RECENTLY IMPLEMENTED GASB STANDARDS**

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023. The City implemented the new guidance for the year ended June 30, 2024.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

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

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

Public meetings are conducted to obtain taxpayer comments. A target date in June is set for legal enactment of the budget through passage of an ordinance. The ordinance sets the limit at the fund level at which expenditures may not exceed appropriations. After two readings of the budget, the City Council legally adopts the budget through the passage of the ordinance. The City Manager is authorized to administer the budget and may authorize the transfer of appropriated funds within and between departments 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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

**A. BUDGETARY INFORMATION (Continued)**

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

**B. DEFICIT FUND EQUITY**

At June 30, 2024, the County Services Fund had a deficit fund balance of \$5,119,762. At June 30, 2024, the Community Development Fund had a deficit fund balance of \$2,363,393. The Parks and Recreation Camp Fund had a deficit net position of \$720,835. The Fleet Management Internal Service Fund had a deficit net position of \$7,256,089. The Support Services Internal Service Fund had a deficit net position of \$4,616,711. The Risk Management Internal Service Fund had a deficit net position of \$69,021,529. Revenues and transfers from other funds in subsequent years are expected to fund these deficits.

**C. RISK MANAGEMENT**

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

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

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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

**C. RISK MANAGEMENT (Continued)**

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

Fiscal Year	Beginning Liability	Claims and Changes in Estimates	Claims Payments	Ending Liability
2023	\$17,383,455	\$37,716,294	(\$30,857,096)	\$24,242,653
2024	\$24,242,653	\$33,859,158	(\$33,355,109)	\$24,746,702

This liability is reported in both the Risk Management Fund of the internal services funds (\$24,723,102) and the Water and Sewer Facilities Fund (\$23,600). The liability at June 30, 2024 includes \$15,605,300 for legal claims. See also Note V. C. Property and Boiler Coverage policies are accounted for in the Risk Management Fund as well as other small insurance policies such as surety bond coverage and miscellaneous floaters. Funds are charged expenditures based on premium amounts and administrative charges. The City has had no significant reductions in insurance coverage during the year, and settlements have not exceeded insurance coverage for each of the past three fiscal years.

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

**A. DEPOSITS AND INVESTMENTS**

As of June 30, 2024, the City, excluding component units, had the following investments:

Investment Type	Investment Maturities (in Years)		
	Fair Value	Less Than 1	Greater Than 1
Money Market	\$ 93,304,410	\$ 93,304,410	\$ -
Treasuries	95,908,602	23,536,660	72,371,942
Agencies	18,769,365	-	18,769,365
Total	<u>\$ 207,982,377</u>	<u>\$ 116,841,070</u>	<u>\$ 91,141,307</u>

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

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

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

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

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

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

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The City believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value. At June 30, 2024, all investments are reported using the Level 1 fair value hierarchy.

***Interest Rate Risk***

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

***Credit Risk for Investments***

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

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***Credit Risk for Investments (continued)***

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

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

***Concentration of Credit Risk***

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

***Custodial Credit Risk - Deposits***

The City's cash deposit policy requires that United States Treasury or Agency securities of a fair value equal to the bank deposits be held by a third-party custodian in the City's name. At June 30, 2024, the City, excluding component units, was in full compliance with its collateral policy. At June 30, 2024, all of the City's deposits were insured or collateralized.

At June 30, 2024, TNDC had approximately \$898,000 in deposits that were uninsured and uncollateralized. At June 30, 2024, CEZ had approximately \$462,000 in deposits that was uninsured and uncollateralized.

The balance of collateralized securities was approximately \$303,714,000 at June 30, 2024.

***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, 2024, none of the City's security investments were exposed to custodial credit risk.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***Reconciliation to the Financial Statements***

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

Description	Amount
Carrying Amount of Deposits	\$ 488,733,388
Fair Value of Investments	207,982,377
Total Deposits and Investments	\$ 696,715,765
Statement of Net Position	
Cash and Equivalents	\$ 487,213,920
Investments - Current	135,993,589
Investments - Noncurrent	71,988,788
Statement of Net Position - Fiduciary Funds	
Cash and Equivalents - Trust Funds	10,237
Cash and Equivalents - Custodial Funds	1,509,231
Total Cash and Investments	\$ 696,715,765

**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, 2024, are as follows:

General Fund	\$ 1,837,131
Water/Sewer Facilities	\$ 16,048,971
Parking Facilities	\$ 4,737,390
Nonmajor Business-type activities	\$ 9,000
Internal Service Funds	\$ 77,633

Receivables for the component units consist of items totaling approximately \$670,000 at June 30, 2024, which are net of allowances for doubtful accounts. As of June 30, 2024, the allowance for doubtful accounts was approximately \$12,700 for the component units. Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

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

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

***Primary government***

Mortgage notes receivable and revolving loan pools in the various Community Development revolving loan programs are evaluated annually, and loan loss allowances are applied where appropriate. All mortgages are secured by the property. The net of these receivables totaled approximately \$20,571,000 as of June 30, 2024. An allowance of approximately \$3,690,000 was recorded as of June 30, 2024.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***Component units***

TNDC has mortgage notes receivable consisting of \$377,548 as of June 30, 2024, which is net of an allowance for uncollectible loans of \$60,302. Mortgage notes receivable consist of loans to individuals under various federal housing lending programs and have various interest rates and maturity dates. Revenue recognition is applied under the cost recovery method.

CEZ, Inc. has loans receivable amounting to \$1,356,036 as of June 30, 2024, which is the net of allowance for uncollectible loans of \$16,103. 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, 2024, are as follows:

	Interfund Receivables	Interfund Payables
Funds:		
General	\$ -	\$ 5,652,520
County services	-	8,245,434
Water/sewer	36,235,168	-
Parking	-	17,043,524
Nonmajor governmental	4,961,146	15,515,909
Nonmajor proprietary	-	10,045,312
Internal service funds	17,043,524	1,737,139
Total	\$ 58,239,838	\$ 58,239,838

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

The interfund transfers for the year ended June 30, 2024, are as follows:

	Transfers In	Transfers Out
General	\$ 12,381,454	\$ 12,366,938
County services	1,243,691	-
Nonmajor governmental	35,570,811	35,569,645
Water/sewer	-	9,157,417
Parking	-	1,037,916
Nonmajor proprietary	-	631,049
Internal service	11,918,912	2,351,903
	\$ 61,114,868	\$ 61,114,868

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

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

**E. LEASE RECEIVABLE**

In accordance with GASB No. 87 at June 30, 2024, the City recognized a lease receivable and deferred inflows of resources for the leases described below. The City reported a lease receivable of \$10,521,756 and deferred inflows of resources of \$10,107,326.

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

General Fund Leases

The City leases various buildings, office space, parking garages, and a generator which are owned by the City and are recorded in the General Fund. The City's General Fund has 11 lease agreements, which have terms ranging from 3 to 47 years with payments made monthly. The City recognized lease revenue of \$1,591,993 and interest revenue of \$73,260 during fiscal year 2024. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate ranging from 0.20% to 1.55%, which is an estimated incremental borrowing rate. The terms of these lease agreements do not include a variable revenue component.

Water and Sewer Fund Leases

The City leases various water towers and a water plant which are owned by the City and are recorded in the Water and Sewer Fund. The City's Water and Sewer Fund has 5 lease agreements, which have terms ranging from 6 to 54 years with payments made monthly. The City recognized lease revenue of \$203,932 and interest revenue of \$67,220 during fiscal year 2024. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate ranging from 0.20% to 1.55%, which is an estimated incremental borrowing rate. The terms of these lease agreements do not include a variable revenue component.

Future minimum financed payments to be received at June 30, 2024 for the City are summarized as follows:

Governmental Activities:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,279,821	\$ 55,481	\$ 1,335,302
2026	814,645	47,128	861,773
2027	567,282	40,388	607,670
2028	402,806	35,377	438,183
2029	416,635	30,565	447,200
2030 - 2034	2,002,112	76,861	2,078,973
2035 - 2039	323,149	4,585	327,734
2040 - 2044	3,090	1,590	4,680
Thereafter	18,639	3,824	22,463
Total	\$ 5,828,179	\$ 295,799	\$ 6,123,978

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

**E. LEASE RECEIVABLE (Continued)**

Business-Type Activities:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 90,927	\$ 63,776	\$ 154,703
2026	82,911	81,365	164,276
2027	50,854	80,221	131,075
2028	54,174	79,186	133,360
2029	57,643	78,070	135,713
2030 - 2034	380,970	369,768	750,738
2035 - 2039	546,019	323,367	869,386
2040 - 2044	644,180	259,609	903,789
Thereafter	2,785,899	826,004	3,611,903
<b>Total</b>	<b>\$ 4,693,577</b>	<b>\$ 2,161,366</b>	<b>\$ 6,854,943</b>

**F. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Increases	Transfers	Decreases	Balance June 30, 2024
<b>Governmental Activities</b>					
Capital assets, not being depreciated or amortized:					
Land	\$ 41,585,545	\$ 5	\$ -	\$ -	\$ 41,585,550
Construction in progress	25,384,894	16,926,523	(1,214,254)	-	41,097,163
<b>Total capital assets not being depreciated or amortized</b>	<b>66,970,439</b>	<b>16,926,528</b>	<b>(1,214,254)</b>	<b>-</b>	<b>82,682,713</b>
Capital assets, being depreciated or amortized:					
Subscription information technology assets	5,370,696	224,966	-	(870,933)	4,724,729
Right to use leased assets	362,686	52,105,833	-	-	52,468,519
Buildings and improvements	295,569,942	698,212	1,214,254	-	297,482,408
Machinery and equipment	89,496,048	9,526,452	-	(2,511,024)	96,511,476
Infrastructure	44,538,743	-	-	-	44,538,743
<b>Total capital assets, being depreciated or amortized</b>	<b>435,338,115</b>	<b>62,555,463</b>	<b>1,214,254</b>	<b>(3,381,957)</b>	<b>495,725,875</b>
Less accumulated depreciation and amortization:					
Subscription information technology assets	(940,586)	(373,523)	-	-	(1,314,109)
Right to use leased assets	(193,525)	(694,112)	-	-	(887,637)
Buildings and improvements	(131,838,116)	(9,374,388)	-	-	(141,212,504)
Machinery and equipment	(70,622,845)	(6,643,693)	-	2,483,642	(74,782,896)
Infrastructure	(25,992,972)	(1,804,946)	-	-	(27,797,918)
<b>Total accumulated depreciation and amortization</b>	<b>(229,588,044)</b>	<b>(18,890,662)</b>	<b>-</b>	<b>2,483,642</b>	<b>(245,995,064)</b>
<b>Total capital assets, being depreciated or amortized, net</b>	<b>205,750,071</b>	<b>43,664,801</b>	<b>1,214,254</b>	<b>(898,315)</b>	<b>249,730,811</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 272,720,510</b>	<b>\$ 60,591,329</b>	<b>\$ -</b>	<b>\$ (898,315)</b>	<b>\$ 332,413,524</b>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

**F. CAPITAL ASSETS (Continued)**

	Balance June 30, 2023	Increases	Transfers	Decreases	Balance June 30, 2024
<b>Business-Type Activities</b>					
Capital assets, not being depreciated or amortized:					
Land	\$ 33,009,037	\$ -	\$ 4,052,246	\$ -	\$ 37,061,283
Construction in progress	149,535,513	103,954,484	(88,935,314)	(293,195)	164,261,488
<b>Total capital assets not being depreciated or amortized</b>	<b>182,544,550</b>	<b>103,954,484</b>	<b>(84,883,068)</b>	<b>(293,195)</b>	<b>201,322,771</b>
Capital assets, being depreciated or amortized:					
Subscription information technology assets	18,970,512	-	-	(593,106)	18,377,406
Right to use leased assets	5,531,721	210,534	-	-	5,742,255
Buildings and improvements	1,636,285,661	6,145,180	84,883,068	-	1,727,313,909
Machinery and equipment	93,397,611	5,519,848	-	(1,877,737)	97,039,722
<b>Total capital assets, being depreciated or amortized</b>	<b>1,754,185,505</b>	<b>11,875,562</b>	<b>84,883,068</b>	<b>(2,470,843)</b>	<b>1,848,473,292</b>
Less accumulated depreciation and amortization:					
Subscription information technology assets	(926,592)	(926,592)	-	-	(1,853,184)
Right to use leased assets	(469,552)	(248,556)	-	-	(718,108)
Buildings and improvements	(657,407,321)	(46,386,883)	-	-	(703,794,204)
Machinery and equipment	(80,386,879)	(4,118,723)	-	1,874,882	(82,630,720)
<b>Total accumulated depreciation and amortization</b>	<b>(739,190,344)</b>	<b>(51,680,754)</b>	<b>-</b>	<b>1,874,882</b>	<b>(788,996,216)</b>
<b>Total capital assets, being depreciated or amortized, net</b>	<b>1,014,995,161</b>	<b>(39,805,192)</b>	<b>84,883,068</b>	<b>(595,961)</b>	<b>1,059,477,076</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 1,197,539,711</b>	<b>\$ 64,149,292</b>	<b>\$ -</b>	<b>\$ (889,156)</b>	<b>\$ 1,260,799,847</b>

Depreciation and amortization expense were charged to function/programs of the primary government as follows:

<b>Governmental Activities:</b>	
General government	\$ 10,350,408
Public safety	3,985,405
Parks and recreation	1,721,020
Public services	141,295
Judicial	46,833
General services	28,095
Nondepartmental	2,521,559
Internal service funds	96,047
<b>Total depreciation and amortization expense – governmental activities</b>	<b>\$ 18,890,662</b>
<b>Business-type Activities:</b>	
Water/Sewer facilities	\$ 46,470,988
Stormwater facilities	2,281,897
Parking facilities	2,534,578
Hydro-electric plant	393,291
<b>Total depreciation and amortization expense – business-type activities</b>	<b>\$ 51,680,754</b>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

**F. CAPITAL ASSETS (Continued)**

***Right to use leased assets***

The City is committed under various lease agreements for real estate, office, and copier equipment. The City has 10 lease agreements, which have terms ranging from 5 to 30 years with payments made monthly. Lease expenditures for the year ended June 30, 2024 were approximately \$1,135,000. In accordance with implementation of GASB 87, a right to use leased assets was recorded, which had a balance of \$51,613,987 and \$5,024,187 at June 30, 2024 for governmental activities and business type activities, respectively, net of accumulated amortization. These assets are initially measured by the related lease liability, plus any lease payments made prior to the lease term, less lease incentives, and ancillary charges necessary to place the lease into service. These right to use assets are amortized on a straight line basis over the life of the lease. Accumulated amortization of right to use leased assets is included in accumulated depreciation and amortization above.

***Subscription information technology assets***

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* ("SBITAs"), addresses how the costs and investments for SBITAs are accounted for and disclosed by governmental entities. The City is party to 6 subscription-based information technology arrangements as part of various third-party software information technology agreements. In accordance with implementation of GASB 96, subscription information technology assets were recorded, which had a balance of \$3,410,620 and \$16,524,222 at June 30, 2024 for governmental activities and business type activities, respectively, net of accumulated amortization. These subscription information technology assets are amortized on a straight line basis over the term of the agreements. Accumulated amortization of the subscription information technology assets is included in accumulated depreciation and amortization above.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***General Information about the OPEB Plan***

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

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

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

Employees covered by benefit terms – At July 1, 2023, the following employees were covered by the benefit terms:

Active plan members	2,173
Inactive participants currently receiving benefit payments	603
Covered spouses currently receiving benefits	<u>174</u>
	<u>2,950</u>

**Total OPEB Liability**

The City's total OPEB liability of \$254,312,127 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
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**III. DETAIL NOTES ON ACTIVITIES AND FUNDS (Continued)**

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

Actuarial assumptions and other inputs – The total OPEB liability at June 30, 2024 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

The discount rate used was 3.93% and was based on the 20 Year Municipal Bond Rate, using the basis of the Bond Buyer GO 20-Bond Municipal Bond Index. Mortality rates were based PUB-2010 Public Plans, Amounts-Weighted, Above-Medium Income, Healthy Annuitant Mortality Table with Generational Improvements by Scale MP2021 .

The actuarial assumptions used in the July 1, 2023 valuation were based on personnel, plan design, health care claim cost, and other information.

**Changes in the Total OPEB Liability**

<b>Balance at June 30, 2023</b>	<b>Total OPEB Liability</b>
	<b>\$ 214,524,145</b>
<b>Changes for the year:</b>	
Service cost	5,982,398
Interest	7,965,467
Differences between actual and expected experience	(648,060)
Changes in assumptions	31,078,492
Benefit payments	<u>(4,590,315)</u>
<b>Net change in total OPEB liability</b>	<b><u>39,787,982</u></b>
<b>Balance at June 30, 2024</b>	<b>\$ 254,312,127</b>

Changes in assumptions include:

- The discount rate increased from 3.65% to 3.93%.

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

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	(2.93%)	(3.93%)	(4.93%)
Total OPEB liability	\$ 311,617,964	\$ 254,312,127	\$ 210,757,220

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

	<b>1% Decrease</b>	<b>Trend Rate</b>	<b>1% Increase</b>
Total OPEB liability	\$ 206,219,809	\$ 254,312,127	\$ 319,077,821

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$14,448,003. At June 30, 2024, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in actual and expected experience	\$ 2,343,081	\$ (55,468,919)
Change in assumptions	75,002,585	(5,042,719)
	<u>\$ 77,345,666</u>	<u>\$ (60,511,638)</u>

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

<b>Year Ended June 30,</b>	
2025	\$ 5,282,973
2026	5,612,981
2027	4,404,246
2028	(54,409)
2029	(2,004,295)
Total thereafter	3,592,532
Total	<u>\$ 16,834,028</u>

As of June 30, 2024, there were no payables due to the OPEB Plan.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

**H. LONG-TERM OBLIGATIONS**

Activity related to long-term obligations during 2024 was as follows:

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024	Amount Due in 2025
<b>Governmental Activities</b>					
Note payable	\$ 225,000	\$ -	\$ (75,000)	\$ 150,000	\$ 75,000
GO bonds	22,995,000	-	(2,285,000)	20,710,000	2,395,000
Revenue bonds	88,590,000	-	(2,255,000)	86,335,000	2,470,000
Unamortized bond premiums	1,012,107	-	(95,097)	917,010	-
Unamortized bond discounts	(160,000)	-	20,000	(140,000)	-
Finance leases payable	24,680,508	9,000,000	(6,163,553)	27,516,955	6,477,651
Compensated absences	9,106,001	10,080,629	(9,106,001)	10,080,629	2,016,126
Net pension liability	160,028,871	-	(5,811,339)	154,217,532	-
Total OPEB liability	161,851,229	29,745,600	-	191,596,829	-
Subscription liability	3,526,608	294,619	(1,260,477)	2,560,750	575,296
Lease liability	238,516	52,075,921	(279,015)	52,035,422	111,036
<b>Total governmental activities</b>	<b>472,093,840</b>	<b>101,196,769</b>	<b>(27,310,482)</b>	<b>545,980,127</b>	<b>14,120,109</b>
<b>Business-Type Activities</b>					
Revenue bonds	796,365,000	126,735,000	(106,630,000)	816,470,000	26,190,000
Unamortized bond premiums	52,489,609	14,648,766	(3,190,255)	63,948,120	-
Compensated absences	1,977,526	2,166,674	(1,977,526)	2,166,674	433,335
Net pension liability	53,544,311	-	(1,961,960)	51,582,351	-
Total OPEB liability	52,672,916	10,042,382	-	62,715,298	-
Subscription liability	16,662,907	-	(710,853)	15,952,054	727,026
Lease liability	5,198,401	211,527	(181,643)	5,228,285	125,020
<b>Total business-type activities</b>	<b>978,910,670</b>	<b>153,804,349</b>	<b>(114,652,237)</b>	<b>1,018,062,782</b>	<b>27,475,381</b>
<b>Total all long-term obligations</b>	<b>\$ 1,451,004,510</b>	<b>\$ 255,001,118</b>	<b>\$ (141,962,719)</b>	<b>\$ 1,564,042,909</b>	<b>\$ 41,595,490</b>

**Debt Service**

Long-term liabilities for the internal service funds are allocated between government and business-type activities. At the year ended June 30, 2024, \$408,913 of Internal Service Funds compensated absences is included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the General Fund. The Series 2012 Certificates of Participation are liquidated by the Tourism Development Convention Center Fund. The governmental debt secured by hospitality revenues are liquidated by the Debt Service Fund. Notes payable are liquidated by the General Fund. The remaining governmental debt is liquidated by the Debt Service Fund. The pension and other post-employment benefit liabilities are liquidated by the General Fund, Water and Sewer Fund, Parking Fund, Nonmajor Enterprise Funds, and Internal Service Funds.

**Terms of Default**

For the majority of the general obligation bonds and revenue bonds, in the event of default, no judgment for any deficiency upon the indebtedness will be sought or obtained by the bank. For the Water and Sewer Fund Revenue Bonds Series 2018, and 2022, in the event of default, the unpaid principal and interest becomes due in full.

**CITY OF COLUMBIA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024**

**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, 2024, including interest payments, but excluding accrued compensated absences payable, pension and OPEB liabilities, amortization of bond premiums and discounts, and lease and subscription liabilities, are as follows:

Governmental Activities:

Year Ending June 30,	General Obligation Bonds	Interest	Revenue Bonds	Interest	Note Payable	Finance Lease Payable	Interest	Total Principal	Total Interest
2025	\$ 2,395,000	\$ 697,888	\$ 2,470,000	\$ 2,329,224	\$ 75,000	\$ 6,477,651	\$ 705,879	\$ 11,417,651	\$ 3,732,991
2026	2,480,000	616,694	2,070,000	2,275,780	75,000	5,794,089	545,591	10,419,089	3,438,065
2027	2,570,000	528,520	2,365,000	2,225,983	-	4,633,762	409,875	9,568,762	3,164,378
2028	1,900,000	437,079	3,185,000	2,166,315	-	3,927,147	295,456	9,012,147	2,898,850
2029	1,970,000	372,808	3,255,000	2,091,191	-	3,376,826	183,829	8,601,826	2,647,828
2030-2034	3,505,000	1,203,544	15,700,000	9,296,800	-	3,307,480	101,585	22,512,480	10,601,929
2035-2039	2,200,000	768,600	17,045,000	7,330,169	-	-	-	19,245,000	8,098,769
2040-2044	2,555,000	405,000	19,455,000	4,914,733	-	-	-	22,010,000	5,319,733
2045-2049	1,135,000	51,300	14,035,000	2,465,999	-	-	-	15,170,000	2,517,299
2050-2054	-	-	6,755,000	319,911	-	-	-	6,755,000	319,911
	<u>\$ 20,710,000</u>	<u>\$ 5,081,433</u>	<u>\$ 86,335,000</u>	<u>\$ 35,416,105</u>	<u>\$ 150,000</u>	<u>\$ 27,516,955</u>	<u>\$ 2,242,215</u>	<u>\$ 134,711,955</u>	<u>\$ 42,739,753</u>

Business-Type Activities:

Year Ending June 30,	Revenue Bonds	Interest
2025	\$ 26,190,000	\$ 32,641,433
2026	27,475,000	31,354,235
2027	28,505,000	30,319,367
2028	29,640,000	29,190,551
2029	30,835,000	27,989,596
2030-2034	173,835,000	120,289,402
2035-2039	205,735,000	82,350,226
2040-2044	162,695,000	42,976,056
2045-2049	105,540,000	17,912,949
2050-2054	26,020,000	2,953,956
	<u>\$ 816,470,000</u>	<u>\$ 417,977,771</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***General Obligation Bonds***

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

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

General Obligation Bonds outstanding as of June 30, 2024, are as follows:

*Governmental Activities:*

\$6,260,000 City of Columbia General Obligation Bonds, Series 2015	
Proceeds for: Refund Series 2007A General Obligation Bonds	
Annual principal installments of \$15,000 to \$730,000 through June 1, 2027	
Interest rate: 2.0 to 4.0%	\$ 2,105,000
\$10,645,000 City of Columbia General Obligation Bonds, Series 2016	
Proceeds for: Acquisition of capital assets	
Annual principal installments of \$210,000 to \$575,000 through June 1, 2046	
Interest rate: 3.0 to 5.0%	9,225,000
\$10,755,000 City of Columbia General Obligation Bonds, Series 2023	
Proceeds for: Finlay Park project	
Annual principal installments of \$1,375,000 to \$1,690,000 through June 1, 2030	
Interest rate: 3.26%	9,380,000
<i>Total Governmental Activities General Obligation Bonds</i>	\$ 20,710,000

***Revenue Bonds and Note Payable***

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

*Governmental Activities:*

\$1,500,000 Note issued 2006 secured for development costs for Drew Wellness Center.	
Annual principal installments of \$75,000 through Dec. 31, 2025.	
Interest rate 0.0%.	\$ 150,000
<i>Total Governmental Activities Notes Payable</i>	\$ 150,000

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***Revenue Bonds and Note Payable (Continued)***

**Revenue Bonds**

The governmental activities hospitality tax revenue bonds are backed by hospitality tax revenue. The RecoverSC and IPRB bonds may be paid from any City revenue. They are currently budgeted and paid by the General Fund. The Water and Sewer Fund revenue bonds are backed by the Water and Sewer System. Revenue bonds outstanding as of June 30, 2024, are as follows:

*Governmental Activities:*

<p>\$14,825,000 Revenue Bond - Hospitality Fee Pledge, Series 2012          Payable from revenues derived by the City from hospitality taxes.          Annual principal installments of \$1,000,000 to \$1,315,000 through Feb. 1, 2025          Interest rate: 2.5%</p>	<p>\$ 1,315,000</p>
<p>\$1,460,000 Special Obligation Revenue Bond - Hospitality Fee Pledge, Series 2017          Payable from revenues derived by the City from hospitality taxes.          Annual principal installments of \$50,000 to \$155,000 through Feb. 1, 2029          Interest rate: 4.29%</p>	<p>715,000</p>
<p>\$10,000,000 2020A Economic development Revenue Bonds (Recover SC Program)          Payable from any revenues derived by the City.          Annual principal installments of \$250,000 to \$300,000 through Oct. 1, 2030          Interest rate: 4.75%</p>	<p>1,375,000</p>
<p>\$54,625,000 IPRB, Series 2021 (Taxable)          Payable from any revenues derived by the City.          Annual principal installments of \$485,000 to \$3,430,000 through Jun. 1, 2051          Interest rate: 0.455 to 3.141%</p>	<p>53,430,000</p>
<p>\$29,900,000 Special Obligation Revenue Bond - Hospitality Fee Pledge, Series 2021          Payable from revenues derived by the City from hospitality taxes.          Annual principal installments of \$80,000 to \$1,885,000 through Feb. 1, 2044          Interest rate: 2.390% to 3.190%</p>	<p style="border-top: 1px solid black;">29,500,000</p>
<p><i>Total Governmental Activities Revenue Bonds</i></p>	<p style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 86,335,000</p>

*Business-Type Activities:*

**Parking Facilities Fund:**

<p>\$39,255,000 Parking Facilities Refunding Revenue Bonds, Series 2018          Payable from revenues derived by the City from operation of off-street          and on-street parking facilities.          Proceeds for: Refunding the Series 2005A and 2014 bonds          Annual principal installments of \$1,185,000 to \$2,935,000 through Feb. 1, 2037          Interest rate: 2.96 to 4.34%</p>	<p style="border-top: 1px solid black;">\$ 30,095,000</p>
<p><i>Total Parking Facilities Revenue Bonds</i></p>	<p style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 30,095,000</p>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***Revenue Bonds and Note Payable (Continued)***

Water and Sewer Fund:

\$63,325,000	Waterworks and Sewer System Revenue Bonds, Series 2016A Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$1,000,000 to \$3,640,000 through Feb. 1, 2046 Interest rate: 2.0 to 5.0%	\$ 27,075,000
\$146,710,000	Waterworks and Sewer System Revenue Bonds, Series 2016B Payable from revenues from the City's water and sewer system Proceeds for: Partial refunding of Series 2011A and Series 2010 Bonds Annual principal installments of \$135,000 to \$23,620,000 through Feb. 1, 2041 Interest rate: 2.0 to 5.0%	137,205,000
\$87,340,000	Waterworks and Sewer System Revenue Bonds, Series 2018 Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$915,000 to \$5,180,000 through Feb. 1, 2048 Interest rate: 2.5 to 5.0%	47,010,000
\$131,085,000	Waterworks and Sewer System Revenue Bonds, Series 2019A Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$2,770,000 to \$7,745,000 through Feb. 1, 2049 Interest rate: 3.0 to 5.0%	87,295,000
\$143,855,000	Waterworks and Sewer System Revenue Bonds, Series 2019B Payable from revenues from the City's water and sewer system Proceeds for: Partial refunding of Series 2011A, 2012, 2013 Revenue Bonds Annual principal installments of \$1,560,000 to \$10,350,000 through Feb. 1, 2043 Interest rate: 1.76% to 3.26%	117,610,000
\$6,875,000	Waterworks and Sewer System Revenue Bonds, Series 2019C Payable from revenues from the City's water and sewer system Proceeds for: Partial refunding of Series 2010 Bonds Annual principal installments of \$940,000 to \$4,040,000 through Feb. 1, 2034 Interest rate: 4.0% to 5.0%	4,980,000
\$18,935,000	Waterworks and Sewer System Revenue Bonds, Series 2021A Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$370,000 to \$930,000 through Feb. 1, 2051 Interest rate: 2.0% to 5.0%	18,180,000

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***Revenue Bonds and Note Payable (Continued)***

<p>\$116,600,000 Waterworks and Sewer System Revenue Bonds, Series 2021B            Payable from revenues from the City's water and sewer system            Proceeds for: Partial refunding of Series 2016A, 2018, 2019A Revenue Bonds            Annual principal installments of \$810,000 to \$12,705,000 through Feb. 1, 2049            Interest rate: .29% to 3.01%</p>	114,410,000
<p>\$73,815,000 Waterworks and Sewer System Revenue Bonds, Series 2022            Payable from revenues from the City's water and sewer system            Proceeds for: Cost of improvements to the System            Annual principal installments of \$710,000 to \$4,630,000 through Feb. 1, 2052            Interest rate: 4.0% to 5.25%</p>	73,105,000
<p>\$46,325,000 Waterworks and Sewer System Revenue Bonds, Series 2023A            Payable from revenues from the City's water and sewer system            Proceeds for: Cost of improvements to the System            Annual principal installments of \$415,000 to \$2,960,000 through Feb. 1, 2053            Interest rate: 5.0% to 5.25%</p>	46,325,000
<p>\$80,410,000 Waterworks and Sewer System Revenue Bonds, Series 2023B            Payable from revenues from the City's water and sewer system            Proceeds for: Refunding of Series 2009            Annual principal installments of \$480,000 to \$10,750,000 through Feb. 1, 2038            Interest rate: 5.0%</p>	78,535,000
<p style="padding-left: 40px;"><i>Total Water and Sewer Revenue Bonds</i></p>	<p style="text-align: right;"><u>\$ 751,730,000</u></p>
<p>Stormwater Facilities Fund</p>	
<p>\$37,900,000 Stormwater System Bond, Series 2018            Payable from revenues from the City's water and sewer system            Proceeds for: Cost of improvements to the System            Annual principal installments of \$430,000 to \$2,370,000 through Feb. 1, 2048            Interest rate: 4.0 to 5.0%</p>	\$ 34,645,000
<p style="padding-left: 40px;"><i>Total Stormwater Revenue Bonds</i></p>	<p style="text-align: right;"><u>34,645,000</u></p>
<p style="padding-left: 40px;"><i>Total Business-Type Activities Revenue Bonds</i></p>	<p style="text-align: right;"><u>\$ 816,470,000</u></p>

***Obligations Under Finance Leases***

The City has entered into various lease agreements as a lessee for financing the acquisition of certain capital assets. The estimated useful lives of the assets acquired range from five to 12 years. During the current year, approximately \$5,221,000 was included in depreciation expense on assets acquired with finance lease proceeds. These assets had a balance of approximately \$15,243,000 net of accumulated depreciation at June 30, 2024. The City had approximately \$15,340,000 in unspent lease funds at June 30, 2024. The lease agreements qualify as finance leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***Obligations Under Finance Leases (Continued)***

<p>\$4,000,000 Finance Lease Payable to Regions Bank issued December 2017          Proceeds for: Acquisition of capital assets          Monthly principal and interest installments of \$48,845 through January 1, 2025          Interest rate: 2.17%</p>	<p>\$ 334,586</p>
<p>\$8,000,000 Finance Lease Payable to Regions Bank issued December 2018          Proceeds for: Acquisition of capital assets          Monthly principal and interest installments of \$101,942 through January 1, 2026          Interest rate: 2.78%</p>	<p>1,882,126</p>
<p>\$9,250,000 Finance Lease Payable to Bank of America issued December 2019          Proceeds for: Acquisition of capital assets          Monthly principal and interest installments of \$117,291 through January 1, 2027          Interest rate: 1.8%</p>	<p>3,550,164</p>
<p>\$9,000,000 Finance Lease Payable to Bank of America issued November 2021          Proceeds for: Acquisition of capital assets          Monthly principal and interest installments of \$110,325 through December 1, 2028          Interest rate: 1.17%</p>	<p>5,800,664</p>
<p>\$9,000,000 Finance Lease Payable to Bank of America issued December 2022          Proceeds for: Acquisition of capital assets          Monthly principal and interest installments of \$118,834 through January 1, 2030          Interest rate: 3.24%</p>	<p>7,253,502</p>
<p>\$9,000,000 Finance Lease Payable to Bank of America issued March 2023          Proceeds for: Acquisition of capital assets          Monthly principal and interest installments of \$122,725 through March 1, 2031          Interest rate: 4.01%</p>	<p>8,695,913</p>
<p><i>Total Governmental Activities Finance Leases Payable</i></p>	<p><u>\$ 27,516,955</u></p>

***Lease Liability***

The City is committed under various lease agreements for real estate, office, and copier equipment. The City has 10 lease agreements, which have terms ranging from 5 to 30 years with payments made monthly. In accordance with implementation of GASB 87, a lease liability was recorded, which had a balance of \$52,035,422 and \$5,228,285 at June 30, 2024 for governmental activities and business type activities, respectively. The lease liability is initially measured as the present value of the future minimum rent payments expected to be paid during the lease term at a discount rate ranging from 0.29% to 3.44%, which is an estimated incremental borrowing rate. The terms of these lease agreements do not include a variable expense component. Future amortization of the City's lease liability as of June 30, 2024 is as follows:

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***Lease Liability (Continued)***

Governmental Activities:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 111,036	\$ 1,778,860	\$ 1,889,896
2026	64,086	1,778,969	1,843,055
2027	74,787	1,778,285	1,853,072
2028	112,743	1,776,388	1,889,131
2029	148,570	1,773,165	1,921,735
2030 - 2034	1,185,442	8,771,527	9,956,969
2035 - 2039	2,534,685	8,458,613	10,993,298
2040 - 2044	4,253,850	7,883,641	12,137,491
Thereafter	43,550,223	17,746,083	61,296,306
Total	<u>\$ 52,035,422</u>	<u>\$ 51,745,531</u>	<u>\$ 103,780,953</u>

Business-Type Activities:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 125,020	\$ 77,205	\$ 202,225
2026	131,276	75,652	206,928
2027	136,303	73,984	210,287
2028	138,005	72,282	210,287
2029	139,729	70,559	210,288
2030 - 2034	525,514	328,979	854,493
2035 - 2039	426,840	296,447	723,287
2040 - 2044	451,874	262,441	714,315
Thereafter	3,153,724	580,965	3,734,689
Total	<u>\$ 5,228,285</u>	<u>\$ 1,838,514</u>	<u>\$7,066,799</u>

***Subscription Information Technology Liability***

The City is party to 6 SBITAs as part of various third-party software information technology agreements. The City's SBITAs have commencement dates ranging from March 2019 through April 2024 and expiration dates ranging from July 2025 through April 2042 with fixed payments due monthly. In accordance with implementation of GASB 96, a subscription information technology liability was recorded, which had a balance of \$2,560,750 and \$15,952,054 at June 30, 2024 for governmental activities and business type activities, respectively. The subscription information technology liability is initially measured as the present value of the future minimum payments expected to be paid during the agreement term at a discount rate ranging from approximately 2.18% to 3.05%, which is an estimated incremental borrowing rate. Future amortization of the City's subscription information technology liability as of June 30, 2024 is as follows:

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***Subscription Information Technology Liability (Continued)***

Governmental Activities:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 575,296	\$ 60,591	\$ 635,887
2026	511,423	49,998	561,421
2027	383,180	36,413	419,593
2028	207,327	26,673	234,000
2029	212,407	21,593	234,000
2030 - 2034	671,117	33,043	704,160
	\$ 2,560,750	\$ 228,311	\$ 2,789,061

Business-Type Activities:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 727,026	\$ 362,909	\$ 1,089,935
2026	743,566	346,369	1,089,935
2027	760,481	329,453	1,089,934
2028	777,783	312,152	1,089,935
2029	795,477	294,458	1,089,935
2030 - 2034	4,257,219	1,192,456	5,449,675
2035 - 2039	4,764,018	685,657	5,449,675
2040 - 2044	3,126,484	143,322	3,269,806
Total	\$ 15,952,054	\$ 3,666,776	\$ 19,618,830

***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, 2024, the balance of this conduit debt was approximately \$824,000.

***Defeasance Debt***

During the year ended June 30, 2017, the City defeased a portion of its Series 2010 and Series 2011A Water and Sewer Revenue Bonds. On June 30, 2024, the amount considered defeased related to these bonds is approximately \$143,160,000.

During the year ended June 30, 2019, the City defeased its Series 2005A and Series 2014 Parking Facilities Revenue Bonds with proceeds from the new Series 2018 Revenue Bonds totaling \$39,255,000. On June 30, 2024, the amount considered defeased related to these bonds is approximately \$38,340,000.

During the year ended June 30, 2020, the City defeased its Water and Sewer Fund series 2010, 2011A, 2012, and 2013 bonds in the amounts of \$8,770,000, \$26,130,000, \$43,560,000, and \$60,165,000, respectively. On June 30, 2024, the amount considered defeased related to these bonds is approximately \$138,625,000.

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

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

***Defeasance Debt (Continued)***

During the year ended June 30, 2021, the City partially defeased its Water and Sewer Fund series 2016A, 2018, and 2019A revenue bonds in the amounts of \$25,085,000, 31,155,000, and 35,205,000, respectively. On June 30, 2024, the amount considered defeased related to these bonds is approximately \$91,445,000.

During the year ended June 30, 2022, the City defeased its Special Obligation Bond – Hospitality Fee Pledge, Series 2014 in the amount of \$26,175,000 through issuance of the Special Obligation Bond – Hospitality Fee Pledge, Series 2021. On June 30, 2024, the amount considered defeased related to these bonds is approximately \$26,175,000.

During the year ended June 30, 2023, the City defeased a portion of its RecoverSC 2020A bonds with unused proceeds from the issuance. On June 30, 2024, the amount considered defeased related to these bonds is approximately \$8,625,000.

During the year ended June 30, 2024, the City defeased its Series 2009 Water and Sewer Revenue Bond with the proceeds from the Series 2023B Revenue Bond. The amount defeased related to this bond was \$80,785,000. The previous swap agreement was also terminated as part of the transaction. Approximately \$912,000 was recorded for issuance costs related to the new bond in 2024. The economic gain resulting from the transaction was approximately \$846,000. The difference between cash flow required to service the old debt and that required to service the new debt and complete the refunding was a gain of approximately \$1,070,000.

***Arbitrage***

In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the City must rebate to the federal government “arbitrage profits” earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings, if any. For the year ended June 30, 2024, the City did not have any arbitrage profits due to the federal government.

**I. TAX ABATEMENTS**

While the City of Columbia does not have any of its own tax abatement agreements as of June 30, 2024, Richland County, South Carolina (“the County”) provides tax abatements under two programs (the Fee-in-Lieu of *Ad Valorem* Property Tax (“FILOT”) program and the Special Source Revenue Credit (“SSRC”) program) that impact the City’s tax revenues. Additionally, the County uses multicounty industrial or business parks (“MCIP”) in connection with the FILOT and SSRC programs which further abate the City’s property tax revenues from certain taxpayers. These two programs and their impact on the City are described below.

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

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

**I. TAX ABATEMENTS (Continued)**

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

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

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

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

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

In addition to the minimum eligibility requirements to receive a property tax reduction under the FILOT program described above, the taxpayer may also make certain commitments to (i) invest certain amounts in taxable real and personal property at a project in an amount greater than the minimum investment, and (ii) create a certain number of new, full-time jobs at a project. For property tax year 2023, City property taxes abated resulting from the FILOT program totaled approximately \$206,000. The City received approximately \$568,000 in fee-in-lieu of *ad valorem* property tax payments from taxpayers with active agreements under the FILOT program in property tax year 2023.

**Special Source Revenue Credit Program**

The County also abates property taxes through the Special Source Revenue Credit (“SSRC”) program. The SSRC program is authorized by South Carolina state law, specifically, Section 4-1-175 of the Code of Laws of South Carolina 1976, as amended. The purpose of the SSRC program is to enhance the economic development of the County.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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

**I. TAX ABATEMENTS (Continued)**

**Special Source Revenue Credit Program (Continued)**

A taxpayer is eligible to receive a credit under the SSRC program, thereby reducing its property taxes, if (i) the taxpayer's property is located in a multicounty industrial or business park, and (ii) the taxpayer uses the credit to pay the cost of designing, acquiring, constructing, improving, or expanding (a) infrastructure serving the County or the taxpayer's property, or (b) improved or unimproved real estate and personal property, including machinery and equipment used in the operation of a manufacturing or commercial enterprise.

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

The County may also use the SSRC program in connection with the FILOT program. In those instances, following the calculation of a taxpayer's fee-in-lieu program, the County may also apply a credit pursuant to the SSRC program to further abate the taxpayer's property tax liability. To receive property tax abatements under the SSRC program and the FILOT program, the taxpayer must meet the eligibility requirements for both programs. For property tax year 2023, City property taxes abated resulting from the SSRC program totaled approximately \$624,000 – which included property taxes abated solely under the SSRC program and property taxes abated under the SSRC program in connection with the FILOT program. The City received approximately \$571,000 in fees-in-lieu of standard *ad valorem* taxes from taxpayers solely receiving property tax abatements under the SSRC program. Fees-in-lieu of standard *ad valorem* taxes received by the City from taxpayers receiving property tax abatements under both the SSRC program and the FILOT program are reflected in the fees-in-lieu of *ad valorem* tax payments collected from taxpayers with active agreements under the FILOT program described above.

**Multicounty Industrial or Business Park**

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

For the property tax year 2023, of the total payments made by taxpayers who were subject to the County's multicounty industrial park agreements, approximately \$96,000 would have been received by the City but for the taxpayers' location within its multicounty industrial park. For the property tax year 2023, fee-in-lieu of standard *ad valorem* tax payments from taxpayers within the multicounty industrial park totaled approximately \$457,000.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**IV. PENSION PLANS**

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

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

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

PEBA issues an Annual Comprehensive Financial Report containing financial statements and required supplementary information for the Systems’ Pension Trust Funds. The Annual Comprehensive Financial Report is publicly available through PEBA’s website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the Annual Comprehensive Financial Report of the state.

*Plan description*

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**IV. PENSION PLANS (Continued)**

*Membership*

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

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

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

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

*Benefits*

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

- SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five or eight year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**IV. PENSION PLANS (Continued)**

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

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

*Contributions*

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute. Effective July 1, 2017, employee rates were increased and capped at 9% for SCRS and 9.75% for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS until reaching 18.56% for SCRS and 21.24% for PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**IV. PENSION PLANS (Continued)**

Required <u>employee</u> contribution rates are as follows:		
<b>SCRS</b>	<b>Fiscal Year 2024</b>	<b>Fiscal Year 2023</b>
Employee Class Two	9.00% of earnable compensation	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation	9.00% of earnable compensation
<b>PORS</b>		
Employee Class Two	9.75% of earnable compensation	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation	9.75% of earnable compensation
Required <u>employer</u> contribution rates are as follows:		
<b>SCRS</b>		
Employer Class Two	18.41% of earnable compensation	17.41% of earnable compensation
Employer Class Three	18.41% of earnable compensation	17.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation	0.15% of earnable compensation
<b>PORS</b>		
Employer Class Two	20.84% of earnable compensation	19.84% of earnable compensation
Employer Class Three	20.84% of earnable compensation	19.84% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation	0.20% of earnable compensation

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

<b>Year Ended June 30, 2024</b>	<b>SCRS</b>	<b>PORS</b>
Required contributions	\$ 13,186,728	\$ 10,640,454
Actual contributions	\$ 13,186,728	\$ 10,640,454

**Actuarial Assumptions and Methods**

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2023, total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company ("GRS") and are based on an actuarial valuation performed as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**IV. PENSION PLANS (Continued)**

**Actuarial Assumptions and Methods (Continued)**

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.0%	7.0%
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table ("2020 PRSC"), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2023, TPL are as follows.

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

**Net Pension Liability**

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB 67 less that system's fiduciary net position. NPL totals, as of June 30, 2023, for SCRS and PORS are presented below.

<b>System</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Employers' Net Pension Liability</b>	<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>
SCRS	\$ 58,464,402,454	\$ 34,286,961,942	\$ 24,177,440,512	58.6%
PORS	9,450,021,576	6,405,925,370	3,044,096,206	67.8%
Total	\$ 67,914,424,030	\$ 40,692,887,312	\$ 27,221,536,718	

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

<b>Measurement Period Ended June 30,</b>	<b>Fiscal Year Ended June 30,</b>	<b>SCRS</b>	<b>PORS</b>
2022	2023	\$125,838,012	\$87,735,170
2023	2024	\$125,941,806	\$79,858,077

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**IV. PENSION PLANS (Continued)**

**Net Pension Liability (Continued)**

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

The net pension liabilities were measured as of June 30, 2023, and the total pension liabilities for the Plans used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report of July 1, 2020, that was projected forward to the measurement date. The City's proportion of the net pension liabilities was based on a projection of the City's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2023 measurement date, the City's percentage of the SCRS and PORS net pension liability was 0.520906% and 2.623376%, respectively. This is an increase of 0.001818% for SCRS and a decrease of 0.302125% for PORS from its proportion measured as of June 30, 2022.

*Long-term Expected Rate of Return*

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7% assumed annual investment rate of return used in the calculation of the TPL includes a 4.75% real rate of return and a 2.25% inflation component.

*Discount Rate*

The discount rate used to measure the TPL was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
<b>Public Equity</b>	46.0%	6.62%	3.04%
<b>Bonds</b>	26.0%	0.31%	0.08%
<b>Private Equity</b>	9.0%	10.91%	0.98%
<b>Private Debt</b>	7.0%	6.16%	0.43%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
Total Expected Real Return	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
			<u>7.56%</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**IV. PENSION PLANS (Continued)**

**Net Pension Liability (Continued)**

*Sensitivity Analysis*

The following table presents the collective net pension liability of the City calculated using the discount rate of 7.0% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.0%) or 1.00% higher (8.0%) than the current rate.

<b>Sensitivity of the City's Proportional Share of Net Pension Liability To Changes in the Discount Rate</b>			
<u>System</u>	<u>1.00% Decrease</u>	<u>Current Discount Rate</u>	<u>1.00% Increase</u>
SCRS	\$ 162,728,735	\$ 125,941,806	\$ 95,365,657
PORS	\$ 112,651,907	\$ 79,858,077	\$ 52,995,862

**Plan Fiduciary Net Position**

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2023 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2022.

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

For the year ended June 30, 2024, the City recognized a pension benefit of \$4,992,009 to SCRS and pension benefit of \$4,266,645 to PORS for a total of \$9,258,654 in pension benefit.

At June 30, 2024, the City reported deferred outflows (inflows) of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>SCRS</u>		
Pension contributions subsequent to the measurement date	\$ 13,186,728	\$ -
Differences in actual and expected experience	2,186,568	349,255
Change in assumptions	1,929,610	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	300,887	5,721,303
Net differences between projected and actual earnings on plan investments	-	172,387
	<u>\$ 17,603,793</u>	<u>\$ 6,242,945</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**IV. PENSION PLANS (Continued)**

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

<u>PORS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 10,640,454	\$ -
Differences in actual and expected experience	3,758,193	984,478
Change in assumptions	1,738,041	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	964,566	9,006,903
Net differences between projected and actual earnings on plan investments	-	137,052
	<u>\$ 17,101,254</u>	<u>\$ 10,128,433</u>
Total all plans	<u>\$ 34,705,047</u>	<u>\$ 16,371,378</u>

The City reported \$23,827,182 as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. The difference between projected and actual earnings on pension plan investments are reported as deferred outflows (inflows) of resources and will be amortized over a closed five-year period and recognized in pension expense in future years. The differences between expected and actual experience and the change in proportionate share of contributions are reported as deferred outflows (inflows) of resources and will be amortized over the average remaining service lives of all plan participants. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2023, measurement date was 3.678 years for SCRS and 3.779 years for PORS. The following schedule reflects the amortization of the City's proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2024.

<u>Measurement Period Ending June 30,</u>	<u>Fiscal Year Ending June 30,</u>	<u>SCRS</u>	<u>PORS</u>
2024	2025	\$ 1,200,967	\$ 608,825
2025	2026	4,328,755	5,054,811
2026	2027	(3,777,711)	(2,079,542)
2027	2028	73,869	83,539
Net Balance of Deferred Outflows/ (Inflows) of Resources		<u>\$ 1,825,880</u>	<u>\$ 3,667,633</u>

**Payables to the Pension Plans**

As of June 30, 2024, there were no payables due to the pension plans.

**Component Units**

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**V. COMMITMENTS AND CONTINGENCIES**

**A. FEDERAL GRANTS**

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

**B. CONSENT DECREE**

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

**C. LITIGATION**

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

**D. DEVELOPMENT AGREEMENT AND CONSTRUCTION**

On July 9, 2013, the City executed a development agreement with a private developer to develop approximately 165 acres of land within the City of Columbia. During the year ended June 30, 2017, the original agreement was amended. The amendment required that the City add an additional 16 acres of property to the development site. The City's commitments are to occur in four phases. The first phase occurred during the year ended June 30, 2014. This phase required the City to make \$5,250 in public improvements. Phase two, achieved during the year ended June 30, 2015, required the City to make \$7,965,842 in public improvements. Phase three, achieved during the year ended June 30, 2016, required the City to make \$2,179,342 in public improvements. Phase four is subdivided into four subphases. The first subphase requires the City to make \$5,000,000 in public improvements once the developer makes \$25,000,000 in taxable improvements. This subphase was accomplished during the year ended June 30, 2017. The second subphase, which was achieved during the year ended June 30, 2018, requires the City to make an additional \$5,000,000 in public improvements upon completion of an additional \$25,000,000 in taxable improvements by the developer. The third subphase requires an additional \$5,000,000 in public improvements by the City upon the completion of an additional \$25,000,000 in taxable investments by the developer. The fourth subphase requires the City make \$840,816 in public improvements upon the completion of \$6,250,000 in taxable investments by the developer. If the requirements for all four subphases are met, the City will be required to make \$15,840,816 in public improvements, and \$81,250,000 in taxable investments will have been made by the developer. Also as part of the fourth phase, the City is required to construct two parking facilities with a combined total of at least 1,600 parking spaces if certain conditions are met by the developer. The garages are expected to cost between \$16,000,00 and \$18,000,000.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**V. COMMITMENTS AND CONTINGENCIES (Continued)**

**D. DEVELOPMENT AGREEMENT AND CONSTRUCTION (Continued)**

The City will be required to construct the first parking facility if the developer either constructs 120,000 square feet of office, retail, or 6% assessed space that is subject to property tax or rehabilitates the Babcock Building, a historical structure located within the development area. The second parking facility is required to be constructed upon the developer purchasing or causing to be purchased 90 acres of the development or obtains commitments to construct \$75,000,000 in private investment. The developer has met the requirements to have both parking facilities constructed. However, the developer has requested that the parking facilities not be constructed until such time as the developer requests. This request was granted by the City. The City has begun construction of the two parking garages per the agreement. The smaller garage opened in September 2022 and the larger garage in December 2022. As of June 30, 2024, the City had total encumbrances for construction projects in the amounts of approximately \$30,000, \$20,831,000, \$104,626,000, and \$10,489,000 for the nonmajor governmental funds, Parking Facilities Fund, Water/Sewer Facilities Fund, and Stormwater Facilities Fund, respectively.

**VI. OTHER INFORMATION**

**A. SUBSEQUENT EVENTS**

Management has evaluated subsequent events from June 30, 2024 through December 4, 2024, the date these financial statements were available to be issued. No events were noted that required adjustment to or disclosure in these financial statements.

**B. RECENT GASB STANDARDS NOT YET IMPLEMENTED**

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

GASB Statement No. 102, *Certain Risk Disclosures*. The primary objective of this statement is to provide financial statement users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, financial statement users will have better information with which to understand and anticipate certain risks to a government's financial condition. If certain criteria are met for a concentration or constraint, additional disclosures will be required. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024. The City will implement the new guidance with the 2025 financial statements.

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**VI. OTHER INFORMATION (Continued)**

**C. CHANGES IN FINANCIAL REPORTING UNITS**

The City implemented GASB Statement No. 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*, for the year ended June 30, 2024. Additional discussions are required under the new guidance from changes in major and nonmajor funds from the prior year and changes in component units. The State Appropriations Fund was presented as a major fund for the year ended June 30, 2023 and no longer met the criteria to be presented as a major fund for the year ended June 30, 2024. In addition, Eau Claire Development Corporation was a discretely presented component unit of the City for the year ended June 30, 2023 and no longer met the criteria to be presented as a component unit for the year ended June 30, 2024. A summary of the financial reporting units affected by these changes is below:

	<b>Reporting Units Affected by Adjustments to Beginning Balances</b>		
	Governmental Funds		Component Units
	State Appropriations Fund	Other Governmental Funds	Eau Claire Development Corporation
June 30, 2023, as previously presented	\$ 35,674,500	\$ 80,375,418	\$ 674,555
Change from major to nonmajor fund	(35,674,500)	35,674,500	-
Change to reporting entity (discontinued CU)	-	-	(674,555)
June 30, 2023, as adjusted	\$ -	\$ 116,049,918	\$ -

**REQUIRED SUPPLEMENTARY INFORMATION**

## REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND (UNAUDITED)**  
**Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
General property and local option sales taxes	\$ 63,755,845	\$ 63,755,845	\$ 66,453,109	\$ 2,697,264
Equipment surcharges	-	-	10,844	10,844
Licenses and permits	31,364,097	31,364,097	34,353,509	2,989,412
Franchise fees	12,324,549	12,324,549	13,880,762	1,556,213
Intergovernmental revenue	18,890,017	18,890,017	20,327,782	1,437,765
Charges for services	17,995,696	17,995,696	18,348,126	352,430
Fines and forfeitures	506,500	506,500	337,205	(169,295)
Federal government	-	-	88,096	88,096
Private grants	-	-	10,600	10,600
Rental income	1,282,740	1,282,740	1,591,993	309,253
Investment income	145,415	145,415	2,034,909	1,889,494
Other revenues	145,000	145,000	240,705	95,705
<b>Total revenues</b>	<u>146,409,859</u>	<u>146,409,859</u>	<u>157,677,640</u>	<u>11,267,781</u>
<b>EXPENDITURES</b>				
Current				
General government	16,132,886	17,093,751	15,257,907	1,835,844
Judicial	3,922,651	3,958,276	4,106,999	(148,723)
Finance department	2,389,485	2,389,485	2,077,443	312,042
Planning and development	4,362,445	4,364,238	3,997,321	366,917
Public safety	76,206,738	77,970,821	80,502,890	(2,532,069)
Parks and recreation	14,270,965	14,413,452	14,414,483	(1,031)
Public services	20,125,419	20,694,691	19,813,158	881,533
General services	3,475,033	4,013,344	3,613,417	399,927
Tourism and community development	6,168,207	6,720,783	5,073,429	1,647,354
Community promotions	40,000	88,000	258,792	(170,792)
Debt service				
Principal payment on leases	5,808,830	5,808,830	6,163,553	(354,723)
Interest on leases	362,984	362,984	565,427	(202,443)
Capital outlay				
Capital outlay	1,799,024	9,031,371	8,932,485	98,886
<b>Total expenditures</b>	<u>155,064,667</u>	<u>166,910,026</u>	<u>164,777,304</u>	<u>2,132,722</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(8,654,808)</u>	<u>(20,500,167)</u>	<u>(7,099,664)</u>	<u>13,400,503</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	11,881,454	12,231,346	12,381,454	150,108
Transfers (out)	(15,526,646)	(20,263,462)	(12,366,938)	7,896,524
Sale of general capital assets	200,000	200,000	273,499	73,499
Issuance of finance lease	9,000,000	9,000,000	9,000,000	-
Insurance recoveries	100,000	100,000	211,147	111,147
Unappropriated surplus	3,000,000	19,232,283	-	(19,232,283)
<b>Total other financing sources (uses)</b>	<u>8,654,808</u>	<u>20,500,167</u>	<u>9,499,162</u>	<u>(11,001,005)</u>
Net change in fund balance	-	-	2,399,498	2,399,498
Beginning fund balance	48,834,292	48,834,292	48,834,292	-
Ending fund balance	<u>\$ 48,834,292</u>	<u>\$ 48,834,292</u>	<u>\$ 51,233,790</u>	<u>\$ 2,399,498</u>

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO BUDGETARY COMPARISON SCHEDULE (UNAUDITED)**  
**June 30, 2023**

**Budget and Budgetary Accounting**

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

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

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA  
SCHEDULES OF THE CITY'S CONTRIBUTIONS - PENSION  
YEAR ENDED JUNE 30, 2024  
(UNAUDITED)**

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contributions	\$ 13,186,728	\$ 11,522,802	\$ 10,233,137	\$ 9,894,590	\$ 11,071,936	\$ 9,117,950	\$ 8,119,349	\$ 6,888,470	\$ 6,155,138	\$ 5,815,863
Contributions made to the pension plan	<u>13,186,728</u>	<u>11,522,802</u>	<u>10,233,137</u>	<u>9,894,590</u>	<u>11,071,936</u>	<u>9,117,950</u>	<u>8,119,349</u>	<u>6,888,470</u>	<u>6,155,138</u>	<u>5,815,863</u>
Contribution deficiency	<u>\$ -</u>									
City's covered payroll	\$ 71,049,240	\$ 65,619,603	\$ 61,794,306	\$ 63,589,910	\$ 71,156,401	\$ 62,623,283	\$ 59,877,207	\$ 59,588,839	\$ 55,652,247	\$ 53,480,622
Contributions as a percentage of covered payroll	18.56%	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.87%

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contributions	\$ 10,640,454	\$ 9,324,484	\$ 8,909,360	\$ 8,537,277	\$ 8,233,662	\$ 7,519,937	\$ 6,777,860	\$ 5,784,601	\$ 5,548,189	\$ 5,031,606
Contributions made to the pension plan	<u>10,640,454</u>	<u>9,324,484</u>	<u>8,909,360</u>	<u>8,537,277</u>	<u>8,233,662</u>	<u>7,519,937</u>	<u>6,777,860</u>	<u>5,784,601</u>	<u>5,548,189</u>	<u>5,031,606</u>
Contribution deficiency	<u>\$ -</u>									
City's covered payroll	\$ 50,572,500	\$ 46,529,361	\$ 46,792,857	\$ 47,324,152	\$ 45,641,142	\$ 44,131,086	\$ 42,255,986	\$ 41,200,865	\$ 40,976,282	\$ 37,437,424
Contributions as a percentage of covered payroll	21.04%	20.04%	19.04%	18.04%	18.04%	17.04%	16.04%	14.04%	13.54%	13.44%

*See accompanying independent auditor's report.*

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**SCHEDULES OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**YEAR ENDED JUNE 30, 2024**  
**(UNAUDITED)**

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

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
The City's percentage of the net pension liability	0.520906%	0.519088%	0.563246%	0.579680%	0.591528%	0.578106%	0.590550%	0.575439%	0.570267%	0.589139%
The City's proportionate share of the net pension liability	\$ 125,941,806	\$ 125,838,012	\$ 121,893,562	\$ 148,118,430	\$ 135,070,450	\$ 129,535,220	\$ 132,942,302	\$ 122,912,706	\$ 108,153,887	\$ 101,430,204
The City's covered payroll	\$ 65,619,603	\$ 61,794,306	\$ 63,589,910	\$ 71,156,401	\$ 62,623,283	\$ 59,877,207	\$ 59,588,839	\$ 55,652,247	\$ 53,480,622	\$ 52,411,010
The City's proportionate share of the net pension liability as a percentage of its covered payroll	191.93%	203.64%	191.69%	208.16%	215.69%	216.33%	223.10%	220.86%	202.23%	193.53%
The Plan's fiduciary net position as a percentage of the total pension liability	58.60%	57.10%	60.70%	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.92%

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

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
The City's percentage of the net pension liability	2.623376%	2.925501%	3.112065%	2.988833%	3.011805%	3.01677%	3.02172%	3.17559%	3.03491%	3.06671%
The City's proportionate share of the net pension liability	\$ 79,858,077	\$ 87,735,170	\$ 80,070,765	\$ 99,116,039	\$ 86,316,550	\$ 85,481,582	\$ 82,781,885	\$ 80,547,962	\$ 66,145,819	\$ 58,710,014
The City's covered payroll	\$ 46,529,361	\$ 46,792,857	\$ 47,324,152	\$ 45,641,142	\$ 44,131,086	\$ 42,255,986	\$ 41,200,865	\$ 40,976,282	\$ 37,437,424	\$ 36,688,676
The City's proportionate share of the net pension liability as a percentage of its covered payroll	171.63%	187.50%	169.20%	217.16%	195.59%	202.29%	200.92%	196.57%	176.68%	160.02%
The Plan's fiduciary net position as a percentage of the total pension liability	67.80%	66.40%	70.40%	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%	67.55%

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

*See accompanying independent auditor's report.*

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

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Total OPEB Liability							
Service cost	\$ 5,982,398	\$ 6,004,520	\$ 12,069,559	\$ 11,726,172	\$ 4,987,631	\$ 4,303,230	\$ 4,441,132
Interest	7,965,467	7,566,905	5,427,292	5,296,956	6,390,325	6,419,751	6,050,483
Changes of benefit terms	-	-	-	-	(10,752,440)	-	-
Differences between expected and actual experience	(648,060)	-	(84,104,059)	-	5,871,821	-	-
Changes in assumptions or other inputs	31,078,492	(4,584,104)	39,353,807	(1,814,558)	48,681,157	11,402,855	(5,968,255)
Benefit payments	(4,590,315)	(4,387,919)	(4,010,169)	(3,929,263)	(5,676,306)	(6,539,599)	(8,464,680)
Net change in total OPEB liability	39,787,982	4,599,402	(31,263,570)	11,279,307	49,502,188	15,586,237	(3,941,320)
Total OPEB liability - beginning	214,524,145	209,924,743	241,188,313	229,909,006	180,406,818	164,820,581	168,761,901
Total OPEB liability - ending	<u>\$ 254,312,127</u>	<u>\$ 214,524,145</u>	<u>\$ 209,924,743</u>	<u>\$ 241,188,313</u>	<u>\$ 229,909,006</u>	<u>\$ 180,406,818</u>	<u>\$ 164,820,581</u>
Covered-employee payroll	\$ 109,285,456	\$ 109,285,456	\$ 109,285,456	\$ 106,804,903	\$ 111,900,512	\$ 104,186,841	\$ 102,133,193
Total OPEB liability as a percentage of covered-employee payroll	232.70%	196.30%	192.09%	225.82%	205.46%	173.16%	161.38%

Notes to Schedule:

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

The discount rate increased from 3.65% to 3.93%.

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

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

*See accompanying independent auditor's report.*

**SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

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

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

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

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

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

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

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

*State Appropriations* accounts for revenues received from South Carolina state grants.

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

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

### Debt Service Funds

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

### Capital Project Funds

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

*Streetscaping* accounts for capital improvements to street landscaping.

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

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

### Permanent Trust

*Anna Dickson Trust* accounts for an endowment for which the investment income must be used to purchase flowers for the parks.

**CITY OF COLUMBIA, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2024**

	<b>Special Revenue</b>											
	Liquor Permit Fee	Business Improvement District	Accommoda- tions Tax	Confiscated Drug Program	Hospitality Tax	Community Development	Tourism Development	Federal Grants	Formerly Major Fund - State Appropriations	Other Programs	Tourism Development Convention Center	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>												
Cash and cash equivalents	\$ 128,164	\$ -	\$ 1,046,175	\$ 97,052	\$ 2,483,091	\$ -	\$ 3,831,822	\$ 144,967	\$ 39,389,720	\$ 807,772	\$ 976,184	\$ 48,904,947
Investments	195,669	-	475,323	-	1,860,895	-	-	-	-	220,998	-	2,752,885
Restricted investments	-	-	-	508,993	-	-	-	17,491,881	759,219	50,447	-	18,810,540
Receivables												
Federal government	-	-	-	2,043	-	1,117,495	-	1,077,205	-	-	-	2,196,743
State government	-	-	-	-	-	-	-	-	-	1,944	-	1,944
Accounts, net	-	-	1,295,672	-	-	-	-	-	4,600,000	160,160	-	6,055,832
Accrued interest receivable	15,124	-	36,740	-	143,836	-	-	-	-	17,083	-	212,783
Due from grantee agencies	-	-	-	-	-	-	-	6	-	-	-	6
<b>TOTAL ASSETS</b>	<b>\$ 338,957</b>	<b>\$ -</b>	<b>\$ 2,853,910</b>	<b>\$ 608,088</b>	<b>\$ 4,487,822</b>	<b>\$ 1,117,495</b>	<b>\$ 3,831,822</b>	<b>\$ 18,714,059</b>	<b>\$ 44,748,939</b>	<b>\$ 1,258,404</b>	<b>\$ 976,184</b>	<b>\$ 78,935,680</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>												
Liabilities												
Accounts payable	\$ 125,803	\$ -	\$ 50,000	\$ 82,412	\$ 813,673	\$ 497,160	\$ 1,334,566	\$ 303,676	\$ 62,166	\$ -	\$ -	\$ 3,269,456
Accrued salaries and benefits	-	-	-	-	-	33,725	-	46,666	-	12,436	-	92,827
Refundable advances	-	-	-	508,993	477,239	4,360	-	11,518,372	498,493	64,520	-	13,071,977
Due to other funds	-	-	-	-	-	2,945,643	-	6,229,946	-	797,606	-	9,973,195
<b>Total liabilities</b>	<b>125,803</b>	<b>-</b>	<b>50,000</b>	<b>591,405</b>	<b>1,290,912</b>	<b>3,480,888</b>	<b>1,334,566</b>	<b>18,098,660</b>	<b>560,659</b>	<b>874,562</b>	<b>-</b>	<b>26,407,455</b>
Fund balances												
Restricted	213,154	-	2,803,910	16,683	3,196,910	-	2,497,256	615,399	44,188,280	383,842	976,184	54,891,618
Unassigned	-	-	-	-	-	(2,363,393)	-	-	-	-	-	(2,363,393)
<b>Total fund balances (deficit)</b>	<b>213,154</b>	<b>-</b>	<b>2,803,910</b>	<b>16,683</b>	<b>3,196,910</b>	<b>(2,363,393)</b>	<b>2,497,256</b>	<b>615,399</b>	<b>44,188,280</b>	<b>383,842</b>	<b>976,184</b>	<b>52,528,225</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 338,957</b>	<b>\$ -</b>	<b>\$ 2,853,910</b>	<b>\$ 608,088</b>	<b>\$ 4,487,822</b>	<b>\$ 1,117,495</b>	<b>\$ 3,831,822</b>	<b>\$ 18,714,059</b>	<b>\$ 44,748,939</b>	<b>\$ 1,258,404</b>	<b>\$ 976,184</b>	<b>\$ 78,935,680</b>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
June 30, 2024**

	Debt Service Fund	Capital Projects				Total Nonmajor Capital Projects Funds	Permanent Trust	Total Nonmajor Governmental Funds
		Congaree Vista District	Streetscaping	General Capital Projects	Miscellaneous Projects		Anna Dickson Trust	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 2,262,453	\$ 1,508,465	\$ 3,374,809	\$ 27,610,645	\$ 2,765,704	\$ 35,259,623	\$ 5,569	\$ 86,432,592
Investments	-	-	1,388,395	6,743,609	-	8,132,004	-	10,884,889
Restricted investments	1,123,195	-	-	-	21,408,952	21,408,952	-	41,342,687
Receivables								
Federal government	-	-	-	-	-	-	-	2,196,743
State government	-	-	-	-	-	-	-	1,944
Accounts, net	-	-	892,345	-	-	892,345	-	6,948,177
Accrued interest receivable	-	-	107,315	521,241	1,487	630,043	-	842,826
Due from other funds	-	-	-	4,961,146	-	4,961,146	-	4,961,146
Due from grantee agencies	-	-	-	-	-	-	-	6
<b>TOTAL ASSETS</b>	<b>\$ 3,385,648</b>	<b>\$ 1,508,465</b>	<b>\$ 5,762,864</b>	<b>\$ 39,836,641</b>	<b>\$ 24,176,143</b>	<b>\$ 71,284,113</b>	<b>\$ 5,569</b>	<b>\$ 153,611,010</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities								
Accounts payable	\$ 3,500	\$ -	\$ 29,172	\$ 2,835,036	\$ -	\$ 2,864,208	\$ -	\$ 6,137,164
Accrued salaries and benefits	-	-	-	-	-	-	-	92,827
Retainage payable	-	-	-	2,525	-	2,525	-	2,525
Refundable advances	-	-	-	-	24	24	-	13,072,001
Due to other funds	-	-	-	-	5,542,714	5,542,714	-	15,515,909
Total liabilities	3,500	-	29,172	2,837,561	5,542,738	8,409,471	-	34,820,426
Fund balances								
Nonspendable	-	-	-	-	-	-	5,569	5,569
Restricted	3,382,148	1,508,465	-	-	18,633,405	20,141,870	-	78,415,636
Assigned	-	-	5,733,692	36,999,080	-	42,732,772	-	42,732,772
Unassigned	-	-	-	-	-	-	-	(2,363,393)
Total fund balances	3,382,148	1,508,465	5,733,692	36,999,080	18,633,405	62,874,642	5,569	118,790,584
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,385,648</b>	<b>\$ 1,508,465</b>	<b>\$ 5,762,864</b>	<b>\$ 39,836,641</b>	<b>\$ 24,176,143</b>	<b>\$ 71,284,113</b>	<b>\$ 5,569</b>	<b>\$ 153,611,010</b>

*See accompanying independent auditor's report.*

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2024**

	<b>Special Revenue</b>											
	Liquor Permit Fee	Business Improvement District	Accommodations Tax	Confiscated Drug Program	Hospitality Tax	Community Development	Tourism Development	Federal Grants	Formerly Major Fund - State Appropriations	Other Programs	Tourism Development Convention Center	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>												
General property taxes	\$ -	\$ 1,159,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,159,840
Hospitality and admission taxes	-	-	-	-	16,488,942	-	-	-	-	-	-	16,488,942
Accommodations tax	-	-	3,612,420	-	-	-	-	-	-	-	-	3,612,420
Tourism development fee	-	-	-	-	-	-	4,935,752	-	-	-	-	4,935,752
Liquor permit fee	387,505	-	-	-	-	-	-	-	-	-	-	387,505
Intergovernmental revenue	-	-	-	-	-	-	-	14,713	11,561,326	-	-	11,576,039
Charges for services	-	-	-	-	-	-	-	-	-	19,523	-	19,523
Fines and forfeitures	-	-	-	67,072	-	-	-	-	-	50,412	-	117,484
Federal government	-	-	-	-	-	1,735,736	-	9,234,864	-	11,353	-	10,981,953
Private grants	-	-	-	-	-	2,250	-	-	-	81,273	-	83,523
Investment income	40,240	-	97,749	236	382,701	-	-	-	-	45,897	-	566,823
Other revenues	-	-	-	-	-	-	-	-	-	159,788	-	159,788
<b>Total revenues</b>	<b>427,745</b>	<b>1,159,840</b>	<b>3,710,169</b>	<b>67,308</b>	<b>16,871,643</b>	<b>1,737,986</b>	<b>4,935,752</b>	<b>9,249,577</b>	<b>11,561,326</b>	<b>368,246</b>	<b>-</b>	<b>50,089,592</b>
<b>EXPENDITURES</b>												
Current												
General government	-	-	-	-	-	-	196,501	-	-	11,353	-	207,854
Planning and development	-	-	-	-	-	-	-	4,634,999	-	-	-	4,634,999
Public safety	-	-	-	102,222	-	-	-	795,704	-	310,014	-	1,207,940
Parks and recreation	-	-	-	-	-	-	-	-	1,715,638	23,430	-	1,739,068
Public services	-	-	-	-	-	-	-	-	250,308	-	-	250,308
Tourism and community development	190,000	1,159,840	2,856,958	-	6,498,893	2,575,862	2,812,367	-	-	145,865	1,423,596	17,663,381
Capital outlay												
Capital outlay	-	-	-	246,354	-	270,770	-	1,158,726	81,600	-	-	1,757,450
<b>Total expenditures</b>	<b>190,000</b>	<b>1,159,840</b>	<b>2,856,958</b>	<b>348,576</b>	<b>6,498,893</b>	<b>2,846,632</b>	<b>3,008,868</b>	<b>6,589,429</b>	<b>2,047,546</b>	<b>490,662</b>	<b>1,423,596</b>	<b>27,461,000</b>
Excess (deficiency) of revenues over (under) expenditures	237,745	-	853,211	(281,268)	10,372,750	(1,108,646)	1,926,884	2,660,148	9,513,780	(122,416)	(1,423,596)	22,628,592
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers in	-	-	-	-	-	-	-	-	-	396,086	-	396,086
Transfers (out)	(1,946,870)	-	(1,012,011)	-	(10,701,024)	-	(872,092)	(2,500,000)	(1,000,000)	-	-	(18,031,997)
<b>Total other financing sources (uses)</b>	<b>(1,946,870)</b>	<b>-</b>	<b>(1,012,011)</b>	<b>-</b>	<b>(10,701,024)</b>	<b>-</b>	<b>(872,092)</b>	<b>(2,500,000)</b>	<b>(1,000,000)</b>	<b>396,086</b>	<b>-</b>	<b>(17,635,911)</b>
Net change in fund balances (deficit)	(1,709,125)	-	(158,800)	(281,268)	(328,274)	(1,108,646)	1,054,792	160,148	8,513,780	273,670	(1,423,596)	4,992,681
Beginning fund balances (deficit), as previously presented	1,922,279	-	2,962,710	297,951	3,525,184	(1,254,747)	1,442,464	455,251	-	110,172	2,399,780	11,861,044
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	-	-	-	-	35,674,500	-	-	35,674,500
Beginning fund balances (deficit), as adjusted	1,922,279	-	2,962,710	297,951	3,525,184	(1,254,747)	1,442,464	455,251	35,674,500	110,172	2,399,780	47,535,544
Ending fund balances (deficit)	\$ 213,154	\$ -	\$ 2,803,910	\$ 16,683	\$ 3,196,910	\$ (2,363,393)	\$ 2,497,256	\$ 615,399	\$ 44,188,280	\$ 383,842	\$ 976,184	\$ 52,528,225

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**Year Ended June 30, 2024**

	<b>Capital Projects</b>					<b>Permanent Trust</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Debt Service Fund</b>	<b>Congaree Vista District</b>	<b>Streetscaping</b>	<b>General Capital Projects</b>	<b>Miscellaneous Projects</b>	<b>Total Nonmajor Capital Projects Funds</b>	
<b>REVENUES</b>							
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,159,840
Hospitality and admission taxes	-	-	-	-	-	-	16,488,942
Accommodations tax	-	-	-	-	-	-	3,612,420
Tourism development fee	-	-	-	-	-	-	4,935,752
Liquor permit fee	-	-	-	-	-	-	387,505
Intergovernmental revenue	-	-	639,596	208,240	-	847,836	12,423,875
Charges for services	-	-	-	-	-	-	19,523
Fines and forfeitures	-	-	-	-	-	-	117,484
Federal government	-	-	-	-	-	-	10,981,953
Private grants	-	-	1,087,831	227,800	-	1,315,631	1,399,154
Investment income	49,408	-	285,529	1,386,847	1,062,745	2,735,121	3,351,652
Other revenues	-	-	-	-	-	-	159,788
<b>Total revenues</b>	<b>49,408</b>	<b>-</b>	<b>2,012,956</b>	<b>1,822,887</b>	<b>1,062,745</b>	<b>4,898,588</b>	<b>55,037,888</b>
<b>EXPENDITURES</b>							
<b>Current</b>							
General government	-	-	-	-	-	-	207,854
Planning and development	-	-	-	-	-	-	4,634,999
Public safety	-	-	-	-	-	-	1,207,940
Parks and recreation	-	-	-	-	-	-	1,739,068
Public services	-	-	-	-	-	-	250,308
Tourism and community development	-	-	-	583,727	-	583,727	18,247,108
<b>Debt service</b>							
Principal payment on bonds	4,615,000	-	-	-	-	-	4,615,000
Interest on bonds	3,345,423	-	-	-	-	-	3,345,423
Issuance costs	-	-	-	-	1,548	1,548	1,548
Fiscal agent charges	10,466	-	-	-	5,599	5,599	16,065
<b>Capital outlay</b>							
Capital outlay	-	-	282,204	12,718,755	3,274,666	16,275,625	18,033,075
<b>Total expenditures</b>	<b>7,970,889</b>	<b>-</b>	<b>282,204</b>	<b>13,302,482</b>	<b>3,281,813</b>	<b>16,866,499</b>	<b>52,298,388</b>
(Deficiency) excess of revenues (under) over expenditures	(7,921,481)	-	1,730,752	(11,479,595)	(2,219,068)	(11,967,911)	2,739,500
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	7,960,423	-	-	27,214,302	-	27,214,302	35,570,811
Transfers (out)	-	-	(4,900,000)	(1,903,000)	(10,734,648)	(17,537,648)	(35,569,645)
<b>Total other financing sources (uses)</b>	<b>7,960,423</b>	<b>-</b>	<b>(4,900,000)</b>	<b>25,311,302</b>	<b>(10,734,648)</b>	<b>9,676,654</b>	<b>1,166</b>
<b>Net change in fund balances</b>	<b>38,942</b>	<b>-</b>	<b>(3,169,248)</b>	<b>13,831,707</b>	<b>(12,953,716)</b>	<b>(2,291,257)</b>	<b>2,740,666</b>
Beginning fund balances (deficit), as previously presented	3,343,206	1,508,465	8,902,940	23,167,373	31,587,121	65,165,899	80,375,418
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	-	-	35,674,500
Beginning fund balances (deficit), as adjusted	3,343,206	1,508,465	8,902,940	23,167,373	31,587,121	65,165,899	116,049,918
<b>Ending fund balances</b>	<b>\$ 3,382,148</b>	<b>\$ 1,508,465</b>	<b>\$ 5,733,692</b>	<b>\$ 36,999,080</b>	<b>\$ 18,633,405</b>	<b>\$ 62,874,642</b>	<b>\$ 118,790,584</b>

*See accompanying independent auditor's report.*

## NONMAJOR ENTERPRISE FUNDS

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

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

*Stormwater Facilities Fund* accounts for stormwater utility activities.

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMBINING STATEMENT OF FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2024**

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ -	\$ 26,277,543	\$ 10,340,687	\$ -	\$ 36,618,230
Investments	-	21,239,855	-	-	21,239,855
Restricted investments	-	1,105,799	-	-	1,105,799
Accounts receivable, net	-	1,350	67,184	-	68,534
Accrued interest receivable	-	1,641,715	-	-	1,641,715
Prepaid expenses	-	31,928	-	-	31,928
Real estate held for resale	-	-	1,029,986	-	1,029,986
<b>Total current assets</b>	<b>-</b>	<b>50,298,190</b>	<b>11,437,857</b>	<b>-</b>	<b>61,736,047</b>
Noncurrent assets					
Mortgage notes receivable, net	-	-	20,387,337	-	20,387,337
Restricted Investments	-	24,645,184	-	-	24,645,184
Capital assets					
Land	327,169	4,307,932	-	-	4,635,101
Buildings, improvements and utility plant	18,155,310	45,721,742	-	-	63,877,052
Machinery and equipment	-	6,394,814	-	-	6,394,814
Less accumulated depreciation	(7,500,885)	(16,239,770)	-	-	(23,740,655)
Construction in progress	-	13,266,411	600,000	-	13,866,411
<b>Net capital assets</b>	<b>10,981,594</b>	<b>53,451,129</b>	<b>600,000</b>	<b>-</b>	<b>65,032,723</b>
<b>Total noncurrent assets</b>	<b>10,981,594</b>	<b>78,096,313</b>	<b>20,987,337</b>	<b>-</b>	<b>110,065,244</b>
<b>TOTAL ASSETS</b>	<b>10,981,594</b>	<b>128,394,503</b>	<b>32,425,194</b>	<b>-</b>	<b>171,801,291</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to the net pension liability	-	608,536	57,264	46,984	712,784
Deferred outflows related to OPEB liability	-	1,423,877	23,374	100,654	1,547,905
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>-</b>	<b>2,032,413</b>	<b>80,638</b>	<b>147,638</b>	<b>2,260,689</b>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMBINING STATEMENT OF FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**June 30, 2024**

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
<b>LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION</b>					
Current liabilities					
Accounts payable	\$ 55,944	\$ 2,000,415	\$ 27,599	\$ 5,178	\$ 2,089,136
Accrued salaries and benefits	-	197,951	5,576	88,805	292,332
Compensated absences	-	19,754	3,196	-	22,950
Retainage payable	-	819,854	-	-	819,854
Accrued interest payable	-	706,500	-	-	706,500
Revenue bonds payable	-	795,000	-	-	795,000
Due to other funds	9,792,054	-	-	253,258	10,045,312
Unearned revenue	-	-	85,817	-	85,817
<b>Total current liabilities</b>	<b>9,847,998</b>	<b>4,539,474</b>	<b>122,188</b>	<b>347,241</b>	<b>14,856,901</b>
Noncurrent liabilities					
Compensated absences	-	79,017	12,783	-	91,800
Net pension liability	-	3,463,418	295,078	247,961	4,006,457
Total OPEB liability	-	4,533,236	70,038	181,999	4,785,273
Revenue bonds payable - net	-	37,994,801	-	-	37,994,801
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>46,070,472</b>	<b>377,899</b>	<b>429,960</b>	<b>46,878,331</b>
<b>Total liabilities</b>	<b>9,847,998</b>	<b>50,609,946</b>	<b>500,087</b>	<b>777,201</b>	<b>61,735,232</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to the net pension liability	-	249,426	15,213	12,524	277,163
Deferred inflows related to the net OPEB liability	-	1,113,975	18,286	78,748	1,211,009
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>1,363,401</b>	<b>33,499</b>	<b>91,272</b>	<b>1,488,172</b>
<b>FUND NET POSITION</b>					
Net investment in capital assets	10,981,594	38,486,658	600,000	-	50,068,252
Restricted for debt service	-	1,105,799	-	-	1,105,799
Unrestricted	(9,847,998)	38,861,112	31,372,246	(720,835)	59,664,525
<b>Total fund net position</b>	<b>\$ 1,133,596</b>	<b>\$ 78,453,569</b>	<b>\$ 31,972,246</b>	<b>\$ (720,835)</b>	<b>\$ 110,838,576</b>

*See accompanying independent auditor's report.*

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**Year Ended June 30, 2024**

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
Operating revenues					
Charges for service	\$ -	\$ 17,499,562	\$ 482,731	\$ 320,062	\$ 18,302,355
Other operating revenue	-	-	142,999	-	142,999
Total operating revenues	<u>-</u>	<u>17,499,562</u>	<u>625,730</u>	<u>320,062</u>	<u>18,445,354</u>
Operating expenses					
Personnel services	-	3,399,619	93,670	354,866	3,848,155
Materials and supplies	-	225,130	13,985	57,903	297,018
Other services and charges	398,469	5,070,756	274,562	54,846	5,798,633
Depreciation	393,291	2,281,897	-	-	2,675,188
Total operating expenses	<u>791,760</u>	<u>10,977,402</u>	<u>382,217</u>	<u>467,615</u>	<u>12,618,994</u>
Operating (loss) income	<u>(791,760)</u>	<u>6,522,160</u>	<u>243,513</u>	<u>(147,553)</u>	<u>5,826,360</u>
Nonoperating revenues (expenses)					
Investment income (loss)	-	5,703,163	55,214	-	5,758,377
Other nonoperating revenue	-	-	31,792	-	31,792
Gain from sale of assets	-	76,475	-	-	76,475
Interest expense	-	(1,542,016)	-	-	(1,542,016)
Bond related costs	-	(1,750)	-	-	(1,750)
Total nonoperating revenues (expenses)	<u>-</u>	<u>4,235,872</u>	<u>87,006</u>	<u>-</u>	<u>4,322,878</u>
(Loss) income before contributions and transfers	<u>(791,760)</u>	<u>10,758,032</u>	<u>330,519</u>	<u>(147,553)</u>	<u>10,149,238</u>
Transfers					
Transfers (out) in	-	(824,748)	-	193,699	(631,049)
Total transfers	<u>-</u>	<u>(824,748)</u>	<u>-</u>	<u>193,699</u>	<u>(631,049)</u>
Change in net position	<u>(791,760)</u>	<u>9,933,284</u>	<u>330,519</u>	<u>46,146</u>	<u>9,518,189</u>
Net position - beginning of period	<u>1,925,356</u>	<u>68,520,285</u>	<u>31,641,727</u>	<u>(766,981)</u>	<u>101,320,387</u>
Net position - ending	<u>\$ 1,133,596</u>	<u>\$ 78,453,569</u>	<u>\$ 31,972,246</u>	<u>\$ (720,835)</u>	<u>\$ 110,838,576</u>

*See accompanying independent auditor's report.*

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**Year Ended June 30, 2024**

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
Cash flows from operating activities					
Receipts from customers and users	\$ -	\$ 17,498,212	\$ 558,546	\$ 320,062	\$ 18,376,820
Internal activity - payments to other funds	-	(484,808)	-	-	(484,808)
Payments to suppliers	(389,281)	(7,574,529)	(287,275)	(197,594)	(8,448,679)
Payments to employees	-	(1,516,833)	(71,952)	(255,049)	(1,843,834)
<b>Net cash (used in) provided by operating activities</b>	<u>(389,281)</u>	<u>7,922,042</u>	<u>199,319</u>	<u>(132,581)</u>	<u>7,599,499</u>
Cash flows from noncapital financing activities					
Advances from other funds	389,281	-	-	-	389,281
Advances to other funds	-	-	-	(61,118)	(61,118)
Transfers in	-	-	-	193,699	193,699
Transfers out	-	(824,748)	-	-	(824,748)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>389,281</u>	<u>(824,748)</u>	<u>-</u>	<u>132,581</u>	<u>(302,886)</u>
Cash flows from capital and related financing activities					
Principal paid on bonds and notes	-	(760,000)	-	-	(760,000)
Interest paid on debt	-	(1,733,600)	-	-	(1,733,600)
Payments for bond related costs	-	(1,750)	-	-	(1,750)
Purchase of capital assets	-	(5,712,000)	(200,000)	-	(5,912,000)
Proceeds from sale of capital assets	-	79,330	-	-	79,330
<b>Net cash used in capital and related financing activities</b>	<u>-</u>	<u>(8,128,020)</u>	<u>(200,000)</u>	<u>-</u>	<u>(8,328,020)</u>
Cash flows from investing activities					
Purchase of investments	-	(2,249,661)	-	-	(2,249,661)
Purchase of real estate held for resale	-	-	(278,500)	-	(278,500)
Collections of mortgage notes receivable	-	-	540,970	-	540,970
Interest received	-	4,866,451	55,214	-	4,921,665
<b>Net cash provided by investing activities</b>	<u>-</u>	<u>2,616,790</u>	<u>317,684</u>	<u>-</u>	<u>2,934,474</u>
<b>Net increase in cash and cash equivalents</b>	<u>-</u>	<u>1,586,064</u>	<u>317,003</u>	<u>-</u>	<u>1,903,067</u>
Cash and cash equivalents, July 1, 2023	-	24,691,479	10,023,684	-	34,715,163
<b>Cash and cash equivalents, June 30, 2024</b>	<u>\$ -</u>	<u>\$ 26,277,543</u>	<u>\$ 10,340,687</u>	<u>\$ -</u>	<u>\$ 36,618,230</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**Year Ended June 30, 2024**

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Program Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities					
<b>Operating (loss) income</b>	<u>\$ (791,760)</u>	<u>\$ 6,522,160</u>	<u>\$ 243,513</u>	<u>\$ (147,553)</u>	<u>\$ 5,826,360</u>
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:					
Depreciation	393,291	2,281,897	-	-	2,675,188
Accrued benefits related to net pension liability	-	(184,873)	(3,461)	(26,525)	(214,859)
Change in operating assets and liabilities					
Accounts receivable	-	(1,350)	(67,184)	-	(68,534)
Prepaid expenses	-	(23,343)	-	-	(23,343)
Accounts payable	9,188	(989,893)	20,421	(12,041)	(972,325)
Accrued salaries	-	53,373	489	28,829	82,691
Accrued compensated absences	-	(7,792)	905	-	(6,887)
OPEB liability	-	271,863	4,636	24,709	301,208
Total adjustments	<u>402,479</u>	<u>1,399,882</u>	<u>(44,194)</u>	<u>14,972</u>	<u>1,773,139</u>
<b>Net cash (used in) provided by operating activities</b>	<u><u>\$ (389,281)</u></u>	<u><u>\$ 7,922,042</u></u>	<u><u>\$ 199,319</u></u>	<u><u>\$ (132,581)</u></u>	<u><u>\$ 7,599,499</u></u>

*See accompanying independent auditor's report.*

## INTERNAL SERVICE FUNDS

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

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

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMBINING STATEMENT OF FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2024**

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ -	\$ 207,241	\$ 111,117,177	\$ 111,324,418
Accounts receivable, net	139,694	-	826,201	965,895
Due from state government	-	-	100	100
Due from other funds	-	-	17,043,524	17,043,524
Inventory	-	1,069,749	-	1,069,749
Prepaid expenses	-	254,823	-	254,823
<b>Total current assets</b>	<b>139,694</b>	<b>1,531,813</b>	<b>128,987,002</b>	<b>130,658,509</b>
Noncurrent assets				
Capital assets				
Subscription information technology asset	-	224,966	-	224,966
Right to use leased assets	-	-	211,913	211,913
Buildings, improvements and utility plant	903,586	10,990	-	914,576
Machinery and equipment	293,507	1,270,641	-	1,564,148
Less accumulated depreciation and amortization	(1,070,457)	(1,306,627)	(158,935)	(2,536,019)
<b>Net capital assets</b>	<b>126,636</b>	<b>199,970</b>	<b>52,978</b>	<b>379,584</b>
<b>Total noncurrent assets</b>	<b>126,636</b>	<b>199,970</b>	<b>52,978</b>	<b>379,584</b>
<b>TOTAL ASSETS</b>	<b>266,330</b>	<b>1,731,783</b>	<b>129,039,980</b>	<b>131,038,093</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to other postemployment benefits liability	1,055,462	1,002,248	55,766,112	57,823,822
Deferred outflows related to the net pension liability	549,021	322,923	40,132	912,076
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,604,483</b>	<b>1,325,171</b>	<b>55,806,244</b>	<b>58,735,898</b>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMBINING STATEMENT OF FUNDNET POSITION**  
**INTERNAL SERVICE FUNDS (CONTINUED)**  
**June 30, 2024**

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
<b>LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 666,591	\$ 127,428	\$ 193,052	\$ 987,071
Accrued salaries and benefits	153,544	129,110	56,769	339,423
Compensated absences	26,951	35,080	19,752	81,783
Subscription information technology liability, current portion	-	62,821	-	62,821
Lease liability, current portion	-	-	53,292	53,292
Accrued interest payable	-	1,309	19	1,328
Due to other funds	64,623	1,656,663	15,853	1,737,139
Accrued liability for claims	-	-	24,723,102	24,723,102
<b>Total current liabilities</b>	<b>911,709</b>	<b>2,012,411</b>	<b>25,061,839</b>	<b>27,985,959</b>
<b>Noncurrent liabilities</b>				
Subscription information technology liability, net of current portion	-	108,908	-	108,908
Compensated absences	107,803	140,319	79,008	327,130
Net pension liability	3,480,409	1,195,612	160,143	4,836,164
Total OPEB liability	3,538,398	3,239,969	184,818,462	191,596,829
<b>Total noncurrent liabilities</b>	<b>7,126,610</b>	<b>4,684,808</b>	<b>185,057,613</b>	<b>196,869,031</b>
<b>Total liabilities</b>	<b>8,038,319</b>	<b>6,697,219</b>	<b>210,119,452</b>	<b>224,854,990</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to other postemployment benefits liability	825,744	784,112	43,628,802	45,238,658
Deferred inflows related to the net pension liability	262,839	192,334	119,499	574,672
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,088,583</b>	<b>976,446</b>	<b>43,748,301</b>	<b>45,813,330</b>
<b>FUND NET POSITION</b>				
Net investment in capital assets	126,636	28,241	-	154,877
Unrestricted	(7,382,725)	(4,644,952)	(69,021,529)	(81,049,206)
<b>Total fund net position</b>	<b>\$ (7,256,089)</b>	<b>\$ (4,616,711)</b>	<b>\$ (69,021,529)</b>	<b>\$ (80,894,329)</b>

*See accompanying independent auditor's report.*

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2024**

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
Operating revenues				
Charges for service	\$ 13,440,360	\$ 1,037,329	\$ 36,930,623	\$ 51,408,312
Other operating revenue	-	11,029	-	11,029
<b>Total operating revenues</b>	<b>13,440,360</b>	<b>1,048,358</b>	<b>36,930,623</b>	<b>51,419,341</b>
Operating expenses				
Personnel services	2,796,567	2,433,934	11,271,187	16,501,688
Materials and supplies	11,816,368	559,473	116,490	12,492,331
Other services and charges	298,648	2,776,804	2,137,624	5,213,076
Heat, light and power	-	-	4,663	4,663
Depreciation and amortization	18,072	24,996	52,979	96,047
Claims and premiums	-	-	33,859,148	33,859,148
<b>Total operating expenses</b>	<b>14,929,655</b>	<b>5,795,207</b>	<b>47,442,091</b>	<b>68,166,953</b>
<b>Operating loss</b>	<b>(1,489,295)</b>	<b>(4,746,849)</b>	<b>(10,511,468)</b>	<b>(16,747,612)</b>
Nonoperating revenues				
Investment income	-	-	2,377,018	2,377,018
Gain from sale of assets	2,300	-	-	2,300
<b>Total nonoperating revenues</b>	<b>2,300</b>	<b>-</b>	<b>2,377,018</b>	<b>2,379,318</b>
<b>Loss before contributions and transfers</b>	<b>(1,486,995)</b>	<b>(4,746,849)</b>	<b>(8,134,450)</b>	<b>(14,368,294)</b>
Transfers				
Transfers in	911,679	5,171,453	5,835,780	11,918,912
Transfers out	(80,769)	(1,038,654)	(1,232,480)	(2,351,903)
<b>Total transfers</b>	<b>830,910</b>	<b>4,132,799</b>	<b>4,603,300</b>	<b>9,567,009</b>
<b>Change in net position</b>	<b>(656,085)</b>	<b>(614,050)</b>	<b>(3,531,150)</b>	<b>(4,801,285)</b>
<b>Net position - beginning of period</b>	<b>(6,600,004)</b>	<b>(4,002,661)</b>	<b>(65,490,379)</b>	<b>(76,093,044)</b>
<b>Net position - ending</b>	<b>\$ (7,256,089)</b>	<b>\$ (4,616,711)</b>	<b>\$ (69,021,529)</b>	<b>\$ (80,894,329)</b>

*See accompanying independent auditor's report.*

**CITY OF COLUMBIA, SOUTH CAROLINA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
Year Ended June 30, 2024**

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 567,555	\$ -	\$ -	\$ 567,555
Internal activity - receipts from other funds	12,878,379	1,048,358	36,826,026	50,752,763
Payments to suppliers	(13,117,467)	(4,652,527)	(2,750,954)	(20,520,948)
Claims paid	-	-	(33,355,109)	(33,355,109)
Payments to employees	(1,678,178)	(1,534,373)	(651,846)	(3,864,397)
<b>Net cash (used in) provided by operating activities</b>	<u>(1,349,711)</u>	<u>(5,138,542)</u>	<u>68,117</u>	<u>(6,420,136)</u>
Cash flows from noncapital financing activities				
Advances from other funds	64,623	1,085,127	1,239	1,150,989
Advances to other funds	-	-	(270,059)	(270,059)
Transfers in	911,679	5,171,453	5,835,780	11,918,912
Transfers out	(80,769)	(1,038,654)	(1,232,480)	(2,351,903)
<b>Net cash provided by noncapital financing activities</b>	<u>895,533</u>	<u>5,217,926</u>	<u>4,334,480</u>	<u>10,447,939</u>
Cash flows from capital and related financing activities				
Payment for subscription information technology liability	-	(53,237)	-	(53,237)
Payment for lease liability	-	-	(53,069)	(53,069)
Interest paid	-	-	(18)	(18)
Proceeds for sale of capital assets	2,300	-	-	2,300
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>2,300</u>	<u>(53,237)</u>	<u>(53,087)</u>	<u>(104,024)</u>
Cash flows from investing activities				
Interest received	-	-	2,377,018	2,377,018
<b>Net cash provided by investing activities</b>	<u>-</u>	<u>-</u>	<u>2,377,018</u>	<u>2,377,018</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(451,878)</u>	<u>26,147</u>	<u>6,726,528</u>	<u>6,300,797</u>
Cash and cash equivalents, July 1, 2023	451,878	181,094	104,390,649	105,023,621
<b>Cash and cash equivalents, June 30, 2024</b>	<u>\$ -</u>	<u>\$ 207,241</u>	<u>\$ 111,117,177</u>	<u>\$ 111,324,418</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS (CONTINUED)**  
**Year Ended June 30, 2024**

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
Reconciliation of operating loss to net cash (used in) provided by operating activities				
<b>Operating loss</b>	<u>\$ (1,489,295)</u>	<u>\$ (4,746,849)</u>	<u>\$ (10,511,468)</u>	<u>\$ (16,747,612)</u>
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:				
Depreciation and amortization	18,072	24,996	52,979	96,047
Accrued benefits related to net pension liability	(119,731)	(125,359)	(23,602)	(268,692)
Change in operating assets and liabilities				
Accounts receivable	5,574	-	(106,532)	(100,958)
Due from state government	-	-	1,935	1,935
Inventory	-	(3,601)	-	(3,601)
Prepaid expenses	2,633	(196,640)	-	(194,007)
Accounts payable	(32,137)	(337,989)	(217,374)	(587,500)
Accrued salaries and benefits	49,024	29,284	10,290	88,598
Accrued compensated absences	21,689	28,202	(1,259)	48,632
OPEB liability	194,460	189,414	10,359,109	10,742,983
Accrued liability for claims	-	-	504,039	504,039
Total adjustments	<u>139,584</u>	<u>(391,693)</u>	<u>10,579,585</u>	<u>10,327,476</u>
<b>Net cash (used in) provided by operating activities</b>	<u><u>\$ (1,349,711)</u></u>	<u><u>\$ (5,138,542)</u></u>	<u><u>\$ 68,117</u></u>	<u><u>\$ (6,420,136)</u></u>

*See accompanying independent auditor's report.*

## FIDUCIARY FUNDS

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

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

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

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

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**  
**June 30, 2024**

	<b>Private-Purpose Trust Funds</b>			
	Awareness Campaigns Fund	Employee Special Activity Fund	Mayor's Commission Employ People with Disabilities Fund	Total Private-Purpose Trust Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,046	\$ 527	\$ 2,664	\$ 10,237
<b>Total assets</b>	<u>7,046</u>	<u>527</u>	<u>2,664</u>	<u>10,237</u>
<b>NET POSITION</b>				
Held in trust - other purposes	<u>\$ 7,046</u>	<u>\$ 527</u>	<u>\$ 2,664</u>	<u>\$ 10,237</u>

*See accompanying independent auditor's report.*

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**  
**Year Ended June 30, 2024**

	<b>Private-Purpose Trust Funds</b>			
	Awareness Campaigns Fund	Employee Special Activity Fund	Mayor's Commission Employ People with Disabilities Fund	Total Private-Purpose Trust Funds
<b>ADDITIONS</b>				
Contributions:				
Private donations	\$ 4,398	\$ -	\$ -	\$ 4,398
<b>Total contributions</b>	4,398	-	-	4,398
<b>DEDUCTIONS</b>				
Program expenses	2,177	-	-	2,177
<b>Total deductions</b>	2,177	-	-	2,177
<b>Change in net position</b>	2,221	-	-	2,221
<b>Net position - beginning</b>	4,825	527	2,664	8,016
<b>Net position - ending</b>	\$ 7,046	\$ 527	\$ 2,664	\$ 10,237

*See accompanying independent auditor's report.*

**OTHER SCHEDULE**

**CITY OF COLUMBIA, SOUTH CAROLINA  
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES  
YEAR ENDED JUNE 30, 2024**

<b>For the State Treasurer's Office</b>	<b>Municipal Court</b>
<b>COUNTY/MUNICIPAL FUNDS COLLECTED by the CLERK OF COURT</b>	
<b>Court Fines and Assessments:</b>	
Court fines and assessments collected	\$ 864,703
Court fines and assessments remitted to the State Treasurer	(510,939)
<b>Total Court Fines and Assessments Retained</b>	<b>\$ 353,764</b>
<b>Surcharges and Assessments Retained for Victim Services:</b>	
Surcharges Collected and Retained	\$ 6,006
Assessments Retained	44,406
<b>Total Surcharges and Assessments Retained for Victim Services</b>	<b>\$ 50,412</b>
<u>For the Department of Crime Victim Compensation (DCVC)</u>	
<b>Victim Service Funds Collected</b>	
<b>Carryforward From Previous Year - Beginning Balance</b>	\$ -
<u>Victim Service Revenue</u>	
Victim Service Assessments Retained by City/County Treasurer	44,406
Victim Service Surcharges Retained by City/County Treasurer	6,006
<b>Total Funds Allocated to Victim Service Fund plus Beginning Balance</b>	<b>50,412</b>
<b><u>Expenditures for Victim Service Program:</u></b>	
Operating Expenditures	311,331
Transfers	(396,086)
<b>Total Expenditures from Victim Services Fund</b>	<b>(84,755)</b>
Total Victim Service Funds Retained by Municipal County Treasurer	135,167
<b>Carryforward Funds - End of Year</b>	<b>\$ 135,167</b>

*See accompanying independent auditor's report.*

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

To the Honorable Mayor and City Council  
Columbia, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Columbia, South Carolina (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 4, 2024. Our report includes a reference to other auditors who audited the financial statements of the Experience Columbia SC, as described in our report on the City of Columbia, South Carolina's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

### **Purpose of This Report**

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

*Scott and Company LLC*

Columbia, South Carolina  
December 4, 2024

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**APPENDIX B**

**SELECTED INFORMATION REGARDING THE CITY,  
LEXINGTON COUNTY, RICHLAND COUNTY AND THE COLUMBIA MSA**

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## Population

The population estimates of the City, Lexington County, Richland County and the Columbia Metropolitan Statistical Area, made up of Lexington, Richland, Fairfield, Kershaw, Calhoun and Saluda counties (the “Columbia MSA”), for the preceding three census years and the most current available estimate are set forth in the following table:

<u>Year</u>	<u>City</u>	<u>Lexington County</u>	<u>Richland County</u>	<u>Columbia MSA</u>
2000	116,278	216,014	320,677	647,158
2010	129,272	262,391	384,504	767,598
2020	136,632	293,991	416,147	829,472
2023 <sup>†</sup>	142,416	309,528	425,138	856,889

Source: U.S. Department of Commerce, Bureau of the Census

<sup>†</sup> Estimate as of July 1, 2023.

## Per Capita Personal Income

The following table shows the per capita income in Lexington County, Richland County and the State for the past five calendar years for which information is available:

<u>Calendar Year</u>	<u>Lexington County</u>	<u>Richland County</u>	<u>State</u>
2019	\$48,847	\$46,537	\$46,143
2020	52,070	49,139	48,770
2021	56,175	53,699	53,224
2022	57,241	53,850	54,429
2023	60,682	57,160	57,332

Source: U.S. Department of Commerce; Bureau of Economic Analysis

## Median Family Income

Estimated median family income statistics are available only as combined figures for the Columbia MSA. The median family income for the Columbia MSA for the last five fiscal years, for which information is available, is shown in the following table. Median family income figures for the State and United States are shown for comparison purposes.

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Columbia MSA</u>	<u>State</u>	<u>United States</u>
2020	\$72,600	\$66,300	\$ 78,500
2021	72,100	68,700	79,900
2022	82,400	78,400	90,000
2023	83,900	82,900	96,200
2024	86,900	84,800	114,425

Source: U.S. Department of Housing and Urban Development, Office of Policy Development and Research

## Retail Sales

The following table shows retail sales of businesses located in Lexington County, Richland County and the City for the last five fiscal years for which information is available:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Lexington</u> <u>County</u>	<u>Richland</u> <u>County</u>	<u>City</u>
2020	\$14,323,325,617	\$11,847,239,102	\$5,719,209,775
2021	16,424,802,867	12,795,614,754	6,175,099,048
2022	18,798,111,717	13,780,784,000	6,931,960,613
2023	18,967,822,101	14,720,294,816	7,454,724,502
2024	19,123,754,948	14,831,449,546	7,494,019,496

Source: South Carolina Department of Revenue

## Unemployment Rates

The average unemployment rates in the City, Lexington County, Richland County, the State and the United States for each of the last five calendar years for which information is available are set forth in the following table:

Calendar Year	City	Lexington County	Richland County	State	United States
2020	6.0%	4.2%	5.7%	6.0%	8.1%
2021	4.3	3.0	4.0	3.9	5.3
2022	3.6	2.6	3.2	3.2	3.6
2023	3.5	2.5	3.0	3.0	3.6
2024	5.0	3.5	4.3	4.1	4.0

Source: U.S. Bureau of Labor Statistics

The monthly unemployment rates in the City, Lexington County, Richland County, the State and the United States for the last 12 months for which information is available are set forth in the following table:

Month	City	Lexington County	Richland County	State	United States
January 2024	3.8%	2.7%	3.4%	3.4%	4.1%
February 2024	4.1	3.0	3.6	3.6	4.2
March 2024	3.7	2.7	3.4	3.3	3.9
April 2024	3.4	2.4	3.0	2.9	3.5
May 2024	4.7	3.1	3.8	3.6	3.7
June 2024	5.8	4.0	4.8	4.6	4.3
July 2024	6.1	4.2	5.0	4.9	4.5
August 2024	6.3	4.6	5.5	5.3	4.4
September 2024	5.3	3.8	4.7	4.5	3.9
October 2024	6.1	3.9	5.1	4.7	4.1
November 2024	5.9	4.0	5.0	4.7	3.9
December 2024 <sup>(P)</sup>	4.7	3.3	4.2	4.0	4.0

<sup>P</sup> Preliminary.

Source: U.S. Bureau of Labor Statistics

## Construction Activity

The growth of the City is reflected in the following table showing the number of new commercial and residential units constructed in the City and the approximate cost of those units in the last five fiscal years for which information is available:

Fiscal Year Ended June 30	Commercial		Residential	
	Number of Units	Estimated Commercial Costs	Number of Units	Estimated Residential Costs
2020	42	\$117,310,047	457	\$81,301,467
2021 <sup>†</sup>	32	61,393,082	0	0
2022	38	56,037,385	1,949	313,207,085
2023	22	32,681,587	541	67,330,676
2024	33	109,467,618	717	169,738,869

<sup>†</sup> There were no new residential units in 2021 due to the COVID-19 pandemic. Once statewide and national restrictions were lifted and some regularity returned to the construction market, demand for residential units returned and is reflected in the number of permits issued in Fiscal Year 2022.

Source: City of Columbia, Planning and Development Services, Permits

## Commerce and Industry

The City has a diverse economy driven by private-sector employers, State and federal government presence, and higher-educational institutions, the largest of which is the University of South Carolina.

### *Major Industrial Employers*

The following table shows the current ten largest industrial employers, located within the Columbia MSA, the type of business and their approximate number of employees:

<u>Name</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Dominion Energy	Utility	3,066
Michelin North America Inc.	Tire manufacturing	2,240
Nephron Pharmaceuticals	Pharmaceuticals	2,014
Trane	Air conditioning	1,529
Samsung	Electronics/Home appliances	1,100
Westinghouse Electric Corp.	Nuclear fuel assemblies	1,093
V.C. Summer Nuclear Plant	Alternative energy	700
Sylvamo	Wood and Paper products	666
The Ritedose Corporation	Medical/Pharmaceuticals	600
Harsco Track Technologies	Construction/Energy	567

Source: Central SC Alliance

### *Major Non-Industrial Employers*

The following table shows the current ten largest non-industrial employers (other than the governmental entities described under "Government Employers" below), located within the Columbia MSA, the type of business and their approximate number of employees:

<u>Name</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Prisma Health	Healthcare	15,000
Blue Cross & Blue Shield of SC	Insurance	10,998
Lexington Medical Center	Healthcare	6,557
Walmart	Retail	5,800
Amazon	Distribution center	2,684
AT&T	Telecommunications	2,100
MUSC Health Columbia	Healthcare	1,625
DORN VA Medical Center	Healthcare	1,457
UPS	Logistics and distribution	1,329
Palmetto GBA, LLC	Finance and insurance	1,300

Source: Central SC Alliance

### *Government Employers*

Governmental entities are among the largest employers in the Columbia MSA. These entities include the State government, local governments, other federal government entities and local school districts. The table shown below provides a current breakdown on employment by these entities for the Columbia MSA:

<u>Name</u>	<u>Approximate Number of Employees</u>
State of South Carolina	32,085
University of South Carolina	6,456
S.C. Department of Corrections	4,478
S.C. Department of Social Services	4,272
Richland County School District 1	4,265
S.C. Department of Mental Health	4,069
S.C. Department of Transportation	4,004
Lexington County School District 1	3,750
Richland County School District 2	3,654

Source: Central SC Alliance

### *Fort Jackson*

Fort Jackson (the “Fort”) was established in 1917 and designated as a permanent post of the United States Army in 1940. The Fort is the largest and most active Initial Entry Training Center in the United States Army. In addition, the Fort hosts a number of schools and training institutions that provided advance training to approximately 22,000 students on an annual basis. More than 3,500 active duty soldiers and their family members are assigned to the Fort.

The Fort, annexed into the City in October 1968, has a significant economic impact on the midlands area, contributing approximately \$2.4 billion to the local economy. In addition, approximately 250,000 friends and family members visit the midlands area each year to attend basic training graduation activities, using local hotels, restaurants and shopping areas. The Fort encompasses more than 52,000 acres of land including over 100 ranges and field training sites and over 1,000 buildings.

### *Commercial Development*

The City has a number of vibrant corridors, including Downtown, the Vista, Five Points and the Bull Street District. These areas are notable for attracting new businesses and residents, while offering a mix of commercial space, residential options, retail shops and a wide array of restaurants and nightlife.

## **Facilities and Infrastructure**

### *Transportation*

Interstate highways I-20, I-26 and I-77 and a network of U.S. and State highways traverse the Columbia MSA. Rail freight service is provided by CSX Transportation and Norfolk Southern Corporation. Rail passenger service is available through Amtrak. Nationwide freight service is available through approximately 50 motor freight lines regularly serving the area. Intercity bus service is provided by Greyhound Lines, Inc.

The Columbia Metropolitan Airport (the “Airport”) is comprised of two runways, associated taxiways, an air traffic control tower, aviation fuel storage facilities, aircraft parking aprons, a passenger terminal building, air cargo buildings, general aviation hangars and terminals, support facilities for the U.S. Army Reserve, the aeronautical facilities of the South Carolina Aeronautics Commission, roads, grounds and public parking facilities; all of which are located on approximately 2,600 acres. Air operations are conducted on an 8,600-foot x 150-foot runway and an 8,000-foot x 150-foot runway. The passenger airlines currently serving the Airport include American Airlines, Delta Air Lines and United Airlines. Allegiant is expected to begin service at the Airport in May 2025. The major air cargo companies serving the Airport include Mountain Air Cargo, Martinaire, Air Cargo Carriers, Federal Express, United Parcel Service (“UPS”) and contracted carriers. The Airport is the site of UPS’s southeastern region Air/Ground Hub and Sortation Station for both its Next Day Air and Second Day Air package delivery services. The Jim Hamilton-L.B. Owens Airport, with a 5,011-foot x 75-foot runway and 400-foot stopway, is located in the southeast section of the City and is used by private and other small aircraft.

### *Medical and Health Services*

Richland County is a regional health center with two federal facilities (Wm. Jennings Bryan Dorn VA Medical Center and Moncrief) and six primary acute care hospitals: Prisma Health Richland, Prisma Health Baptist, Prisma Health Baptist Parkridge, MUSC Health Columbia Medical Center Downtown, MUSC Health Columbia Medical Center Northeast, and Lexington Medical Center Northeast. In Lexington County, Lexington Medical Center is the single primary acute care hospital. In addition, there are five psychiatric hospitals and approximately 100 licensed nursing homes and community residential care facilities in the Columbia MSA.

### *Financial Institutions*

The Columbia MSA serves as the chief financial center of the State. According to the Federal Deposit Insurance Corporation, as of June 30, 2024, there were 157 branches of commercial banks and savings institutions in the Columbia MSA, with deposits at all financial institutions totaling approximately \$27.8 billion.

### *Utilities*

Electricity for industrial, residential and commercial consumption is provided by Dominion Energy South Carolina, Tri-County Cooperative, Inc., and Mid-Carolina Electric Cooperative, Inc. Natural gas is provided by

Dominion Energy South Carolina. Water and sewer service is provided by the City inside the City limits, as well as to portions of Richland County and Lexington County.

### *Recreation*

The City offers many opportunities for recreation and leisure activities, including Columbia Museum of Art, South Carolina State Museum, and EdVenture Children’s Museum. Local theatres include Koger Center for the Arts, Trustus Theatre and Town Theatre. Riverbanks Zoo & Garden, ranked among the top ten zoos in the nation. Lake Murray, a 50,000-acre man-made lake with more than 500 miles of shoreline in Richland, Lexington, Saluda and Newberry counties, includes opportunities for fishing, camping, boating, sailing and skiing, as well as residential sites for single-family and multi-family development. Congaree National Park, offers more than 20,000 federally designated wilderness acres that visitors can explore by foot, kayak, or canoe.

### *Public Schools*

The Columbia MSA is home to several large school districts, including School District No. 1 of Richland County, School District No. 2 of Richland County, Lexington County School District No. 1, and School District No. 5 of Lexington and Richland counties. The enrollment in these districts is approximately 103,247 students. All public schools are fully accredited and all teachers fully certified by the South Carolina Department of Education.

### *Higher Education*

There are eight institutions of higher education in the Columbia MSA, the largest being the main campus of the University of South Carolina (“USC”) in the City. The table below lists these institutions and their Fall 2023 enrollments:

<u>College/University</u>	<u>Enrollment</u>
University of South Carolina (Columbia Campus)	36,538
Midlands Technical College	8,978
Columbia International University	2,631
Benedict College	1,724
Columbia College	1,578
Southern Wesleyan University	1,188
Allen University	677
South University	513

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Source: South Carolina Commission on Higher Education

USC is the State’s flagship research university. The main campus is located centrally in the City and serves as an economic driver for the surrounding area through direct investments by USC and its Development Foundation. USC’s campus is home to the Colonial Life Arena – the largest arena in the State with 18,000 seats, the Strom Thurmond Wellness and Fitness Center, the Greek Village, the Alumni Center, and School of Law, and Innovista, a research campus comprised of the Arnold School of Public Health, the Darla Moore School of Business and two research complexes: Horizon Center and Discovery Plaza.

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**APPENDIX C**

**SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE**

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## SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE

The following statements are brief summaries of certain provisions of the General Ordinance, the Eleventh Supplemental Ordinance and the Seventeenth Supplemental Ordinance (as such terms are defined in the front part of this Official Statement or herein, as the context would allow; such General Ordinance, Eleventh Supplemental Ordinance and Seventeenth Supplemental Ordinance are referenced herein as the “Ordinance”). These summaries do not purport to be complete, and reference is made to the Ordinance for a full and complete statement of such provisions. All capitalized terms not defined herein have the meanings ascribed thereto in the front part of this Official Statement or the Ordinance.

### CERTAIN DEFINITIONS

“2016 Bonds” means, collectively, the 2016A Bonds and the 2016B Bonds.

“2016A Bonds” means the \$63,325,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2016A, dated December 8, 2016, of which \$25,310,000 principal amount is presently outstanding.

“2016B Bonds” means the \$146,710,000 original principal amount Waterworks and Sewer System Refunding Revenue Bonds, Series 2016B, dated December 8, 2016, of which \$132,360,000 principal amount is presently outstanding.

“2018 Bonds” means the \$87,340,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2018, dated June 21, 2018, of which \$45,135,000 principal amount is presently outstanding.

“2019 Bonds” means, collectively, the 2019A Bonds, the 2019B Bonds and the 2019C Bonds.

“2019A Bonds” means the \$131,085,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2019A, dated December 5, 2019, of which \$84,215,000 principal amount is presently outstanding.

“2019B Bonds” means the \$143,855,000 original principal amount Waterworks and Sewer System Refunding Revenue Bonds, Taxable Series 2019B, dated December 5, 2019, of which \$109,265,000 principal amount is presently outstanding.

“2019C Bonds” means the \$6,875,000 original principal amount Waterworks and Sewer System Refunding Revenue Bonds, Series 2019C, dated December 5, 2019, of which \$4,980,000 principal amount is presently outstanding.

“2021 Bonds” means, collectively, the 2021A Bonds and the 2021B Bonds.

“2021A Bonds” means the \$18,935,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2021A, dated March 17, 2021, of which \$17,780,000 principal amount is presently outstanding.

“2021B Bonds” means the \$116,600,000 original principal amount Waterworks and Sewer System Refunding Revenue Bonds, Taxable Series 2021B, dated March 17, 2021, of which \$113,315,000 principal amount is presently outstanding.

“2022 Bonds” means the \$73,815,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2022, dated December 8, 2022, of which \$71,825,000 is presently outstanding.

“2023 Bonds” means, collectively, the 2023A Bonds and the 2023B Bonds.

“2023A Bonds” means the \$46,325,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2023A, dated December 7, 2023, of which \$45,910,000 principal amount is presently outstanding.

“2023B Bonds” means the \$80,410,000 original principal amount Waterworks and Sewer System Refunding Revenue Bonds, Series 2023B, dated December 7, 2023, of which \$78,040,000 principal amount is presently outstanding.

“2025 Bonds” means the \$55,595,000\* original principal amount Waterworks and Sewer System Revenue Bonds, Series 2025.

“2025 Debt Service Fund” means the fund of that name established pursuant to the Seventeenth Supplemental Ordinance to provide for the payment of the principal and interest on the 2025 Bonds.

“2025 Projects” means, collectively, the improvements, extensions and enlargements to the System, including any one or more of the projects described in the Seventeenth Supplemental Ordinance, and such other improvements as the City may deem necessary or incidental to the System.

“Accountant” means a firm of independent certified public accountants selected by the City.

“Act” means Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended, and all other statutory authorizations, now or hereinafter enacted, authorizing and enabling the City to provide for the issuance of the Bonds, including, if applicable, with respect to any Series of refunding Bonds, Title 11, Chapter 21, Code of Laws of South Carolina 1976, as amended.

“Additional Bonds” means any Bonds issued under the provisions of the General Bond Ordinance described under the heading “SUMMARY OF ORDINANCE—Additional Bonds—*Parity Obligations*” herein.

“Annual Budget” means the annual budget required by the provisions of the General Bond Ordinance described in Paragraph G under the heading “SUMMARY OF ORDINANCE—General Covenants” herein.

“ARRA” has the meaning set forth in the definition of “Debt Service” below.

“BABs” has the meaning set forth in the definition of “Debt Service” below.

“Beneficial Owner” means any purchaser who acquires beneficial ownership interest in any 2025 Bond held by the Depository. In determining any Beneficial Owner, the City, the Registrar and the Paying Agent may rely exclusively upon written representations made and information given to the City, the Registrar and the Paying Agent, as the case may be, by the Depository or its Participants with respect to any 2025 Bond held by the Depository or its Participants in which a beneficial ownership interest is claimed.

“Bondholders” or the term “Holders” or any similar term means the registered owner or owners of any Outstanding Bond or Bonds.

“Bond Counsel” means any attorney or firm of attorneys of nationally recognized standing in the matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States.

“Bonds” means, collectively, the 2016 Bonds, the 2018 Bonds, the 2019 Bonds, the 2021 Bonds, the 2022 Bonds, the 2023 Bonds, the 2025 Bonds and any Bonds issued under and pursuant to the General Bond Ordinance, except Junior Bonds and Special Facilities Bonds.

“Book-Entry Form” or “Book-Entry System” means with respect to the 2025 Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the 2025 Bonds may be transferred only through a book-entry and (b) physical 2025 Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Holder, with the physical 2025 Bond certificates “immobilized” in the custody of the Depository. The book-entry maintained by the Depository is the record that identifies the owners of participatory interests in the 2025 Bonds, when subject to the Book-Entry System.

“Books of Registry” means the registration books maintained by the Registrar in accordance with the General Bond Ordinance.

“Business Day” means any day other than a Saturday, a Sunday or a day which is in the State or the state in which the respective office of the Paying Agent and the Registrar is located a legal holiday or a day on which banking institutions are authorized by law or executive order to close.

“City” means the City of Columbia, South Carolina.

“Construction Fund” means any fund established with and maintained by the custodian named by ordinance or resolution of the City, and derived from certain of the proceeds of the sale of Bonds of a Series and intended to defray

the cost of all or a portion of any Project and to pay all Costs of Acquisition and Construction in connection therewith, as established in a supplemental ordinance authorizing the issuance of such Series of Bonds.

“Construction Fund of 2025” means the fund established pursuant to the Seventeenth Supplemental Ordinance into which a portion of the proceeds of the 2025 Bonds will be deposited.

“Consulting Engineer” means the engineer or engineering firm or corporation registered and qualified to practice the profession of engineering under the laws of the State and having a favorable reputation for skill and experience in the construction and operation of water treatment systems, sewage disposal and treatment systems employed by the City to perform and carry out the duties imposed by the General Bond Ordinance, and who or which is not a full-time employee of the City.

“Contingent Fund” means the fund of that name established pursuant to the General Bond Ordinance.

“Cost of Acquisition and Construction” means, to the extent permitted by the Act, all costs of acquisition and construction of any Project, including the Costs of Issuance with respect to and capitalized interest on Bonds issued for such purpose. Cost of Acquisition and Construction include the payment of amounts due on bond anticipation notes, the proceeds of which were used for Cost of Acquisition and Construction.

“Cost of Issuance” means all items of expense, directly or indirectly payable or reimbursable by or to the City and related to the authorization, sale and issuance of Bonds including, but not limited to, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Registrar or Paying Agent, legal fees and charges, auditing and accounting fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, costs and expenses of refunding, premiums for insurance of the payment of Bonds, financing charges, accrued interest with respect to the initial investment of proceeds of Bonds and any other costs, charges or fees in connection with the original issuance of Bonds.

“Council” means the City Council of the City of Columbia, South Carolina.

“Debt Service” means, with respect to each Series of Bonds and with respect to any particular Fiscal Year, the aggregate of the amounts to be paid or set aside (or estimated to be required to be paid or set aside) in the applicable Debt Service Fund in such Fiscal Year for the payment of the principal of, redemption premium, if any, and interest (to the extent not capitalized) on such Series of Bonds; provided, that the interest on Variable Rate Indebtedness then Outstanding will be calculated at the actual average rate of interest on the Variable Rate Indebtedness during the twelve (12) months immediately preceding the date of calculation; provided further, that for purposes of the provisions of the General Bond Ordinance described under the heading “SUMMARY OF ORDINANCE—Additional Bonds—*Parity Obligations*” herein, interest on Variable Rate Indebtedness then proposed to be issued will be calculated at the initial interest rate on such Variable Rate Indebtedness as of the date of such calculation; provided, further, that in the case of Bonds which have been or will be issued as taxable obligations, for which the City has or will be entitled to receive a payment that effectively reduces the City’s debt service payment obligation therefore (including but not limited to Build America Bonds (“BABs”) issuable pursuant to the authority of the American Recovery and Reinvestment Act of 2009 (“ARRA”)), the amount to be paid or set aside in the applicable Debt Service Fund in each Fiscal Year for such payment of Debt Service will be reduced by the payment that the City has or will be entitled to receive for such purpose.

“Debt Service Fund” means the funds of that name established pursuant to the General Bond Ordinance and so designated pursuant to a supplemental ordinance to provide for the payment of the principal of and interest on the respective Series of Bonds issued pursuant to the General Bond Ordinance as the same respectively become due and payable.

“Debt Service Reserve Fund” means the funds, if any, of that name established pursuant to the General Bond Ordinance and so designated pursuant to a supplemental ordinance.

“Default” or “Event of Default” means any of those defaults specified in and defined as such under the General Bond Ordinance, as summarized under the heading “SUMMARY OF ORDINANCE—Events of Default and Remedies—*Events of Default*” herein.

“Depository” means any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, operating and maintaining, with its Participants or otherwise, a book-

entry system to record ownership of beneficial interests in the 2025 Bonds, and to effect transfers of the 2025 Bonds, in book-entry only form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Depreciation Fund” means the fund of that name established pursuant to the General Bond Ordinance.

“Eleventh Supplemental Ordinance” means the Eleventh Supplemental Ordinance No. 2016-046 of the Council enacted on September 6, 2016.

“Expenses of Operating and Maintaining the System” means the costs and expenses of operating and maintaining the System in good repair and working order including wages, salaries, costs of materials and supplies, costs of routine repairs, renewals, replacements or alterations occurring in the normal course of business, the reasonable fees and charges of any Paying Agents and Registrars of any Bonds issued pursuant to the General Bond Ordinance or any supplemental ordinance thereto, the costs of any audit required by the General Bond Ordinance and the premium for all insurance required with respect to the System. Expenses of Operating and Maintaining the System do not include (i) any allowance for depreciation, (ii) any renewals or replacements of capital assets of the System, (iii) any amounts deemed to be payments in lieu of taxes or other equity transfers, (iv) any pension-related and other post-employment benefit-related expenses (other than such amounts actually paid) of the System, (v) any payment or amortization of financing expenses, underwriting discounts, call premiums, losses on the extinguishment of debt due to refinancing of the same, and other related and non-recurring expenses resulting from the issuance or refinancing of long term indebtedness, or (vi) any losses on the sale or other disposition of investments or fixed or capital assets.

“Fiscal Year” means the fiscal year for the System as determined by the Council, initially being the period from July 1 in any year to and including June 30 in the following year.

“General Bond Ordinance” means Ordinance No. 93-43 of the Council of the City authorizing the issuance of Bonds enacted on May 21, 1993, as from time to time amended or supplemented by one or more supplemental ordinances.

“Government Obligations” means any of the following:

- (a) non-callable bonds, notes or direct obligations and general obligations of the United States;
- (b) non-callable, U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – “SLGS”);
- (c) non-callable, direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury;
- (d) non-callable, obligations issued by any agency or instrumentality of the United States of America which are backed by the full faith and credit of the United States of America; and
- (e) pre-refunded municipal bonds which are rated “Aaa” by Moody’s or “AAA” by S&P.

“Interest Account” means the account by that name created within each respective Debt Service Fund.

“Junior Bonds” means either (a) bonds secured by a pledge of Net Revenues junior and subordinate in all respects to the pledge securing the Bonds or (b) any other obligation or form of indebtedness, including lease purchase obligations secured by Net Revenues after provision has been made for all payments required to be made with respect to the Bonds which obligation or indebtedness may be authorized by an ordinance of Council which is not supplemental to the General Bond Ordinance.

“Maximum Debt Service” means, the highest aggregate principal and interest requirements (to the extent not capitalized) on the Bonds then Outstanding during any Fiscal Year. With respect to any Series of Variable Rate Indebtedness, for purposes of determining Maximum Debt Service the following methods will determine the interest rate to be used:

- (a) in case of determining the Reserve Fund Requirement, the interest rate will be equal to the lesser of (i) the 25-Bond Revenue Index published by *The Bond Buyer* no more than two (2) weeks prior to, but in no event after, the sale of the series of Bonds to which the Reserve Fund Requirement in question applies, or (ii) the maximum interest rate allowable on such Variable Rate Indebtedness; and

- (b) in the case of determining the Maximum Debt Service for purposes of the provisions of the Ordinance described in paragraph (C) under the heading “SUMMARY OF ORDINANCE—Additional Bonds—*Parity Obligations*” herein, the interest rate on Variable Rate Indebtedness will be equal to the interest rate as established or in effect with respect thereto on the date thereof;

provided, however, that if the 25-Bond Revenue Index referred to in (a) above is no longer published, any reasonably equivalent nationally recognized index published for the periods in question may be selected by the City for use in its stead; provided, further, that in the case of Bonds which have been or will be issued as taxable obligations, for which the City has or will be entitled to receive a payment that effectively reduces the City’s debt service payment obligation therefore (including but not limited to BABs issuable pursuant to the authority of the ARRA), the highest aggregate principal and interest requirements for such Bonds during any Fiscal Year will be reduced by the payment that the City has or will be entitled to receive therefor.

“Moody’s” means Moody’s Investors Service, Inc., and its successors.

“Net Revenues” means the Revenues of the System after deducting the Expenses of Operating and Maintaining the System.

“Ordinance” means the General Bond Ordinance and the Seventeenth Supplemental Ordinance.

“Outstanding,” when used with respect to any Bond, have the construction given to such word pursuant to the defeasance provisions of the General Bond Ordinance; *i.e.*, a Bond is not Outstanding if such Bond is not, or would not be, at the time, deemed to be Outstanding by reason of the operation and effect of such provisions.

“Parity Bonds” means the 2016 Bonds, the 2018 Bonds, the 2019 Bonds, the 2021 Bonds, the 2022 Bonds and the 2023 Bonds.

“Participant” means any bank, brokerage house or other financial institution for which, from time to time, the Depository effects book-entry transfers and pledges of securities deposited with the Depository.

“Paying Agent” means for each Series of Bonds the respective paying agent or paying agents appointed pursuant to the supplemental ordinance authorizing such Bonds. With respect to the 2025 Bonds, the initial Paying Agent is Regions Bank, which also serves as the custodian of the 2025 Debt Service Fund.

“Permitted Investments” means (a) any one or more of the investments now or hereafter permitted by Section 6-5-10, Code of Laws of South Carolina 1976, as amended and in effect from time to time, or any authorization relating to the investment of City funds; and (b) the South Carolina Pooled Investment Fund or similar State administered pool investment fund.

“Principal Account” means the account by that name created within each respective Debt Service Fund.

“Project” means any and all replacements, enlargements, improvements, extensions, additions and betterments to the System, and all appurtenances, facilities, lands, rights in land, water rights, franchises and structures in connection therewith or incidental thereto, and any other project which may be financed through the issuance of bonds under the Act, including the acquisition of any system which is combined with or consolidated into the System pursuant to law.

“Record Date” means with respect to any Series of Bonds the fifteenth (15<sup>th</sup>) day (whether or not a business day) of the calendar month immediately preceding an interest payment date or such other day as may be provided in the supplemental ordinance authorizing the issuance of such Series of Bonds.

“Registrar” means for any Series of Bonds, the respective bank, trust company, depository or transfer agent appointed as registrar pursuant to the supplemental ordinance authorizing such Series of Bonds. With respect to the 2025 Bonds, the initial Registrar is Regions Bank.

“Reserve Fund Requirement” means, as of the date of calculation, the debt service reserve fund requirement, if any, established pursuant to a supplemental ordinance authorizing the issuance of a Series of Bonds.

“Revenues” means all fees, tolls, rates, rentals and other charges to be levied and collected in connection with and all other income and receipts of whatever kind or character derived by the City from the operation of the System

or arising from the System excluding the receipts, income, revenues, fees and other charges derived from the operation of Special Facilities.

“S&P” means S&P Global Ratings and its successors.

“Series” or “Series of Bonds” or “Bonds of Series” means all Bonds designated as being of the same series issued and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter delivered in lieu thereof or in substitution therefore pursuant to the General Bond Ordinance.

“Seventeenth Supplemental Ordinance” means the Seventeenth Supplemental Ordinance No. 2024-083 of the Council enacted on November 19, 2024.

“Special Facilities” means any Project, the revenues and expenses resulting from the operation of which can be segregated from the revenues and expenses of the System and which the City designates as such pursuant to ordinance of Council.

“State” means the State of South Carolina.

“System” means the existing Waterworks and Sewer System of the City, as the same is now constituted, all properties, real and personal, and matters and things used or useful in the maintenance, operation or functioning thereof, all apparatus and equipment used in connection therewith, and all replacements, enlargements, improvements, extensions, additions, and betterments thereto that may be made thereto at any time hereafter, including any Project, and any other public utility system with which the System may hereafter be combined pursuant to ordinance of Council.

“Underwriters” means PNC Capital Markets LLC and Raymond James & Associates Inc., on behalf of themselves and as representatives of Siebert Williams Shank & Co., LLC.

“Variable Rate Indebtedness” means indebtedness in the form of Bonds the interest rate on which is not established at a fixed or constant rate at the time such indebtedness is incurred.

## SUMMARY OF ORDINANCE

### **Operation and Maintenance**

The City has covenanted that adequate provision will be made for the Expenses of Operating and Maintaining the System, and that the Revenues derived from the System will be first used to make provision for the Expenses of Operating and Maintaining the System to keep the System in good repair and working order. The City has further covenanted and agreed it will at all times operate the System properly and in an efficient and economical manner and will maintain, preserve and keep the same with the appurtenances and every part and parcel thereof in good repair, working order and condition, and will from time to time make all necessary and proper repairs and replacements so that at all times the operation of the System may be properly and advantageously conducted.

### **Security for and Payment of the Bonds**

The Bonds, together with the interest thereon, are payable solely from and secured equally and ratably by a lien upon the Net Revenues of the System. The Net Revenues are irrevocably pledged in the General Bond Ordinance to the payment of the principal of, premium, if any, and interest on the Bonds.

The Bonds will be on a parity with respect to the pledge and lien on the Net Revenues of the System inter sese, but not with respect to the particular Debt Service Fund or Debt Service Reserve Fund created for the benefit of the Holders of the Bonds of a Series, notwithstanding, that they may be in different form, and bear different dates, interest rates, number, date of issuance or date of execution; and in all such instances, the pledge of Net Revenues made under the General Bond Ordinance, and the covenants and remedies thereby granted will be applicable and available to the Holders of such Bonds. The pledge of and lien upon Net Revenues securing the 2025 Bonds (and any other Bonds) is senior to the pledge and lien on Net Revenues securing the Junior Bonds or any other charges, liens or encumbrances on the Net Revenues of the System, as contemplated by the provisions of the General Bond Ordinance described under the subheading “Funds Created Under General Bond Ordinance—*Application of Remaining Revenues*” herein.

The Bonds do not constitute an indebtedness of the City within any State Constitutional provision (other than Article X, Section 14, Paragraph 10 of the South Carolina Constitution authorizing obligations payable solely from

special sources not involving revenues from any tax or license) or statutory limitation and will never constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing power. The full faith, credit and taxing powers of the City are not pledged to the payment of the principal of and interest on the Bonds.

The covenants and agreements set forth in the General Bond Ordinance to be performed by the City are for the equal and proportionate benefit, security and protection of all Holders of the Bonds without preference, priority or distinction as to payment or security or otherwise (except as to maturity) of any of the Bonds for any reason or cause whatsoever, except as expressly provided in the General Bond Ordinance or in the Bonds, and, except as aforesaid, all Bonds will rank pari passu and will be secured equally and ratably thereunder without discrimination or preference whatsoever.

## **Creation and Flow of Funds**

### *Creation of Funds and Order of Payment*

The following are the funds and accounts created and established by the General Bond Ordinance:

- (i) Debt Service Fund to be held by the City, including an Interest Account and Principal Account.
- (ii) Debt Service Reserve Fund, if any, to be held by the City.
- (iii) Contingent Fund and Depreciation Fund, to be held by the City.
- (iv) Construction Fund, to be held by the City.

For the avoidance of doubt, (a) the designation of the Contingent Fund and the Depreciation Fund in and by the General Bond Ordinance will not be construed to require the establishment of any completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of the Revenues and assets of the System for certain purposes and to establish certain priorities for application of such Revenues and assets as provided in the General Bond Ordinance, and (b) the cash required to be accounted for in each of the foregoing funds established pursuant to the General Bond Ordinance may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash in and deposited therein for the various purposes of such funds as provided in the General Bond Ordinance.

One or more accounts may, by direction of the City or by the terms of a supplemental ordinance, be established within any of the above funds. It is intended by the General Bond Ordinance that the funds created thereby (other than the Construction Fund) will remain in existence for so long a time as any sum remains due and payable by way of principal of and interest on the Bonds, and that deposits and withdrawals therefrom be made in the manner prescribed by the General Bond Ordinance and in the order of priority therein set forth.

So long as any of the Bonds are Outstanding, the Revenues of the System will be applied at the times, in the amounts and for the purposes as provided or permitted by the General Bond Ordinance, and in the following order of priority:

First, provision will be made for the payment of Expenses of Operating and Maintaining the System;

Second, there will be transferred into the respective Debt Service Funds, the amounts required by the General Bond Ordinance or any supplemental ordinance thereto;

Third, there will be transferred into the respective Debt Service Reserve Funds, if any, the amounts required by the General Bond Ordinance or any supplemental ordinance thereto;

Fourth, provision will be made for the payment of any Junior Bonds or to meet any other obligations of the City which are charges, liens or encumbrances upon the Revenues of the System junior and subordinate to the lien on Net Revenues securing the Bonds, as described in the General Bond Ordinance;

Fifth, there will be transferred into the Contingent Fund and the Depreciation Fund the amounts required by the General Bond Ordinance; and

Sixth, the remaining Revenues will be disposed of as provided in the General Bond Ordinance.

The Debt Service Fund, the Debt Service Reserve Fund and the Construction Fund or any one or more of such funds, may at the option of the City be held by a bank, a trust company, a national banking association or a national association as Custodian under the General Bond Ordinance or a supplemental ordinance thereto.

### **Funds Created Under General Bond Ordinance**

#### *Debt Service Fund*

The respective Debt Service Funds are intended to provide for the payment of the principal of, redemption premium, if any, and interest on each Series of Bonds as the same respectively fall due. Payments into such Funds will be made in the manner prescribed by the General Bond Ordinance and all moneys in the respective Debt Service Funds will be used solely to pay the principal of, redemption premium, if any, and interest on the respective Series of Bonds, and for no other purpose, and withdrawals therefrom will be made only to effect payment of the principal of, redemption premium, if any, and interest on the respective Series of Bonds. Earnings on investments in the Debt Service Fund, including the accounts therein, will be added to and become a part of such respective Funds and the accounts therein.

There will be transferred from the Revenues of the System into the Debt Service Fund sufficient moneys so as to comply with the provisions described below for the payment of the Bonds then Outstanding.

(a) There will be established and maintained, for the purpose of paying the interest on the respective Series of Bonds as the same becomes due and payable, an Interest Account in the respective Debt Service Funds. Not later than the fifth day preceding an interest payment date (or if such fifth preceding day is not a business day, then on the next preceding business day), the City will transfer for deposit into the respective Debt Service Funds for credit to the Interest Account an amount which will, together with any other funds on deposit from whatever source in the Interest Account of the respective Debt Service Fund, on such date be equal to the installment of interest then falling due on the respective Series of Bonds then Outstanding. In making any of the deposits to the Interest Account described in this paragraph, consideration will be given to and allowance made for accrued interest received upon delivery of each Series of Bonds to the initial purchasers and for any other credits otherwise made to the Interest Account.

(b) There will be established and maintained, for the purpose of paying the principal of the Bonds as it becomes due, whether at maturity or by mandatory sinking fund redemption, a Principal Account in the respective Debt Service Funds. Not later than the fifth day preceding any principal payment date or mandatory sinking fund redemption date on any Bond (or if such fifth preceding day is not a business day, then on the next preceding business day), the City will transfer into the respective Debt Service Funds to the credit of the Principal Account an amount which will, together with any other funds on deposit from whatever source in the Principal Account of the Debt Service Fund, provide sufficient funds to pay the aggregate amount of the principal of Bonds coming due on such principal payment date or mandatory sinking fund redemption date. In making any of the deposits to the Principal Account described in this paragraph, consideration will be given to and allowance made for any other credits otherwise made to the Principal Account.

(c) If, on the dates when the payments required by paragraphs (a) and (b) above are to be made, the payments required by said paragraphs (a) and (b) will be less than the sum required to be transferred to a Debt Service Fund to effect the payment of succeeding installment of principal or interest, or both, as the case may be, moneys in the applicable Debt Service Reserve Fund, if any, equal to such deficiency will be added to the payment to be made pursuant to said paragraphs (a) and (b).

Moneys in the respective Debt Service Funds will be used and applied solely to the payment of the interest on and the retirement of principal of and redemption premium, if any, on the respective Series of Bonds and will be used and applied in accordance with the provisions of the General Bond Ordinance. The moneys paid into the respective Debt Service Funds will be held by the City in trust solely for the purpose of paying the interest on and the retirement of the principal of and redemption premium, if any, on the respective Series of Bonds and withdrawals from such Funds will be made in order to transfer such moneys to the Paying Agent for the respective Series of Bonds. Such withdrawals will be made so that the necessary moneys will be available to the Paying Agent not later than one (1) business day prior to the day on which principal or interest or both, and redemption premium, if any, as the case may be, are payable on the Bonds.

Moneys held for the credit of the respective Debt Service Funds will be invested, to the fullest extent practicable and reasonable, in Permitted Investments which will mature prior to the respective dates when the moneys held for the credit of such Fund will be required for the purpose intended.

### *Debt Service Reserve Fund*

A supplemental ordinance to the General Bond Ordinance may, but is not required to, provide for the establishment of a Debt Service Reserve Fund for any Series of Bonds. Each Debt Service Reserve Fund will, subject to certain provisions of the General Bond Ordinance, be maintained in an amount equal to the applicable Reserve Fund Requirement, as determined pursuant to a supplemental ordinance, and in the manner determined pursuant to such supplemental ordinance, so long as the applicable Series of Bonds is Outstanding. Each such Debt Service Reserve Fund is intended to insure the timely payment of the principal of and interest on the applicable Series of Bonds and to provide for the redemption of such Series of Bonds prior to their stated maturities. The respective Debt Service Reserve Funds will be kept on deposit with the City, and withdrawals therefrom will be made for the purposes provided in the General Bond Ordinance. **No Debt Service Reserve Fund will be established for or funded with the proceeds of the 2025 Bonds.**

Moneys in each Debt Service Reserve Fund will be used for the following purposes, and for no other:

(a) to prevent a Default in the payment of the principal of or interest on the applicable Series of Bonds, by reason of the fact that moneys in the applicable Debt Service Fund are insufficient for such purposes;

(b) to pay the principal of, interest on, and redemption premium, if any, of the applicable Series of Bonds in the event that all Outstanding Bonds of such Series be redeemed as a whole;

(c) to effect partial redemption of the applicable Series of Bonds, provided that such redemption be undertaken in accordance with the provisions of the General Bond Ordinance permitting a partial redemption of the applicable Series of Bonds and the balance remaining in the applicable Debt Service Reserve Fund following such partial redemption will not be less than the Reserve Fund Requirement; and

(d) to effect the retirement of a Series of Bonds through purchase under the conditions prescribed in the General Bond Ordinance.

Whenever the market value (determined as of the evaluation date specified in the General Bond Ordinance) of the cash and securities in the applicable Debt Service Reserve Fund exceeds the applicable Reserve Fund Requirement, such excess may at the direction of the City (i) be used to repurchase and retire the applicable Series of Bonds at prices not exceeding the call price first to become available or then prevailing, (ii) be considered Revenues or (iii) be transferred to the Construction Fund during the period of construction or acquisition of a Project. Purchases of Bonds will be effected by the City through the Paying Agent, and whenever Bonds have been purchased pursuant to this authorization, it will be the duty of the Paying Agent to cancel and destroy such Bonds and to deliver certificates evidencing such act to the City.

Whenever the aggregate value of cash and securities in a Debt Service Reserve Fund is less than the applicable Reserve Fund Requirement, there will be deposited in such Debt Service Reserve Fund that amount which, together with equal, successive, monthly deposits in the same amount, will restore the value of cash and securities in such Debt Service Reserve Fund to the applicable Reserve Fund Requirement during the succeeding 12 months.

If the City obtains a surety bond, insurance policy or letter of credit in substitution for moneys deposited to the applicable Debt Service Reserve Fund as may be permitted under the applicable supplemental ordinance, excess moneys will be transferred to the applicable Construction Fund, or if one does not exist, be considered Revenues.

Moneys in the respective Debt Service Reserve Funds established by the General Bond Ordinance will be invested, to the fullest extent practicable, in Permitted Investments, maturing at such times and in such amounts as are required to provide moneys to make the payments required to be made from such funds.

### *Contingent Fund and Depreciation Fund*

The General Bond Ordinance establishes a Contingent Fund and a Depreciation Fund.

The City will deposit from time to time (at least on a monthly basis) into the Contingent Fund and the Depreciation Fund the amounts determined in the Annual Budget prepared for the System. Moneys in the Contingent Fund will be used to build up a reasonable reserve for improvements, betterments, and extensions to the System, other than those necessary to maintain the System in good repair and working order, and moneys in the Depreciation Fund will be used

to build up a reserve for the depreciation of the System and used for the purpose of restoring or replacing depreciated or obsolete items of the System.

Moneys in the Contingent Fund and the Depreciation Fund will be held by the City in accordance with the General Bond Ordinance, and may be invested in Permitted Investments. Withdrawals from the Contingent Fund and the Depreciation Fund may be made by an authorized representative of the City.

#### *Application of Remaining Revenues*

After making payment for the Expenses of Operating and Maintaining the System, and after making payments on the Bonds, the Revenues of the System will then be used first for the payment of Junior Bonds or to meet any other obligations of the City which are or which will become charges, liens or encumbrances upon the Revenues of the System; second to make such deposits to the Contingent Fund as required by the General Bond Ordinance to provide for adequate funds for improvements to the System and build up a proper reserve against contingencies and to the Depreciation Fund as required by the General Bond Ordinance to build up a proper reserve for depreciation of the System; and third as the Council will from time to time determines to be in the best interest of the City.

#### **Rates and Charges**

The City has covenanted and agreed in the General Bond Ordinance to operate the System in an efficient and economical manner and establish, levy, maintain, revise and collect such fees, rates and other charges for the use of the services and facilities furnished by the System as may be necessary or proper, which fees, rates, and other charges, together with other Revenues and other available moneys, will at all times be at least sufficient after making due and reasonable allowances for contingencies and for a margin of error in estimates to provide an amount equal to (a) 100% of the amounts required to pay Expenses of Operating and Maintaining the System for the then current Fiscal Year; (b) 110% of the amounts required to be deposited into each Debt Service Fund for the then current Fiscal Year; (c) 100% of the amounts required to be deposited into each Debt Service Reserve Fund for the then current Fiscal Year; (d) 100% of the amounts required to provide for payment of any Junior Bonds for the then current Fiscal Year; and (e) the amounts necessary to comply in all respects with the terms of the General Bond Ordinance or any other contract or agreement with the Holder of a Bond; provided, further, that for purposes of determining the amounts required to be deposited into a Debt Service Fund pursuant to clause (b), to provide for payment of Junior Bonds pursuant to clause (d) or otherwise as provided in clause (e) described above, in the case of Bonds or Junior Bonds which have been or will be issued as taxable obligations, for which the City has or will be entitled to receive a payment that effectively reduces the City's debt service payment obligation therefor (including but not limited to BABs issuable pursuant to the authority of the ARRA), the debt service requirements for such Bonds or Junior Bonds will be reduced by the payment that the City has or will be entitled to receive therefor.

#### **Additional Bonds**

##### *Parity Obligations*

Anytime and from time to time, one or more Series of Additional Bonds (exclusive of bonds issued to refund Bonds) may be issued by a supplemental ordinance for such purposes as may be permitted by the Act upon compliance with the provisions of the General Bond Ordinance in such principal amounts as may be determined by the Council for the purpose of paying all or part of the Costs of Acquisition and Construction of one or more Projects, upon compliance with the following conditions:

- A. There will be executed a certificate of the Finance Director, City Manager or chief administrative official of the City stating (i) either (a) that no default exists in the payment of the principal of, premium, if any, or interest on the Junior Bonds and no Default exists in the payment of the principal of, premium, if any or interest on the Bonds, and all mandatory sinking fund redemptions, if any, required to have been made have been made, or (b) that the application of the proceeds of sale of the Series of Additional Bonds to be issued as required by the supplemental ordinance authorizing their issuance will cure any such default or Default or permit such redemptions; and (ii) either (a) that to the best of his or her knowledge, the City is not in Default in the performance of any other of its covenants and agreements contained in the General Bond Ordinance, or (b) setting forth the circumstances of each such Default known to him or her.
- B. If a certificate executed pursuant to the provisions of the General Bond Ordinance described in part (A) above should disclose a default or Default, there will be filed with the City an opinion of Bond

Counsel that, in the case of any default or Default disclosed in a certificate filed pursuant thereto, each such default or Default does not deprive the Bondholders of the security afforded by the General Bond Ordinance, as amended and supplemented, in any material aspect.

- C. For the issuance of Additional Bonds to finance the Cost of Acquisition and Construction, or a portion thereof, of any Project, there will be delivered a report, which report is not required to be based upon the latest audit of the City, from the City Manager or Finance Director of the City, an Accountant or a Consulting Engineer stating that the amount of Net Revenues of the System for any consecutive twelve (12) month period out of the last twenty-four (24) month period (“Test Period”) is not less than one hundred thirty percent (130%) of the sum of the Maximum Debt Service on the Bonds to be Outstanding after the issuance of such Additional Bonds for any succeeding Fiscal Year, provided the amount of Net Revenues for any such twelve (12) month period may be adjusted by adding the following:
- (1) in case the rates and charges for the services furnished by the System will have been revised and such revised rates and charges will have gone into effect prior to the delivery of the Additional Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the Test Period if such rates and charges had been in effect during such Test Period as determined by a Consulting Engineer or an Accountant, and
  - (2) in case an existing sewer system, existing water system or any other public utility system is to be acquired and combined or made a part of the System from the proceeds of the Additional Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the Test Period if such existing system or systems to be acquired had been a part of the System during such Test Period (which computation of the additional amount of Net Revenues will be based upon the method of computing Net Revenues under the General Bond Ordinance and approved by a Consulting Engineer or an Accountant).
- D. Such Additional Bonds will be issued to secure funds to defray the Cost of Acquisition and Construction of a Project; or to refund Junior Bonds, or any notes, bonds or other obligations issued to finance or to aid in financing the acquisition, construction, improvement, enlargement or repair of the System or another enterprise combined with the System.
- E. The supplemental ordinance to the General Bond Ordinance authorizing such Additional Bonds may provide for the funding of the Debt Service Reserve Fund with respect to such Series of Bonds in the amount of the Reserve Fund Requirement, if any, with respect to such Series of Bonds.

Without complying with the provisions of the General Bond Ordinance described in the first paragraph under this subheading “*Parity Obligations*” except as otherwise provided in the General Bond Ordinance, the City by means of a supplemental ordinance to the General Bond Ordinance enacted in compliance with the provisions of the Act and any other statutory provisions authorizing the issuance of revenue refunding bonds, including advance refunding bonds, may issue refunding Bonds under the provisions of the General Bond Ordinance as follows:

- A. Additional Bonds may be issued for the purpose of refunding (including by purchase) at any time within one year prior to maturity or prior to any sinking fund installment due date, the Bonds maturing on such date (or an amount of Bonds subject to redemption from such sinking fund installments not in excess of the amount of Bonds required to be redeemed on such due date) for the payment of which sufficient Revenues are not available. Any Additional Bonds issued for such purpose will mature (or sinking fund installments therefor will commence) not earlier than the latest stated maturity of any Bond not then refunded to be Outstanding after such refunding.
- B. Additional Bonds may be issued at any time for the purpose of refunding (including by purchase) Bonds, including amounts to pay principal, redemption premium and interest to the date of redemption (or purchase) of the Bonds and the Costs of Issuance; provided that (i) the Debt Service on all Bonds to be Outstanding after the issuance of the proposed Series of refunding Bonds will not be greater than would have been the Debt Service on all Bonds not then refunded and the Bonds to be refunded or (ii) the requirements of the provisions of the General Bond Ordinance described in parts (A), (B), (C) and (E) of the preceding paragraph are met with respect to the refunding Bonds.

### *Junior Bonds*

The City may at any time issue Junior Bonds in such amount as it may from time to time determine, payable from the Revenues, provided that such Junior Bonds are issued to secure funds to defray the cost of improving, extending, enlarging, or repairing the System, some part thereof, including the acquisition of any system which may be combined with or consolidated into the System pursuant to law, or to refund Bonds, Junior Bonds, or any notes, bonds or other obligations issued to finance or to aid in financing the acquisition, construction or improvement of the System, and provided further that the pledge of Net Revenues securing Junior Bonds is at all times subordinate and inferior to the pledge securing the Bonds.

### *Special Facilities Bonds*

The City also has the right to issue, from time to time, Special Facilities Bonds to defray the costs of acquiring or constructing Special Facilities subject to the following conditions:

- A. The City must determine that the receipts, income, revenues, fees and other charges to be levied and collected in connection with the Special Facilities are at least equal to: (1) the estimated costs of operating and maintaining such Special Facilities; (2) the principal and interest requirements of the Special Facilities Bonds; (3) the amounts to be deposited in any reserve funds with respect thereto; and (4) any other costs and expenses relating to such Special Facilities.
- B. The receipts, income, revenues, fees and other charges derived from the operation of the Special Facilities will be segregated from the Revenues of the System.
- C. The debt service payments and other costs and expenses related to such Special Facilities will not be paid from Revenues of the System.

### **General Covenants**

The City has made several covenants in the General Bond Ordinance (which covenants are also made a part of the supplemental ordinances thereto) including, without limitation, the following:

- A. The City will keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries will be made of all transactions relating to the System. A complete financial statement of the System will be prepared within 180 days after the end of each Fiscal Year and will be prepared in accordance with generally accepted accounting principles and audited by an Accountant. The City will cause to be furnished to any Holder of any of the Bonds, who makes written request therefor, a copy of such statement. Such records will be kept in accordance with the standards from time to time prescribed by the Governmental Accounting Standards Board or its successor. The City will cause to be furnished to any Holder of any of the Bonds, who make written request therefor, copies of financial statements certified by an accountant.
- B. The City will not issue any bonds, notes, certificates or other obligations or evidences of indebtedness other than the Bonds or obligations authorized or permitted by the General Bond Ordinance secured by a pledge of the Net Revenues, and it will not create or cause to be created any lien or charge on the Revenues other than the liens and charges created or permitted to be created pursuant to the General Bond Ordinance, and no part of the System will be sold, mortgaged, leased or otherwise disposed of or encumbered; provided, however, the City may from time to time permanently abandon the use of, sell, trade or lease any property forming a part of the System, but only if there is filed with the Clerk of the City prior to such abandonment, sale or lease a certificate, signed by the City Manager, stating:
  - (1) that the City is not then in Default in the performance of any of the covenants, conditions, agreements or provisions contained in the General Bond Ordinance, and
  - (2) that the Net Revenues for the preceding Fiscal Year, after giving effect to such abandonment, sale or lease and any replacement and after adjustment to reflect the moneys which would have been received if the rate schedule in effect on the date of such certificate had been in effect throughout such Fiscal Year, are not less than 100% of the Debt Service

for any Fiscal Year thereafter. Amounts received from any such sale or disposition will be considered Revenues of the System.

- C. The City will make provision to maintain adequate insurance (including self-insurance) on the works, plants, facilities and properties comprising the System against the risks, accidents or casualties, of the kinds and in at least the amounts which are usually and customarily carried on similar plants, properties and systems which are owned and operated by a public or municipal corporation, including without limiting the generality of the foregoing, fire, extended coverage, general liability and workmen's compensation, and also all additional insurance covering such risks as may be deemed necessary or desirable by the City or recommended by a competent independent engineer or other advisor employed for the purpose of making such recommendations.
- D. The City will not furnish free service by the System to the City or to any agency, instrumentality or person. The reasonable costs and value of any services of the System rendered to the City through the operation of the System will be charged against the City and will be paid as the service accrues from the current funds and such funds, when so paid, will be accounted for in the same manner as other Revenues of the System.
- E. Prior to the beginning of each Fiscal Year, the City will prepare an annual budget for the ensuing Fiscal Year which will set forth in reasonable detail the estimated Revenues and operation and maintenance expenses. The City also may at any time adopt an amended annual budget for the remainder of the then current Fiscal Year.

The City has made several covenants in the Seventeenth Supplemental Ordinance including, without limitation, the following:

- A. The City will not take any action which will, or fail to take any action which failure will, cause interest on the 2025 Bonds to become includable in the gross income of the Holders for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the 2025 Bonds. No use of the proceeds of the 2025 Bonds will be made which, if such use had been reasonably expected on the date of issue of the 2025 Bonds would have caused the 2025 Bonds to be "arbitrage bonds," as defined in the Code; and to that end the City will:
  - (1) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as any of the 2025 Bonds are Outstanding;
  - (2) establish such funds, make such calculations and pay such amounts, if necessary, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebate of certain amounts to the United States; and
  - (3) make such reports of such information at the times and places required by the Code.
- B. The City will comply with and carry out all of the provisions of the Disclosure Dissemination Agent Agreement in the form attached to this Official Statement as Appendix E ("Continuing Disclosure Agreement") with such changes as may be approved by the Mayor and the City Manager, or either of them acting alone, upon advice of counsel. Notwithstanding any other provision of the General Bond Ordinance or the Seventeenth Supplemental Ordinance, failure of the City to comply with the provisions of the Continuing Disclosure Agreement will not be considered an Event of Default under the General Bond Ordinance or the Seventeenth Supplemental Ordinance.
- C. The City, so long as and to the extent required pursuant to Section 11-1-85, Code of Laws of South Carolina 1976, as amended, will file with a central repository for availability in the secondary bond market when requested:
  - (1) an annual independent audit, within thirty (30) days of the City's receipt of the audit; and
  - (2) event specific information within thirty (30) days of an event adversely affecting more than five percent (5%) of the Revenues or the City's tax base.

- D. The only remedy for failure by the City to comply with the Continuing Disclosure Agreement or the covenants of the Seventeenth Supplemental Ordinance described in paragraph C above will be an action for specific performance of the covenant; and failure to comply will not constitute a default or an “Event of Default” under the General Bond Ordinance or the Seventeenth Supplemental Ordinance. The Registrar and the Paying Agent will have no responsibility to monitor the City’s compliance with the Continuing Disclosure Agreement or the covenants included in the provisions of the Seventeenth Supplemental Ordinance described in paragraph C above, and the City has specifically reserved the right to amend or delete its covenants in the Continuing Disclosure Agreement or in the provisions of the Seventeenth Supplemental Ordinance described in paragraph C above to reflect any change in Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, or federal law, as applicable, without the consent of the Registrar and the Paying Agent or the Registered Holders of any 2025 Bond.

Pursuant to the Eleventh Supplemental Ordinance, the Council adopted the following procedures relating to continuing disclosure for all publicly-traded debt including but not limited to the 2025 Bonds:

- A. The Assistant City Manager for Finance and Economic Services or the equivalent thereto (“Disclosure Representative”) of the City will be responsible for compliance with these written procedures and for compliance with any continuing disclosure obligations undertaken by the City or imposed upon the City by state or federal law or regulations. The Disclosure Representative is permitted to obtain the assistance of his or her staff and authorized to obtain professional assistance to cause this information to be compiled and provided, but the ultimate responsibility for the dissemination of the information will remain with the Disclosure Representative.
- B. The Disclosure Representative will acquire a clear understanding regarding the City’s continuing disclosure obligations. Through participation in professional groups such as the South Carolina Government Finance Officers Association or the South Carolina Financial Concepts and Strategies Institute, the Disclosure Representative will participate in continuing education programs regarding continuing disclosure.
- C. For each issuance of bonds that involves a continuing disclosure obligation, the Disclosure Representative will review such continuing disclosure undertaking and discuss with the City’s bond counsel, financial advisor and underwriter, if any, prior to the execution of such continuing disclosure undertaking.

#### **Amendments or Supplements to the Ordinance**

The City may, from time to time and without the consent of any Holder of the Bonds enact an ordinance amendatory or supplemental to the General Bond Ordinance (1) to provide for the issuance of Bonds, or (2) (a) to make any amendments or modifications thereto which may be required to permit the General Bond Ordinance to be qualified under the Trust Indenture Act of 1939, as amended; (b) to make any modification or amendment to the General Bond Ordinance not inconsistent therewith required for the correction of language or to cure any ambiguity or defective provisions, omission, mistake or manifest error therein contained; (c) to make any amendments or supplements thereto to grant to or confer upon the Holders additional rights, remedies, power and authority, or to grant to or confer upon any Holders, committee or trustee for the Holders any additional rights, power or authority; or (d) to add to the security of the Holders of the Bonds.

From time to time the Holders of 66-2/3% in principal amount of the Bonds then Outstanding, by an instrument or instruments in writing signed by such Holders and filed with the City, have the power to assent to and authorize any modification or amendment to the provisions of the General Bond Ordinance that may be proposed by the City or of the rights and obligations of the City and of the Holders of Bonds issued under the General Bond Ordinance; and any action authorized to be taken with the assent and authority given as aforesaid of the Holders of 66-2/3% in principal amount of the Bonds at the time Outstanding will be effective and binding upon all of the Holders of Bonds Outstanding and upon the City as fully as though such action were specifically and expressly authorized by the terms of the General Bond Ordinance; provided always, that without the consent of the Holder of each Bond affected thereby, no such modification will be made which will (1) extend the time of payment of principal of or the interest on any Bond, or reduce the principal amount thereof or the rate of interest thereon or the premium payable upon the redemption thereof, or (2) give to any Bond or Bonds any preference over any other Bond or Bonds, or (3) authorize the creation of any pledge prior to or, except as provided in the General Bond Ordinance for the issuance of Series of

Bonds, on a parity with the pledge afforded by the General Bond Ordinance, or (4) reduce the percentage in principal amount of the Bonds required to assent to or authorize any such modification to the General Bond Ordinance. For the purpose of computations described by this paragraph, Bonds directly or indirectly owned or controlled by the City will be disregarded.

Any modification or amendment or supplement to the provisions of the General Bond Ordinance or of any ordinance supplemental thereto will be set forth in an ordinance to be enacted by the City.

The City expressly authorizes the underwriter or purchaser of any Series of Bonds, or provider of bond insurance for any Series of Bonds, to assent to and consent to such amendments to the General Bond Ordinance as contemplated by the provisions thereof described under this heading "Amendments or Supplements to the Ordinance" in the same manner as the Holders of the Bonds.

## **Events of Default and Remedies**

### *Events of Default*

With respect to the Bonds, the following will constitute "Defaults" or "Events of Default:"

- A. If payment of the principal of any Bond, whether at maturity or by proceedings for redemption, by declaration or otherwise, is not made by the City after the same has become due and payable; or
- B. If payment of any installment of interest on any Bond is not made by the City as the same becomes due and payable; or
- C. If the City fails or refuses to comply with the essential provisions of the Act, or fails in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds or in the General Bond Ordinance or in any supplemental ordinance thereto on the part of the City to be performed, and such failure continues for 30 days after written notice specifying such failure and requiring the same to be remedied has been given to the City by the Holders of not less than 20% in principal amount of the Bonds then Outstanding or any trustee or committee therefore; or
- D. If any proceedings are instituted, with the consent or acquiescence of the City, for the purpose of effecting a composition between the City and its creditors and if the claim of such creditors is in any circumstance payable from any of the Revenues or any other moneys pledged and charged in the General Bond Ordinance or any supplemental ordinance thereto for the payment of the Bonds, or any such proceedings are instituted for the purpose of adjusting the claims of such creditors, pursuant to any federal or State statute now or hereafter enacted; or
- E. If an order or decree is entered (1) with the consent or acquiescence of the City, appointing a receiver or receivers of the System or any of the facilities thereof, or (2) without the consent or acquiescence of the City, appointing a receiver or receivers of the System or any of the facilities thereof and if, in either case, such order or decree having been entered is not vacated or discharged or stayed on appeal within 60 days after the entry thereof; or
- F. If, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the System or any of the facilities thereof, and such custody or control is not terminated within 90 days from the date of assumption of such custody or control; or
- G. If the City is for any reason rendered incapable of fulfilling its obligations under the General Bond Ordinance in any material respect.

Subject to the provisions, limitations and conditions of the General Bond Ordinance, insofar as the remedies provided in said provisions are concerned, nothing will prohibit or limit, or be construed as prohibiting or limiting any Holder of a Bond from enforcing the duties of the City, or any of the officers thereof, under any provisions of the General Bond Ordinance by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction, even though the failure of the City or any of the officers thereof to perform any such duty may not then constitute an "Event of Default" as defined in the General Bond Ordinance.

### *Declaration of Principal and Interest as Due*

Upon the occurrence of an Event of Default, and at any time thereafter while such Event of Default continues, then and in each and every case the Holders of not less than 25% in principal amount of the Bonds then Outstanding may, by written notice to the City filed in the office of the Clerk of the City, declare the principal of all Bonds then Outstanding, together with all accrued and unpaid interest thereon, if not already due, to be due and payable immediately, and upon any such declaration the same will become and be due and payable immediately, anything contained in the General Bond Ordinance or any supplemental ordinance thereto or in any of the Bonds to the contrary notwithstanding. This provision is also subject, however, to the condition that, if at any time after the principal of the Bonds, together with the accrued and unpaid interest thereon and other moneys secured in the General Bond Ordinance, have been so declared due and payable and before any further action has been taken (other than the making of the above declaration), the principal amount of all Bonds which have matured either according to the maturity date or dates otherwise specified therein (except as a result of such declaration) and all arrears of interest upon all Bonds, except interest accrued but not yet due on said Bonds, have been paid or caused to be paid, and all other Events of Default, if any, which have occurred have been remedied, cured or secured, then and in each and every such case the Holders of 25% in principal amount of the Bonds then Outstanding, by notice in writing delivered to the City, may waive such Default and its consequences and rescind and annul such declaration. No such waiver or rescission or annulment will extend to or affect any subsequent default or impair or exhaust any right or power related to such subsequent Default.

### *Appointment of a Receiver*

Upon the occurrence of an Event of Default described in paragraphs A and B under the sub-caption "Events of Default" above, and at any time thereafter while such default continues, any court of competent jurisdiction may appoint a receiver; provided, however, if application is made by the Holders of not less than 25% in principal amount of the Bonds then Outstanding or any trustee therefore, such court will appoint a receiver. Any receiver so appointed will (a) enter into and upon and take possession of the System, to the exclusion of the City if such court so directs; (b) have, hold, use, operate, manage and control the System as such receiver may deem best; and (c) exercise all rights and powers of the City with respect to the System as the City itself may do. In addition, the receiver will (a) maintain, restore and insure the System and from time to time make all necessary and proper repairs to the System as such receiver may deem expedient; (b) establish, levy, maintain and collect such fees, rentals and other charges in connection with the System as such receiver may deem necessary or proper and reasonable; and (c) collect and receive all Revenues, deposit such Revenues in a separate account and apply such Revenues so collected and received in such manner as the court directs.

Notwithstanding anything contained in the General Bond Ordinance or the Act, such receiver has no power to sell, assign, mortgage or otherwise dispose of any assets of whatever kind or character of the City and useful to the System.

### *Suits at Law or in Equity and Mandamus*

In case any one or more of the Events of Default happens and is continuing, then and in every such case, but subject to the provisions, limitations and conditions of the General Bond Ordinance so far as the remedies provided in said provisions are concerned, the Holder of any Bond at the time Outstanding, or trustee therefore, may, for the equal benefit and protection of all Holders of the Bonds similarly situated,

- (a) by mandamus or other suit, action or proceedings at law or in the equity, enforce such Holder's right against the City and require and compel the City to perform and carry out its duties and obligations under the Act and the General Bond Ordinance, and to perform and carry out its covenants and agreements with the Bondholders;
- (b) by action or suit in equity require the City to account as if such City were the trustee of an express trust;
- (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders; or
- (d) bring suit upon the Bonds.

*Remedies Not Exclusive; Effect of Waiver of Default, Effect of Abandonment of Proceedings or Adverse Determination*

The Holders from time to time of the Bonds are entitled to all the remedies and benefits of the General Bond Ordinance as are and as will be provided by law, and, subject to the provisions of the General Bond Ordinance, nothing therein will be construed to limit the rights or remedies of any such Holders under any applicable statute that may now exist or be enacted thereafter. No remedy conferred by the Act and the General Bond Ordinance upon any Holder of any Bond is intended to be exclusive of any other remedy, and each and every such remedy will be cumulative and will be in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred by the Act and the General Bond Ordinance or by any other law now or hereafter existing. Every substantive right and remedy conferred upon the Holders of the Bonds may be enforced and exercised from time to time and as often as may be deemed expedient.

No waiver of any default or breach of duty or contract by any Holder of any Bond will extend to or affect any subsequent default or breach of duty or contract, or will impair any rights or remedies thereon. No delay or omission of any Holder of a Bond to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver of any such default or acquiescence therein.

In case any suit, action or proceeding to enforce any right or exercise any remedy will be brought or taken and then discontinued or abandoned, or will be determined adversely to Holders of the Bonds then and in every such case, the City and such Holders will be restored to their former positions and rights and remedies as if no suit, action or proceeding had been brought or taken.

#### *Restrictions on Bondholder's Action*

No Holder of any Bond will have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the General Bond Ordinance or the execution of any trust under the General Bond Ordinance or for any remedy under the General Bond Ordinance unless such Holder has previously given to the City written notice of the happening of an Event of Default and the Holders of at least 25% in principal amount of the Bonds then Outstanding has filed a written request with the City and has offered the City reasonable opportunity, either to exercise the powers granted in the General Bond Ordinance or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders has offered to the City adequate security and indemnity against the costs, fees (including reasonable attorneys' fees), expenses and liabilities to be incurred therein or thereby, and the City has refused to comply with such request for a period of 60 days after receipt by it of such notice, request an offer of indemnity, it being understood and intended that no one or more Holders of Bonds has any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by the General Bond Ordinance, or to enforce any right under the General Bond Ordinance, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the General Bond Ordinance will be instituted, had and maintained in the manner provided in the General Bond Ordinance and for the equal benefit of all Holders of the Outstanding Bonds.

Nothing in the General Bond Ordinance or in the Bonds contained will affect or impair the obligation of the City, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of (and redemption premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

#### *Application of Revenues and Other Moneys After Default*

During the continuance of an Event of Default, all moneys received by the City or any receiver pursuant to any right given or action taken under the provisions of the General Bond Ordinance described in this heading "Events of Default" will, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the City or any receiver with respect thereto, be deposited in the Debt Service Fund, and all amounts held by the City or any receiver will be applied as follows:

- (a) Unless the principal of all Outstanding Bonds has become or has been declared due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds in the order of maturity of such installments, and, if the amount available are not sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the person entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal amounts or redemption premium, if any, of any Bonds which have become due (other than Bonds previously called for redemption in accordance with the provisions hereof), whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available are not sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the principal amounts or redemption premium, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

- (b) If the principal amounts of all Outstanding Bonds have become or have been declared due and payable, to the payment of the principal amounts and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal amounts and interest, to the persons entitled thereto without any discrimination or preference.
- (c) If the principal amounts of all Outstanding Bonds have been declared due and payable, and if such declaration thereafter has been rescinded and annulled under the provisions of the General Bond Ordinance, then, subject to the provisions of the General Bond Ordinance described in paragraph (b) herein in the event that the principal amounts of all Outstanding Bonds later becomes due or is declared due and payable, the moneys will be applied in accordance with the provisions of the General Bond Ordinance described in paragraph (a) above.

Whenever moneys are to be applied by the City or any receiver pursuant to the provisions of the Ordinance described under this caption "Application of Revenues and Other Moneys After Default," such moneys will be applied by it at such times, and from time to time, as the City or any receiver determines, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the City or any receiver applies such moneys, it will fix the date (which will be a Bond payment date unless it deems another date more suitable) upon which such application is to be made and upon such date interest on the principal amounts to be paid on such dates ceases to accrue. The City or any receiver will give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and will not be required to make payment to the Holder of any Bond until such Bond is presented to the City or any receiver for appropriate endorsement of any partial payment or for cancellation if fully paid.

Whenever all Bonds and interest thereon have been paid under the provisions of the General Bond Ordinance described under this caption "Application of Revenues and Other Moneys After Default" and all expenses and charges of any receiver have been paid, any balance remaining will be paid to the person entitled to receive the same; if no other person is entitled thereto, then the balance will be paid to the City or as a court of competent jurisdiction may direct.

### **Defeasance**

The obligations of the City under the General Bond Ordinance and the liens, pledges, charges, trusts and the covenants and agreements of the City therein made or provided for, will be fully discharged and satisfied as to any Bond; and, unless or except as otherwise provided in the supplemental ordinance to the General Bond Ordinance providing for the issuance of any Series of Bonds, such Bond or Series of Bonds will no longer be deemed to be Outstanding thereunder when:

(a) such Bond or Series of Bonds has been purchased by the City and surrendered to the City for cancellation or otherwise surrendered to the City or the Registrar, and is canceled or subject to cancellation by the City or Registrar, or

(b) payment of the principal of, redemption premium, if any, and interest on such Bond or Series of Bonds, either (i) has been made or caused to be made in accordance with the terms thereof, or (ii) has been provided for by irrevocably depositing with the Paying Agent or such other depository as the City may designate in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment, or (2) Government Obligations maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Paying Agent and the Registrar. At such time as a Bond or Series of Bonds is no longer deemed to be Outstanding under the General Bond Ordinance, as aforesaid, such Bond or Series of Bonds will cease to draw interest from the redemption date thereof, and, except for the purposes of any such payment from such moneys or Government Obligations, will no longer be secured by or entitled to the benefits of the General Bond Ordinance.

**APPENDIX D**

**FORMS OF OPINIONS OF CO-BOND COUNSEL**

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**FORMS OF OPINION OF CO-BOND COUNSEL**

[BURR & FORMAN LLP]

[CO-BOND COUNSEL LETTERHEAD]

[Date], 2025

City Council of the  
City of Columbia, South Carolina  
Columbia, South Carolina

*§[\_\_\_\_\_]*  
**City of Columbia, South Carolina**  
**Waterworks and Sewer System Revenue Bonds**  
**Series 2025**

We have acted as bond counsel to the City of Columbia, South Carolina (the “City”), in connection with the issuance of the City’s §[\_\_\_\_\_] Waterworks and Sewer System Revenue Bonds, Series 2025 (“2025 Bonds”). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

The 2025 Bonds are issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina (the “State”), including particularly Article X, Section 14(10) of the South Carolina Constitution; Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended (the “Act”); and General Bond Ordinance No. 93-43 of the City Council of the City (the “Council”) enacted on May 21, 1993, as amended (as so amended, the “General Bond Ordinance”) and supplemented, including as supplemented particularly by Seventeenth Supplemental Ordinance No. 2024-083 of the Council enacted on November 19, 2024 (the “Supplemental Ordinance”). The General Bond Ordinance and the Supplemental Ordinance are sometimes collectively referred to as the “Bond Ordinances.”

The 2025 Bonds are being issued for the purposes of (i) improving and enlarging the Waterworks and Sewer System of the City (as described in Schedule I of the Supplemental Ordinance) and (ii) paying the Cost of Issuance (as defined in the Bond Ordinances) of the 2025 Bonds.

The 2025 Bonds are subject to optional and mandatory redemption prior to maturity as contemplated by the Bond Ordinances.

The 2025 Bonds are immobilized in the custody of The Depository Trust Company, New York, New York (“DTC”), and a book entry system is being used to evidence ownership and transfer on the records of DTC and its participants.

Regarding questions of fact material to our opinion, we have relied on the representations of the City contained in the Bond Ordinances and the Federal Tax Certificate of the City dated the date hereof, and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation. We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as originals are authentic and all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates and instruments relating to the issuance of the 2025 Bonds have been duly authorized, executed and delivered by all parties thereto other than the City, and we have further assumed the due organization, existence and powers of such other parties other than the City.

As bond counsel, we have been retained solely for the purpose of examining the validity and legality of the 2025 Bonds and of rendering the specific opinion herein stated and for no other purpose. We have not acted as a municipal advisor (within the meaning of Section 15B of the Securities Exchange Act of 1934) to the City in connection with the execution and delivery of the 2025 Bonds. We have not verified the accuracy, completeness or fairness of any representation or information concerning the business or financial condition of the City in connection with the sale of

the 2025 Bonds. Accordingly, we express no opinion on the completeness, fairness or adequacy of any such representation or information.

We refer you to the 2025 Bonds and the Bond Ordinances for a further description of the 2025 Bonds, the purposes for which the 2025 Bonds are issued, the uses of the proceeds from the sale of the 2025 Bonds and the security therefor.

Based on the foregoing, we are of the opinion that, under existing law:

1. The City is validly existing as a body politic and corporate of the State with the power to enact the Bond Ordinances, perform the agreements on its part contained therein and issue the 2025 Bonds.

2. The Bond Ordinances have been duly enacted by the Council and constitute valid and binding obligations of the City enforceable against the City.

3. The 2025 Bonds have been duly authorized and executed by the City and are valid and binding limited obligations of the City payable solely from and secured equally and ratably by a pledge of and a lien on the Net Revenues (as defined in the General Bond Ordinance) derived by the City from the operation of its waterworks and sewer system (the "System"), on a parity with the pledges of Net Revenues securing the Bonds of 2016A, the Bonds of 2016B, the Bonds of 2018, the Bonds of 2019A, the Bonds of 2019B, the Bonds of 2019C, the Bonds of 2021A, the Bonds of 2021B, the Bonds of 2022, the Bonds of 2023A and the Bonds of 2023B (each as defined in the Supplemental Ordinance). Under the General Bond Ordinance, the City may, under certain terms and conditions, issue Bonds (as defined in the General Bond Ordinance) on a parity with the 2025 Bonds.

4. Interest on the 2025 Bonds is excludable from gross income for federal income tax purposes and is not an item of preference for purposes of the federal individual alternative minimum tax; however, interest on the 2025 Bonds is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the 2025 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with the requirements. Failure to comply with certain of such requirements may cause the interest on the 2025 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2025 Bonds.

5. Under the laws of the State, the 2025 Bonds and the interest thereon are presently exempt from all taxation in the State, except for estate or other transfer taxes. It should be noted, however, that Section 12-11-20, Code of Laws of South Carolina 1976, amended, imposes on every bank engaged in business in the State a fee or franchise tax computed on the entire net income of such bank which includes interest paid on the 2025 Bonds.

The rights of the owners of the 2025 Bonds and the enforceability of the 2025 Bonds and the Bond Ordinances are limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy or completeness of the Official Statement relating to the 2025 Bonds. Further, we express no opinion regarding tax consequences arising with respect to the 2025 Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

BURR & FORMAN LLP

[JOHNSON, TOAL & BATTISTE, P.A.]

[CO-BOND COUNSEL LETTERHEAD]

[Date], 2025

City Council of the  
City of Columbia, South Carolina  
Columbia, South Carolina

*§/\_\_\_\_\_/  
City of Columbia, South Carolina  
Waterworks and Sewer System Revenue Bonds  
Series 2025*

We have acted as bond counsel to the City of Columbia, South Carolina (the “City”), in connection with the issuance of the City’s §[\_\_\_\_\_] Waterworks and Sewer System Revenue Bonds, Series 2025 (“2025 Bonds”). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

The 2025 Bonds are issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina (the “State”), including particularly Article X, Section 14(10) of the South Carolina Constitution; Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended (the “Act”); and General Bond Ordinance No. 93-43 of the City Council of the City (the “Council”) enacted on May 21, 1993, as amended (as so amended, the “General Bond Ordinance”) and supplemented, including as supplemented particularly by Seventeenth Supplemental Ordinance No. 2024-083 of the Council enacted on November 19, 2024 (the “Supplemental Ordinance”). The General Bond Ordinance and the Supplemental Ordinance are sometimes collectively referred to as the “Bond Ordinances.”

The 2025 Bonds are being issued for the purposes of (i) improving and enlarging the Waterworks and Sewer System of the City (as described in Schedule I of the Supplemental Ordinance) and (ii) paying the Cost of Issuance (as defined in the Bond Ordinances) of the 2025 Bonds.

The 2025 Bonds are subject to optional and mandatory redemption prior to maturity as contemplated by the Bond Ordinances.

The 2025 Bonds are immobilized in the custody of The Depository Trust Company, New York, New York (“DTC”), and a book entry system is being used to evidence ownership and transfer on the records of DTC and its participants.

Regarding questions of fact material to our opinion, we have relied on the representations of the City contained in the Bond Ordinances and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation. We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as originals are authentic and all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates and instruments relating to the issuance of the 2025 Bonds have been duly authorized, executed and delivered by all parties thereto other than the City, and we have further assumed the due organization, existence and powers of such other parties other than the City.

As bond counsel, we have been retained solely for the purpose of examining the validity and legality of the 2025 Bonds and of rendering the specific opinion herein stated and for no other purpose. We have not acted as a municipal advisor (within the meaning of Section 15B of the Securities Exchange Act of 1934) to the City in connection with the execution and delivery of the 2025 Bonds. We have not verified the accuracy, completeness or fairness of any representation or information concerning the business or financial condition of the City in connection with the sale of the 2025 Bonds. Accordingly, we express no opinion on the completeness, fairness or adequacy of any such representation or information.

We refer you to the 2025 Bonds and the Bond Ordinances for a further description of the 2025 Bonds, the purposes for which the 2025 Bonds are issued, the uses of the proceeds from the sale of the 2025 Bonds and the security therefor.

Based on the foregoing, we are of the opinion that, under existing law:

1. The City is validly existing as a body politic and corporate of the State with the power to enact the Bond Ordinances, perform the agreements on its part contained therein and issue the 2025 Bonds.

2. The Bond Ordinances have been duly enacted by the Council and constitute valid and binding obligations of the City enforceable against the City.

3. The 2025 Bonds have been duly authorized and executed by the City and are valid and binding limited obligations of the City payable solely from and secured equally and ratably by a pledge of and a lien on the Net Revenues (as defined in the General Bond Ordinance) derived by the City from the operation of its waterworks and sewer system (the "System"), on a parity with the pledges of Net Revenues securing the Bonds of 2016A, the Bonds of 2016B, the Bonds of 2018, the Bonds of 2019A, the Bonds of 2019B, the Bonds of 2019C, the Bonds of 2021A, the Bonds of 2021B, the Bonds of 2022, the Bonds of 2023A and the Bonds of 2023B (each as defined in the Supplemental Ordinance). Under the General Bond Ordinance, the City may, under certain terms and conditions, issue Bonds (as defined in the General Bond Ordinance) on a parity with the 2025 Bonds.

The rights of the owners of the 2025 Bonds and the enforceability of the 2025 Bonds and the Bond Ordinances are limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy or completeness of the Official Statement relating to the 2025 Bonds. Further, we express no opinion regarding tax consequences arising with respect to the 2025 Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

JOHNSON, TOAL & BATTISTE, P.A.

**APPENDIX E**

**FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT**

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## FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (“Disclosure Agreement”), dated [Closing Date], 2025, is executed and delivered by the City of Columbia, South Carolina (“Issuer” or “Obligated Person”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (“Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (defined below) of the Bonds (defined below) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (“Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (defined below). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3 of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the annual financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Representative” means the Assistant City Manager for Development and Finance or its designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

“Notice Event” means an event listed in Sections 4(a) of this Disclosure Agreement.

“Official Statement” means that Official Statement dated [ ], 2025, prepared by the Issuer in connection with its \$55,595,000\* Waterworks and Sewer System Revenue Bonds Series 2025, as listed on Appendix A.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

## SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, not later than 30 days prior to the Annual Filing Date. Promptly on receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than February 1 following the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2025. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). On such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification) no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB

in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall provide in a timely manner an electronic copy of the Issuer's unaudited financial statements to the Disclosure Dissemination Agent and shall, within a reasonable time of when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) on receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) on receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) on receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
  - 1. Principal and interest payment delinquencies;
  - 2. Non-Payment related defaults, if material;
  - 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
  - 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
  - 5. Substitution of credit or liquidity providers, or their failure to perform;
  - 6. Adverse tax opinions, IRS notices or events affecting the tax status of the security;
  - 7. Modifications to rights of securities holders, if material;
  - 8. Bond calls, if material, and tender offers;
  - 9. Defeasances;
  - 10. Release, substitution, or sale of property securing repayment of the securities, if material;
  - 11. Rating changes;
  - 12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
  - 13. Merger, consolidation, or acquisition of the Obligated Person, if material;
  - 14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
  - 15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
  - 16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.
- (v) on receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing

pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) on receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. amendment to continuing disclosure undertaking;
2. change in the Obligated Person;
3. notice to investors pursuant to bond documents;
4. certain communications from the Internal Revenue Service;
5. secondary market purchases;
6. bid for auction rate or other securities;
7. capital or other financing plan;
8. litigation/enforcement action;
9. change of tender agent, remarketing agent, or other on-going party;
10. derivative or other similar transaction; and
11. other event-based disclosures;

(vii) on receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. quarterly/monthly financial information;
2. change in fiscal year/timing of annual disclosure;
3. change in accounting standard;
4. interim/additional financial information/operating data;
5. budget;
6. investment/debt/financial policy;
7. information provided to rating agency, credit/liquidity provider or other third party;
8. consultant reports; and
9. other financial/operating data;

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date on change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

### SECTION 3. Content of Annual Reports.

Each Annual Report shall contain the following Annual Financial Information with respect to the Issuer, as of and for the fiscal year then completed, as provided in the Official Statement as follows; provided, however, that in the event the following information is collected and prepared by a party other than the Issuer, the Issuer shall be excused

from compliance for failure to timely provide such information in the event such information is not available to the Issuer:

- (a) The financial statements of the Issuer for the preceding fiscal year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the GASB (or if not in conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information). If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (b) The financial and operating data contained in the following tables in the Official Statement:
  - (1) Under the caption, "FINANCIAL FACTORS": (i) Five-Year Summary and (ii) Historical Debt Service Coverage of the System; and
  - (2) Under the caption, "THE CITY AND THE SYSTEM": (i) Ten Largest Customers, (ii) Number of Billed Customers on Waterworks System, (iii) Number of Billed Customers on Sanitary Sewer System, (iv) Water Rates (if modified during such fiscal year), (v) Sewer Rates (if modified during such fiscal year), (vi) Comparison of Water Rates in the Columbia MSA, and (vii) Capital Improvements Undertaken.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer, which have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

The Issuer will reserve the right to modify from time to time the specific type of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer will agree that any such modification will be done in a manner consistent with the Rule.

#### SECTION 4. Reporting of Notice Events.

- (a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:
  - 1. Principal and interest payment delinquencies;
  - 2. Non-payment related defaults, if material;
  - 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
  - 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
  - 5. Substitution of credit or liquidity providers, or their failure to perform;
  - 6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
  - 7. Modifications to rights of Bond holders, if material;
  - 8. Bond calls, if material, and tender offers;
  - 9. Defeasances;
  - 10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
  - 11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
13. The consummation of a merger, consolidation, or acquisition involving the Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material; and
15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not in excess of ten (10) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Reports.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds on the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or on delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, on thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. On termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel

performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated in this Disclosure Agreement.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely on Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith on the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of South Carolina (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Dissemination Agent Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,  
as Disclosure Dissemination Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CITY OF COLUMBIA, SOUTH CAROLINA, as Issuer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**  
**NAME AND CUSIP NUMBERS OF BONDS**

Name of Issuer	City of Columbia, South Carolina
Obligated Person(s)	City of Columbia, South Carolina
Name of Bond Issues:	\$55,595,000* Waterworks and Sewer System Revenue Bonds, Series 2025
Date of Issuance:	[Closing Date], 2025
Date of Official Statement:	[Pricing Date], 2025
CUSIP Numbers:	

**EXHIBIT B**  
**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Issuer: City of Columbia, South Carolina  
Obligated Person: City of Columbia, South Carolina  
Name of Bond Issue(s): \$[55,595,000]\* Waterworks and Sewer System Revenue Bonds, Series 2025  
Date(s) of Issuance: [Closing Date], 2025  
Date of Disclosure Agreement: [Closing Date], 2025  
CUSIP Number: 198504

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement, dated as of [Closing Date], 2025, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by:\_\_\_\_\_.

Dated: \_\_\_\_\_

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,  
as Disclosure Dissemination Agent,  
on behalf of the Issuer

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

cc: [Issuer]  
[Obligated Person]

**EXHIBIT C-1  
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: City of Columbia, South Carolina

Issuer's Six-Digit CUSIP Number: 198504

or Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates: \_\_\_\_\_

Number of pages of attached material event notice: \_\_\_\_\_

\_\_\_\_ Description of Notice Events (Check One):

1. \_\_\_\_ Principal and interest payment delinquencies;
2. \_\_\_\_ Non-Payment related defaults, if material;
3. \_\_\_\_ Unscheduled draws on debt service reserves reflecting financial difficulties;
4. \_\_\_\_ Unscheduled draws on credit enhancements reflecting financial difficulties;
5. \_\_\_\_ Substitution of credit or liquidity providers, or their failure to perform;
6. \_\_\_\_ Adverse tax opinions, IRS notices or events affecting the tax status of the security;
7. \_\_\_\_ Modifications to rights of securities holders, if material;
8. \_\_\_\_ Bond calls, if material; Tender offers
9. \_\_\_\_ Defeasances;
10. \_\_\_\_ Release, substitution, or sale of property securing repayment of the securities, if material;
11. \_\_\_\_ Rating changes;
12. \_\_\_\_ Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
13. \_\_\_\_ Merger, consolidation, or acquisition of the Obligated Person, if material;
14. \_\_\_\_ Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
15. \_\_\_\_ Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
16. \_\_\_\_ Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

\_\_\_\_ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 E. Robinson Street, Suite 300  
Orlando, Florida 32801  
407-515-1100

Date: \_\_\_\_\_

**EXHIBIT C-2**  
**VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [Closing Date], 2025 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: City of Columbia, South Carolina

Issuer's Six-Digit CUSIP Number: 198504

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates: \_\_\_\_\_

Number of pages of attached notice: \_\_\_\_\_

\_\_\_\_ Description of Voluntary Event Disclosure (Check One):

1.  amendment to continuing disclosure undertaking;
2.  change in Obligated Person;
3.  notice to investors pursuant to bond documents;
4.  certain communications from the Internal Revenue Service;
5.  secondary market purchases;
6.  bid for auction rate or other securities;
7.  capital or other financing plan;
8.  litigation/enforcement action;
9.  change of tender agent, remarketing agent, or other on-going party; and
10.  other event-based disclosures.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 E. Robinson Street, Suite 300  
Orlando, Florida 32801  
407-515-1100

Date: \_\_\_\_\_

**EXHIBIT C-3**  
**VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying “voluntary financial disclosure” may be sent to the MSRB pursuant to the Disclosure Dissemination Agent Agreement dated as of [Closing Date], 2025, between the Issuer and DAC.

Issuer’s and/or Other Obligated Person’s Name: City of Columbia, South Carolina

Issuer’s Six-Digit CUSIP Number: 198504

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates: \_\_\_\_\_

Number of pages of attached notice: \_\_\_\_\_

\_\_\_\_ Description of Voluntary Financial Disclosure (Check One):

1.  quarterly/monthly financial information;
2.  change in fiscal year/timing of annual disclosure;
3.  change in accounting standard;
4.  interim/additional financial information/operating data;
5.  budget;
6.  investment/debt/financial policy;
7.  information provided to rating agency, credit/liquidity provider or other third party;
8.  consultant reports; and
9.  other financial/operating data.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 E. Robinson Street, Suite 300  
Orlando, Florida 32801  
407-515-1100

Date: \_\_\_\_\_

**APPENDIX F**  
**BOOK-ENTRY SYSTEM**

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## APPENDIX F

### BOOK-ENTRY SYSTEM

#### Book-Entry System

THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORDKEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2025 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2025 BONDS TO DIRECT AND INDIRECT PARTICIPANTS (AS DEFINED HEREIN) OR BENEFICIAL OWNERS (AS DEFINED HEREIN) OF THE SERIES 2025 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2025 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT AND INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2025 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE CITY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATION CONCERNING THESE MATTERS.

Beneficial ownership interests in the Series 2025 Bonds will be available only in book-entry form. Each beneficial owner of the Series 2025 Bonds (“Beneficial Owner”) will not receive a physical bond certificate representing its interests in the Series 2025 Bonds purchased. So long as Cede & Co., as nominee for DTC, or its nominee is the registered owner of the Series 2025 Bonds, references in this Official Statement to the Bondholders or registered owners of the Series 2025 Bonds, as applicable (other than under the caption “TAX EXEMPTION AND OTHER TAX MATTERS” herein), shall mean DTC or its nominee and shall not mean the Beneficial Owners. Unless and until the book-entry system has been discontinued, the Series 2025 Bonds will be available only in book-entry form in denominations of \$5,000 or any whole multiple thereof.

DTC will initially act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond will be issued for each series and maturity of the Series 2025 Bonds, as set forth on the front cover page hereof, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of the Series 2025 Bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC rules applicable to its Participants are on file with the U.S. Securities and Exchange Commission (“SEC”). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC’s records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests with respect to the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect

Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds representing their ownership interests in the Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, the Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Ordinance. For example, Beneficial Owners of the Series 2025 Bonds may wish to ascertain that the nominee holding the Series 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar/Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of a series of the Series 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Registrar/Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Registrar/Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Registrar/Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the City or Registrar/Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2025 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2025 Bond certificates will be printed and delivered to DTC.

**THE INFORMATION HEREIN CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY AND THE UNDERWRITERS BELIEVE TO BE RELIABLE, BUT NEITHER THE CITY NOR THE UNDERWRITERS TAKE RESPONSIBILITY FOR THE ACCURACY THEREOF. THE BENEFICIAL OWNERS SHOULD CONFIRM THE FOREGOING INFORMATION WITH DTC OR THE DIRECT OR INDIRECT PARTICIPANTS.**

Each person for whom a Participant acquires an interest in the Series 2025 Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications to DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Registrar/Paying Agent to DTC only.

For every transfer and exchange of Series 2025 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

NONE OF THE CITY, THE UNDERWRITERS OR THE REGISTRAR/PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2025 BONDS UNDER THE ORDINANCE; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2025 BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE SERIES 2025 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2025 BONDS; OR (VI) ANY OTHER MATTER.

The Supplemental Ordinance provides that if (a) DTC determines not to continue to act as securities depository for the Series 2025 Bonds and gives reasonable notice to the Registrar/Paying Agent or the City or (b) the City has advised DTC of the City's determination that DTC is incapable of discharging its duties, then the City will attempt to retain another qualified securities depository to replace DTC. On receipt by the City or the Registrar/Paying Agent of the Series 2025 Bonds, together with an assignment duly executed by DTC, the City will execute and deliver to the successor depository, the Series 2025 Bonds of the same principal amount, interest rate, and maturity. If the City is unable to retain a qualified successor to DTC, or the City has determined that it is in its best interest not to continue the book-entry system of transfer or that interests of the Beneficial Owners of the Series 2025 Bonds might be adversely affected if the book-entry system of transfer is continued (the City has undertaken no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify Beneficial Owners of the Series 2025 Bonds by mailing an appropriate notice to DTC, on receipt by the City of the Series 2025 Bonds together with an assignment duly executed by DTC, the City will execute, authenticate and deliver to the Direct Participants the Series 2025 Bonds in fully-registered form, in authorized denominations; provided, however, that the discontinuation of the book-entry system of registration and transfer or the replacement of DTC or any successor depository is subject to the applicable rules of DTC or such successor depository on file or otherwise approved by the SEC.

Because DTC is treated as the Owner of the Series 2025 Bonds for substantially all purposes, Beneficial Owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding of requested consents or other directions. In addition, because the identity of the Beneficial Owners is unknown to the City, to DTC or to the Registrar/Paying Agent, it may be difficult to transmit information of potential interest to Beneficial Owners in an effective and timely manner. Beneficial Owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the Series 2025 Bonds that may be transmitted by or through DTC.

## **Registration, Transfers and Exchanges**

### *Series 2025 Bonds Held in Book-Entry Form*

So long as the Series 2025 Bonds are in book-entry form and are registered in the name of Cede & Co., as the nominee of DTC, the Series 2025 Bonds may be registered, transferred and exchanged as set forth under “Book-Entry System” herein.

### *Series 2025 Bonds Not Held in Book-Entry Form*

Each Series 2025 Bond not held in book-entry form shall be transferable only on the Books of Registry of the City, which shall be kept for such purpose at the corporate trust office of the Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney on surrender thereof together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered owner or his duly authorized attorney. On the transfer of any such Series 2025 Bond, the Registrar/Paying Agent shall cause to be issued in the name of the transferee a new fully registered Series 2025 Bond, of the same aggregate principal amount, interest rate, series and maturity as the surrendered Series 2025 Bond. Any registered owner requesting a transfer shall pay any tax or other governmental charge required to be paid with respect thereto. Any Series 2025 Bond surrendered in exchange for a new registered Series 2025 Bond, respectively, shall be cancelled by the Registrar/Paying Agent.

The City and the Registrar/Paying Agent may deem and treat the person in whose name any Series 2025 Bond not held in book-entry form shall be registered as the absolute owner of such Series 2025 Bond for all purposes including the payment of or on account of the principal, premium, if any, or interest thereon and any such payment made to a registered owner shall be effectual to satisfy and discharge the liability on such Series 2025 Bond with respect thereto.

In the event any Series 2025 Bond not held in book-entry form becomes mutilated in whole or in part, or is lost, stolen or destroyed, or becomes so defaced as to impair the value thereof to the holder thereof, the City shall execute and the Registrar/Paying Agent shall authenticate and deliver a new Series 2025 Bond, respectively, of the same interest rate and denomination and like tenor and effect in exchange or in substitution for such mutilated, lost, stolen or destroyed Series 2025 Bond; provided that, in the case of any mutilated Series 2025 Bond, such Series 2025 Bond shall be surrendered to the Registrar/Paying Agent, and in the case of any lost, stolen or destroyed Series 2025 Bond there shall be furnished to the City and the Registrar/Paying Agent evidence of such loss, theft or destruction satisfactory to the City and the Registrar/Paying Agent together with such indemnity as they shall require. In the event any such mutilated, lost, stolen or destroyed Series 2025 Bond shall have matured, instead of issuing a duplicate Series 2025 Bond, the City may pay the same. The City and the Registrar/Paying Agent may charge the holder or owner of such mutilated, lost, stolen or destroyed Series 2025 Bond with their reasonable fees and expenses in connection therewith.