



2020

POPULAR ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended - Sept. 30, 2020



A MESSAGE FROM THE CITY OF COLUMBIA FINANCE DEPARTMENT

Dear Citizens of Columbia,

As part of a continuous effort to be transparent and present financial data in relatable terms, we are pleased to present the City of Columbia's Popular Annual Financial Report (PAFR). This report provides an overview of City finances and administrative activities for the fiscal year ended September 30, 2020. We have included a brief analysis of where City revenue comes from, where those dollars are spent as well as trends in the local economy.

The report is intended to summarize the financial activities of the City of Columbia government, and includes a portion of information that appears in the 2020 Comprehensive Annual Financial Report. The PAFR is unaudited and not presented in a Generally Accepted Accounting Principles (GAAP) format. A copy of the Comprehensive Annual Financial Report is available at the City's website: www.como.gov

To the best of our knowledge, the information presented herein is accurate in all material respects and presents fairly the financial position and results of operations for the fiscal year ended September 30, 2020. Responsibility for the accuracy and completeness of the data presented rests solely with the City.

We are committed to preserving the City's long-term financial health as evidenced by our Standard & Poor's Issue Credit Rating of AA/Stable. The City has maintained fund balances in compliance with the policy adopted by the City Council in August 2012. The City is required to maintain a balance of 20% of operating expenditures as a required reserve. As of September 30, 2020, the City had an unassigned general fund balance of \$35,643,039, 42% of expenditures and transfers of \$84,771,851, well above the 20% target.

If you would like more information regarding the City of Columbia and its various departments and agencies, please visit the City's website at: www.como.gov. Additional information regarding the city's finances may be found at: www.como.gov/finance/accounting/financial-reports/

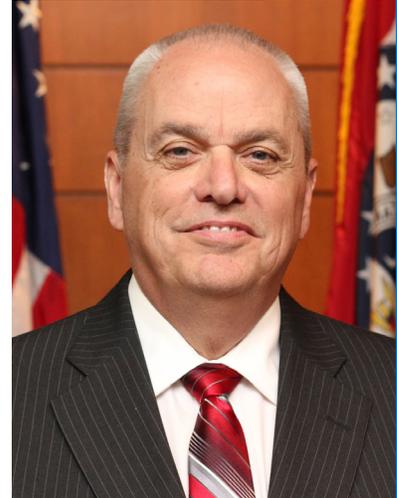
Sincerely,



John Glascock
City Manager

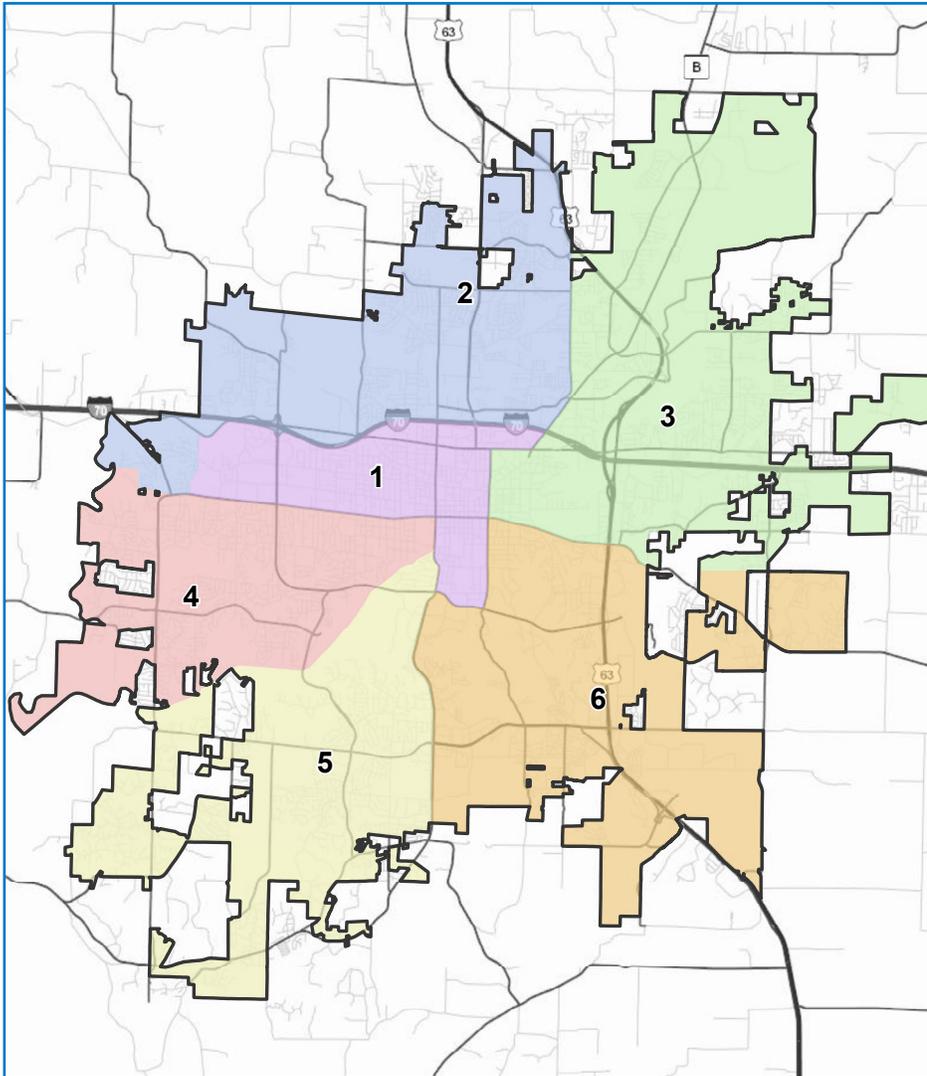


Matthew Lue
Director of Finance



CITY OF COLUMBIA

MAYOR & CITY COUNCIL



**Mayor
Brian Treece**
Mayor@CoMo.gov



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Pat Fowler
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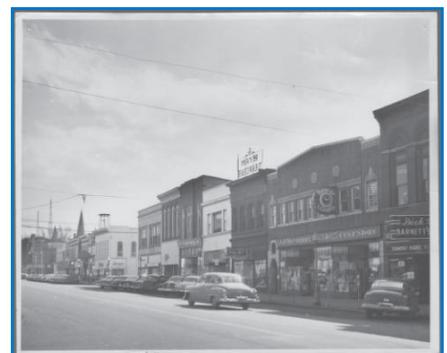
5
Matt Pitzer
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A Brief Introduction to Columbia

Founded in 1821, Columbia is Missouri's 4th largest city. Columbia's current government was established by a home rule charter adopted by voters on November 11, 1974, which established a council-manager government. The City Council is made up of six council members that are elected by wards and a mayor that is elected at large. Columbia is the county seat of Boone County, and houses the county court and government center. The city is in Missouri's 4th congressional district. The 19th Missouri State Senate district covers all of Boone County. There are five Missouri House of Representatives districts (9, 21, 23, 24, and 25) within the city.



CITY OF COLUMBIA PROFILE

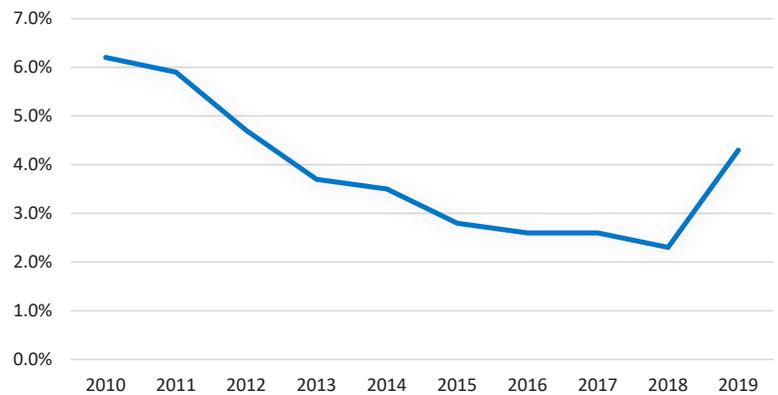
City Facts

Type of Government	Council-Manager
City Founded	1821
Residents	124,537
Median Age	28.2
Per Capita Personal Income	\$47,482
Unemployment Rate	4.3%

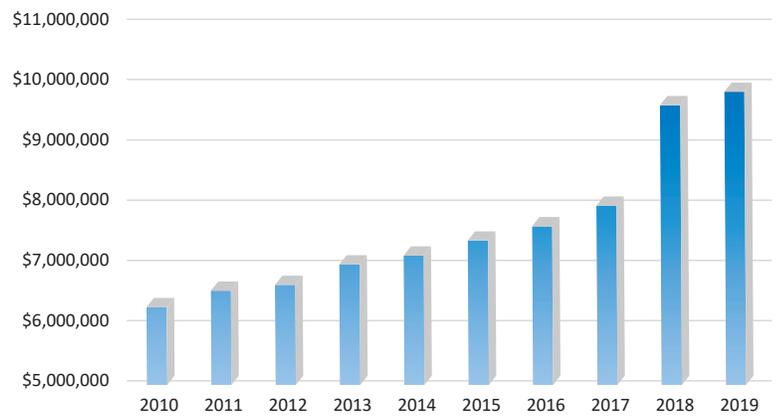
Top 10 Employers

Employer	Number of Full-Time Employees	Percentage of Total City Employment
University of Missouri-Columbia	8,480	8.84%
University Hospital and Clinics	5,304	5.53%
Columbia Public Schools	2,672	2.79%
Veterans United Home Loans	2,360	2.46%
Truman Veterans Hospital	1,602	1.67%
City of Columbia	1,517	1.43%
Boone Hospital Center	1,357	1.41%
Shelter Insurance	1,277	1.33%
Joe Machens Dealerships	778	0.81%
MBS Textbooks Exchange	730	0.76%

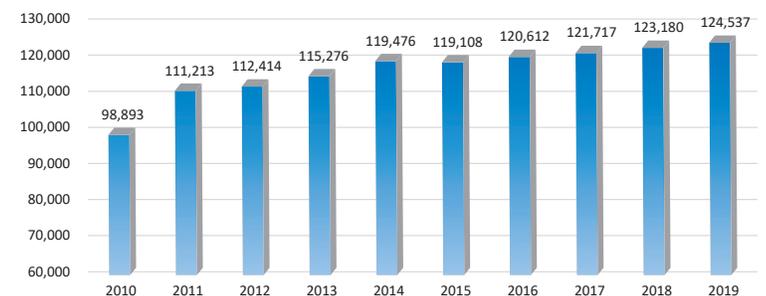
Unemployment Rate



Total Personal Income



Population



FINANCIAL ACTIVITY STATEMENT: GOVERNMENTAL FUNDS - YEARS ENDED - SEPT. 30

Governmental Funds Explained

Include the functions of the City that are principally supported by taxes and intergovernmental revenues. The funds included under Governmental Funds are the General Fund, Capital Projects Fund, Transportation Sales Tax Fund, Park Sales Tax Fund, Convention and Tourism Fund, Community Development Fund, Debt Service Funds, Designated Loan Fund, and Contributions Fund.

Governmental revenues over the last three-year period have decreased by \$1,310,819 or 1.15%. Revenue categories that saw significant decreases include Sales Tax (2.44%), Other Local Taxes (15.15%), Fines (51.38%), and Fees and Service Charges (16.43%). Sales Tax and Other Local Taxes decline have largely been the result of changing consumer habits, and Fine and Fees and Service Charges are a result of the suspension of these charges for a period due to the COVID-19 pandemic.



GOVERNMENTAL FUNDS			
Revenues	2020	2019	2018
General Property Taxes	8,947,930	8,546,077	8,402,709
Sales Tax	47,278,467	47,264,643	48,461,688
Other Local Taxes	12,613,694	14,526,701	14,866,625
Payment in Lieu of Taxes (P.I.L.O.T.)	16,784,702	16,888,798	16,507,229
Licenses and Permits	1,002,066	1,087,577	1,044,527
Fines	802,706	1,266,756	1,650,908
Fees and Service Charges	3,216,245	3,009,252	3,848,777
Intragovernmental Revenue	5,075,091	5,774,864	4,814,756
Revenue from Other Governmental Units	9,945,357	12,855,150	10,030,708
Lease Revenue	1,881,162	1,863,400	1,779,204
Investment Revenue	2,694,696	5,015,040	889,783
Miscellaneous	2,546,324	1,540,929	1,802,345
Total Revenues:	\$112,788,440	\$119,639,187	\$114,099,259
Expenditures			
Policy Development and Administration	11,453,670	12,268,323	12,035,673
Police (Public Safety)	23,861,339	22,513,501	21,958,994
Fire (Public Safety)	19,592,715	17,949,146	18,161,663
Public Safety Misc. (Public Safety)	2,151,611	2,083,422	2,098,951
Public Works	9,843,308	10,682,061	9,629,716
Health and Environment	12,509,107	11,985,879	11,688,067
Personal Development	7,274,671	8,358,476	7,958,852
Misc. Nonprogrammed Activities	366,194	383,621	359,664
Capital Outlay	17,660,265	9,762,612	11,298,704
Debt Service			
Principal	5,139,792	3,569,272	3,423,991
Interest	621,552	774,778	915,531
Bond Issuance and Other Costs	-	-	-
Total Expenditures	\$110,474,224	\$100,331,091	\$99,529,806
Excess (Deficiency) of Revenues over Expenditures	\$2,314,216	\$19,308,096	\$14,569,453
Other Financing Sources (Uses)			
Transfers in from Other City Funds	4,403,343	1,676,099	1,630,259
Transfers out to Other City Funds	(13,404,801)	(10,873,071)	(13,615,791)
Total Other Financing Sources (Uses)	(9,001,458)	(9,196,972)	(11,985,532)
Net Change in Fund Balances	(6,687,242)	10,111,124	2,583,921
FUND BALANCE - BEGINNING	\$131,526,241	\$121,415,117	\$118,831,196
FUND BALANCE - ENDING	\$124,838,999	\$131,526,241	\$121,415,117

FINANCIAL ACTIVITY STATEMENT:

GENERAL FUND - YEARS ENDED - SEPT. 30

General Fund Explained

Is used to account for resources traditionally associated with government, which are not required legally, or by sound financial management to be accounted for in another-fund. Departments that fall within the general fund include, City Manager, Public Safety, Streets and Sidewalks, and Health and Environment.

General Fund revenues over the last three-year period have increased by \$316,705. This increase is largely due to revenue from General Property Taxes (6.49%), and Revenue from Other Governmental Units (14.48%). General Property Taxes have continued to increase with the increase in property values. The increase in Revenue from Other Governmental Units was largely due to the CARES grant for contact tracers.



GENERAL FUND			
Revenues	2020	2019	2018
General Property Taxes	8,947,930	8,546,077	8,402,709
Sales Tax	23,668,382	23,184,765	23,767,086
Other Local Taxes	10,418,850	11,113,026	11,569,758
Payment in Lieu of Taxes (P.I.L.O.T.)	16,784,702	16,888,798	16,507,229
Licenses and Permits	1,002,066	1,087,577	1,044,527
Fines	802,706	1,266,756	1,650,908
Fees and Service Charges	2,384,529	2,378,121	2,733,690
Intragovernmental Revenue	5,075,091	5,774,864	4,814,756
Revenue from Other Governmental Units	4,060,183	3,429,636	3,546,635
Investment Revenue	877,266	1,769,561	184,958
Miscellaneous	1,651,090	1,199,406	1,133,834
Total Revenues:	\$75,672,795	\$76,638,587	\$75,356,090
Expenditures			
Policy Development and Administration	8,982,535	9,591,791	9,540,883
Police (Public Safety)	23,861,339	22,513,501	21,958,994
Fire (Public Safety)	19,592,715	17,949,146	18,161,663
Public Safety Misc. (Public Safety)	2,151,611	2,083,422	2,098,951
Public Works	9,727,324	10,682,061	9,629,716
Health and Environment	10,484,214	9,909,094	10,204,110
Personal Development	7,243,981	7,992,395	7,827,535
Misc. Nonprogrammed Activities	366,194	383,621	359,664
Capital Outlay	463,911	1,067,245	1,166,247
Total Expenditures	\$82,873,824	\$82,172,276	\$80,947,763
Excess (Deficiency) of Revenues over Expenditures	\$(7,201,029)	\$(5,533,689)	\$(5,591,673)
Other Financing Sources (Uses)			
Transfers in	8,292,111	8,982,431	8,541,680
Transfers out	(1,898,027)	(2,169,091)	(2,476,880)
Total Other Financing Sources (Uses)	6,394,084	6,813,340	6,064,800
Net Change in Fund Balances	(806,945)	1,279,651	473,127
FUND BALANCE - BEGINNING	\$39,574,803	\$38,295,152	\$37,822,025
FUND BALANCE - ENDING	\$38,767,858	\$39,574,803	\$38,295,152

FINANCIAL ACTIVITY STATEMENT:

UTILITY ENTERPRISE FUNDS - YEARS ENDED - SEPT. 30

Utility Enterprise Funds Explained

Utility Enterprise funds are used to account for utility operations that are financed and operated in a manner similar to private business enterprise – where the intent of the government’s council is that the cost of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges.



UTILITY ENTERPRISE FUNDS			
Charges for Services	2020	2019	2018
Water	26,202,238	25,900,846	26,941,092
Electric	128,949,589	128,490,036	134,635,875
Solid Waste	22,892,486	23,644,581	25,646,707
Sewer	24,067,766	23,613,201	24,018,005
Storm Water	3,613,993	3,001,643	2,387,544
Total Charges for Services:	\$205,726,072	\$204,650,307	\$213,629,223
Operating Expenses			
Water	14,277,095	13,182,989	14,635,911
Electric	97,390,048	95,148,026	99,622,719
Solid Waste	15,262,478	15,581,270	15,007,406
Sewer	10,139,639	9,919,029	9,760,604
Storm Water	1,094,450	1,058,608	1,007,172
Total Operating Expenses	\$138,163,710	\$134,889,922	\$140,033,812
Operating Income (Loss) Before Payment-in-lieu-tax and Depreciation	67,562,362	69,760,385	73,595,411
Payment-in-lieu-of-tax	(16,784,702)	(16,888,799)	(16,507,229)
Depreciation	(24,889,842)	(26,332,575)	(24,566,625)
Operating Income (Loss)	\$25,887,818	\$26,539,011	\$49,028,786
Non-Operating Revenues (Expenses)			
Investment revenue	3,915,573	7,508,131	1,680,085
Revenue from other governmental units	76,252	-	24,999
Miscellaneous revenue	2,615,135	2,256,066	2,107,069
Interest expense	(8,870,679)	(11,000,018)	(11,657,483)
Loss on disposal of fixed assets	(416,803)	(137,705)	(307,225)
Miscellaneous expense	(1,260,630)	(798,401)	(279,364)
Total Non-Operating Revenues and Expenses	\$(3,941,152)	\$(2,171,927)	\$ (8,431,919)
Operating Transfers			
Operating transfers from other funds	-	1,132	65,721
Operating transfers to other funds	(1,074,621)	(1,408,647)	(1,573,967)
Total Operating Transfers	(1,074,621)	(1,407,515)	(1,508,246)
Capital contribution	2,018,852	2,211,849	4,902,293
Net Income (Loss)	\$22,890,897	\$25,171,418	\$43,990,914

FINANCIAL ACTIVITY STATEMENT: NON-UTILITY ENTERPRISE FUNDS - YEARS ENDED - SEPT. 30

Non-Utility Enterprise Funds Explained

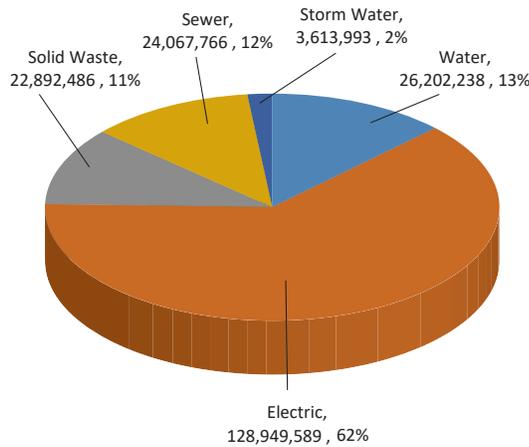
Non-Utility Enterprise funds are used to account for non-utility operations that are financed and operated in a manner similar to private business enterprise – where the intent of the government’s council is that the cost of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges.



NON-UTILITY ENTERPRISE FUNDS			
Charges for Services	2020	2019	2018
Airport	1,097,963	1,451,573	1,328,421
Public Transportation	1,195,776	1,651,740	1,719,586
Parking	3,734,516	4,566,706	4,601,210
Recreation Services	3,233,824	4,462,158	4,487,942
Railroad	316,302	326,630	368,089
Transload	81,251	158,690	263,670
Total Charges for Services:	\$9,659,632	\$12,617,497	\$12,768,918
Operating Expenses			
Airport	1,845,207	2,826,018	2,666,865
Public Transportation	6,164,899	6,956,015	7,056,110
Parking	1,362,979	1,488,763	1,446,735
Recreation Services	5,788,594	6,377,719	6,430,609
Railroad	363,521	421,726	471,979
Transload	213,721	211,742	185,491
Total Operating Expenses	\$15,738,921	\$18,281,983	\$18,257,789
Operating Income (Loss) Before Depreciation	(6,079,289)	(5,664,486)	(8,643,346)
Depreciation	(4,295,060)	(4,429,541)	(4,510,718)
Operating Income (Loss)	\$(10,374,349)	\$(10,094,027)	\$(13,154,064)
Non-Operating Revenues (Expenses)			
Investment revenue	483,897	944,111	272,945
Revenue from other governmental units	4,417,978	2,941,073	2,292,802
Miscellaneous revenue	290,159	1,372,733	286,760
Interest expense	(699,884)	(780,393)	(1,035,987)
Gain or (Loss) on disposal of fixed assets	192,623	118,293	(67,893)
Miscellaneous expense	(64,492)	(152,038)	(554)
Total Non-Operating Revenues and Expenses	\$4,620,281	\$4,443,779	\$1,748,073
Operating Transfers			
Operating transfers from other funds	13,519,437	11,100,418	13,883,475
Operating transfers to other funds	(2,834,838)	(430,615)	(321,893)
Total Operating Transfers	10,684,599	10,669,803	13,561,582
Capital contribution	3,426,696	6,113,189	6,338,464
Net Income (Loss)	\$8,357,227	\$11,132,744	\$8,494,055

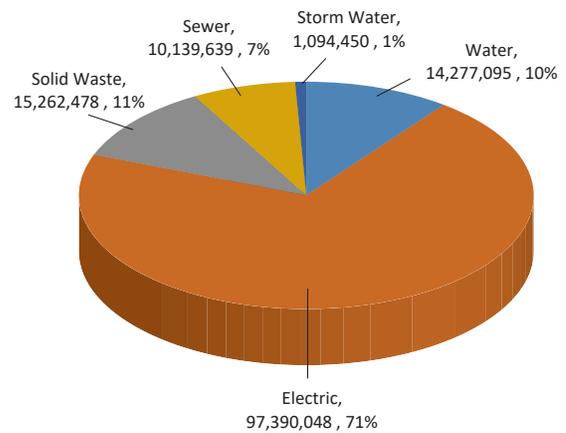
ADDITIONAL ENTERPRISE FUNDS INFORMATION

Utility Charges for Services



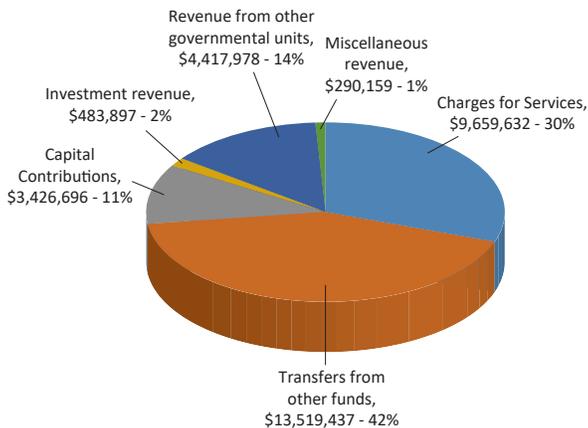
Utility Enterprise Charges for Services over the last three-year period have decreased by \$7,903,151 or 3.70%. Electric Charges for Services had the largest decrease over the last three-year period of \$5,686,268 or 4.22%.

Utility Operating Expenses



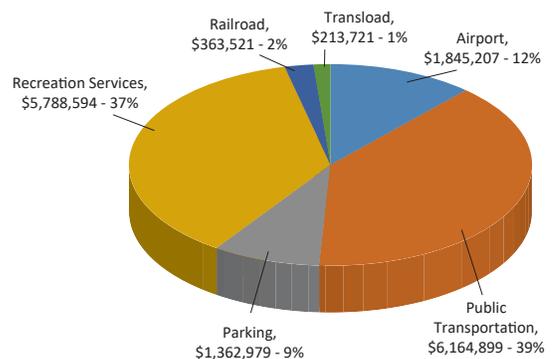
Utility Enterprise Operating Expenses over the last three-year period have decreased by \$1,870,102 or 1.34%. Electric saw the largest decrease in operating expenses of \$2,232,671 or 2.24%.

Non-Utility Revenue and Sources by Type



Non-Utility Enterprise Funds Charges for Service over the last three-year period have decreased by \$3,109,286 or 24.35%. The main cause of this decrease was the shut downs related to COVID-19. This had a particularly big impact on Parking and Recreation Services. Revenue from Other Governmental Units increased for Non-Utility Enterprise Funds by \$2,125,176 or 92.69%. This was largely due to CARES grants distributed by the FAA and FTA for Airport and Public Transportation.

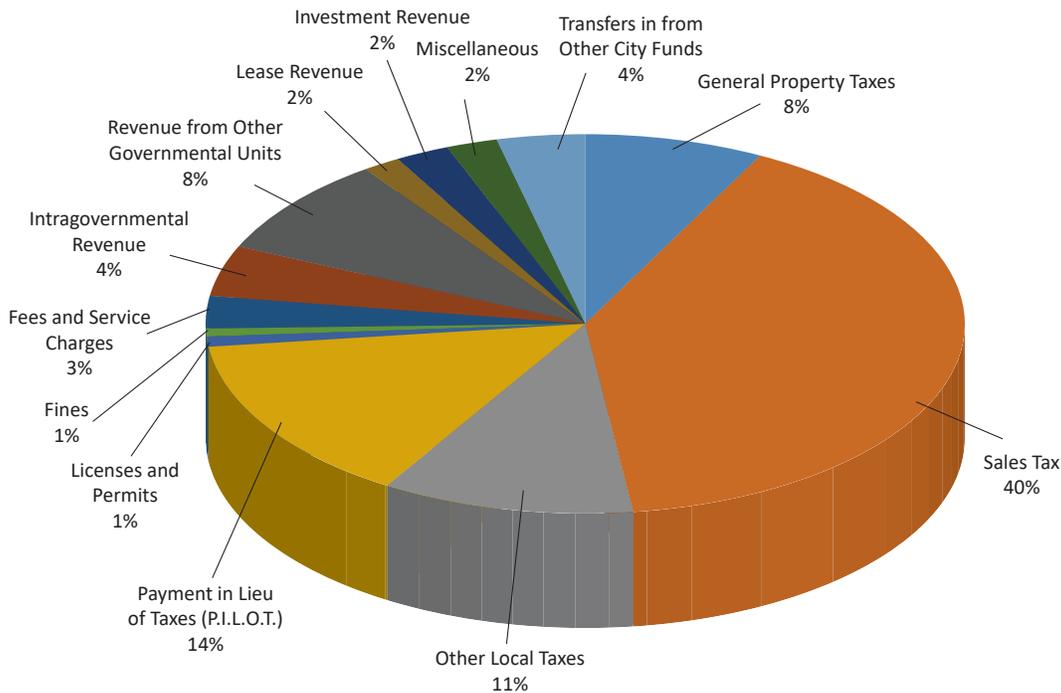
Non-Utility Operating Expenses by Fund



Non-Utility Enterprise Operating Expenses decreased over the last three-year period by \$2,518,868 13.80%. This decrease was largely due to managerial decision to cut their budget by 10% in order to offset declining revenue due to COVID-19.

WHERE DOES THE MONEY COME FROM?

Government Wide Revenues by Type



Revenues	Amounts
General Property Taxes	8,947,930
Sales Tax	47,278,467
Other Local Taxes	12,613,694
Payment in Lieu of Taxes (P.I.L.O.T.)	16,784,702
Licenses and Permits	1,002,066
Fines	802,706
Fees and Service Charges	3,216,245
Intragovernmental Revenue	5,075,091
Revenue from Other Governmental Units	9,945,357
Lease Revenue	1,881,162
Investment Revenue	2,694,696
Miscellaneous	2,546,324
Transfers in from Other City Funds	4,403,343
Total	\$117,191,783

The revenues and transfers in for governmental activities total \$117,191,783 for 2020. The largest category of revenues is taxes and they decreased over the last three-year period by \$2,890,929 or 4.03%. The decrease is primarily due to changing consumer habits that have led to a steady decrease in sales tax and some gross receipts tax. COVID-19 also had an impact on this decline largely to the Hotel/Motel tax.

Taxes - The majority of the Governmental Funds revenue, 59% is generated by taxes levied on property, retail sales, a lodging tax, and gross receipts tax on the sale of electricity, gas, telephone, and television video services. The City receives voter approved sales tax revenues of 1% for general revenues, .5% for transportation, .25% for capital improvements and .25% for parks.

Payment in Lieu of Taxes (P.I.L.O.T.) - Is an amount equal to the gross receipt tax that would be paid by the Water and Electric Fund if they were not a part of the City. This represents 14% of Governmental Funds revenue. It has increased by 1.68% over the last three-year period.

Revenues from Other Governmental Units - Represents grants the City receives from other governmental agencies such as the federal government, State and County. Over the last three-year period, revenues were down 0.85%.

Intragovernmental Revenue - are made up of funds that are transferred from non-governmental funds to the General Fund to cover the cost of the overhead services that are provided by the General Fund. These expenditures include Human Recourse, Law, and Finance.

Transfer in from Other City Funds - Represent transfers from other city funds not related to overhead services that are part of Intragovernmental Revenues. The majority of these transfers go to Debt Service to pay for principal and interest payments, and Sustainability. There was a large one-time transfer of funds, \$1,683,273 from Airport to Transportation sales tax in 2020 due to Airport receiving CARES funding from the FAA.

Fees and Service Charges - Are fees charged for the City's performance of construction inspections, street and sidewalk resurfacing and maintenance, animal control and health services. Fees and

Service Charges were down 16.43% over the last three-year period. This was largely a result of a decrease in development fees over that period of \$283,371.

Lease Revenue - Is generated from lease payments made by IBM for the City owned building on Lemone Industrial Avenue for the loan on that building.

Licenses and Permits - Are charges assessed for various business activities and animal ownership. This revenue stream saw a decline.

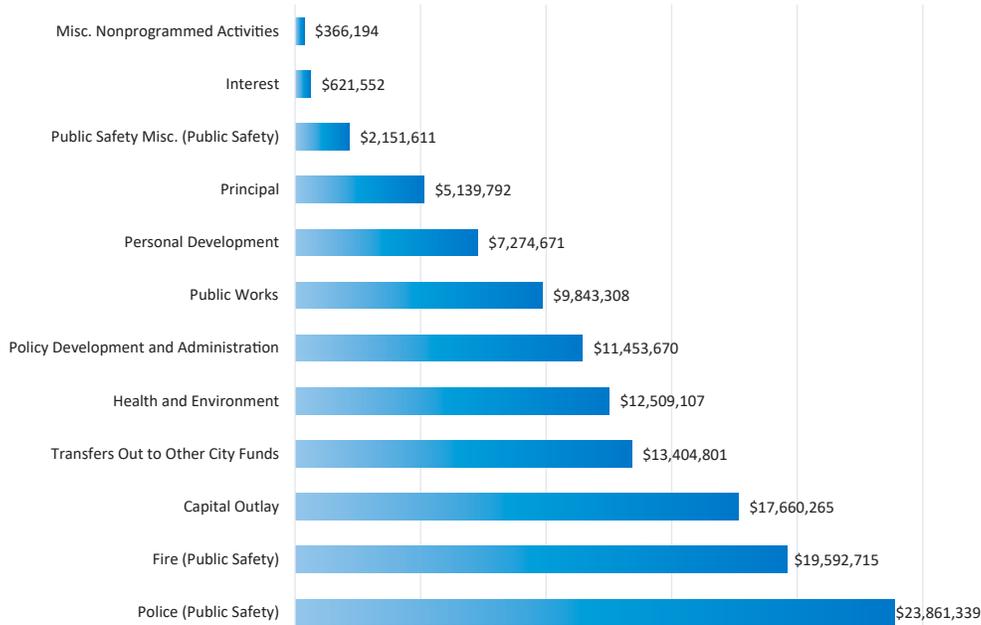
Fines - Included are violations of any city ordinance, corporation court fines, uniform ticket fines, meter fines and alarm violations. Fines decreased significantly, 51.38% over the last three-year period largely due to suspension of parking tickets due to the COVID-19 shutdown.

Investment Revenue - Includes revenues earned from the investment of idle city funds throughout the year in accordance with the City's investment policy.

Miscellaneous - Include proceeds from antenna rent, insurance reimbursements, external CNG sales, school resource program and Medicaid reimbursement.

WHERE DOES THE MONEY GO?

2020 Government Wide Expenditures & Uses



Expenditures	Amounts
Police (Public Safety)	\$23,861,339
Fire (Public Safety)	\$19,592,715
Capital Outlay	\$17,660,265
Transfers Out to Other City Funds	\$13,404,801
Health and Environment	\$12,509,107
Policy Development and Administration	\$11,453,670
Public Works	\$9,843,308
Personal Development	\$7,274,671
Principal	\$5,139,792
Public Safety Misc. (Public Safety)	\$2,151,611
Interest	\$621,552
Misc. Nonprogrammed Activities	\$366,194
Total	\$123,879,025

The expenditures and transfers out for governmental activities total \$123,879,025 for 2020. The largest category of expenditures is for public safety and represents 36.8% of all governmental activities.

Public Safety - Includes all operations of police, fire, animal control, and municipal courts.

Capital Outlay - Includes all governmental capital projects and represented 14.6% of all governmental uses.

Transfers Out to Other City Funds - Are transfers to non-governmental city funds. The majority of these transfers are to Airport, Public Transit, and Recreations to fund operating as well as capital project activities. Transfers out represented 10.8% of all governmental uses.

Health and Environment - Includes Health and Human Services, Planning, Community Development, and Economic Development. Uses for Health and Environment represented 10.1% of all governmental uses.

Policy Development and Administration - Includes City Manager, Sustainability, Finance, Human Resources,

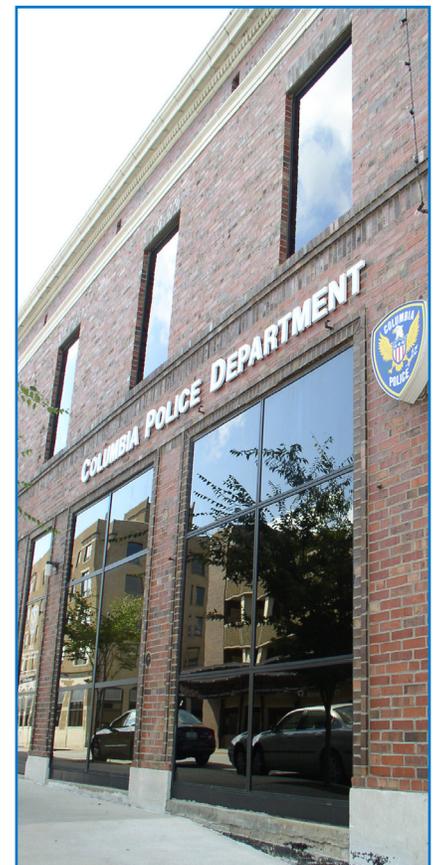
City Counselor, and Convention and Tourism. Policy and Development represented 9.3% of all governmental uses.

Public Works - Includes Streets and Sidewalks and Traffic. Public Works represented 8% of all governmental uses.

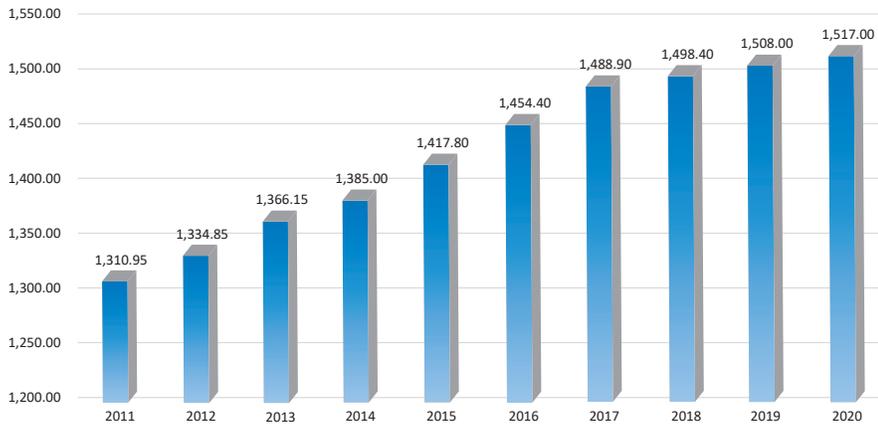
Personal Development - Includes Parks and Recreation, Cultural Affairs, and Community Services. Personal Development represented 5.9% of all governmental uses.

Debt Service - Includes principal and interest for all governmental debt; this represents 4.7% of all governmental uses.

Misc. Nonprogrammed Activities - Is part of the general fund and represent non-departmental governmental expenditures; this represents 0.3% of all governmental uses.

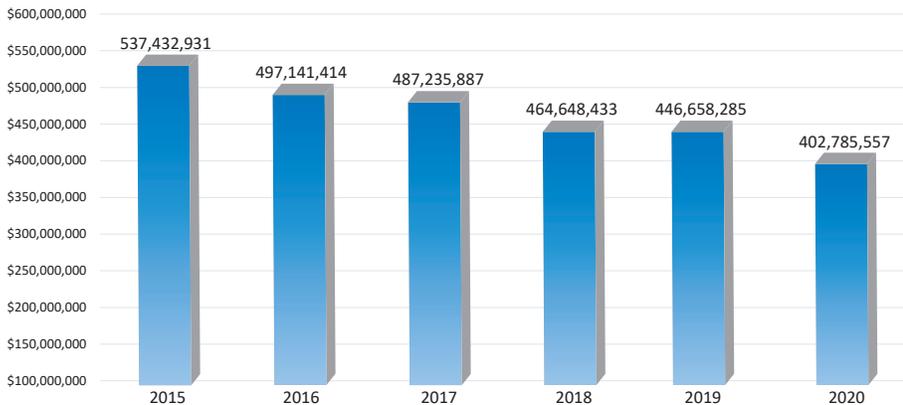


City-Wide Full-Time Equivalent Positions



This City's full-time equivalent employees increased by nine. This increase was mostly due to an increase in staff to police and fire. Full-Time equivalent positions involved in governmental activities came to 883.56 in 2020. Full-Time equivalent positions involved in business-type activities came to 633.44 in 2020.

City-Wide Outstanding Bonded Debt at Fiscal Year End



Total outstanding bonded debt at fiscal year-end 2020 came to \$402,785,557.

The City issued \$14,120,000 of new Special Obligation Improvement Bonds for the Airport Terminal Project. The City issued a refunding Special Obligation Electric Utility Bonds for \$41,105,000 that refunded the 2012D and 2012E Special Obligation Bonds. The City issued a \$70,445,000 refunding Water and Electric Revenue Bonds that refunded the 2011A Water and Electric System Refunding and improvement Revenue Bonds.

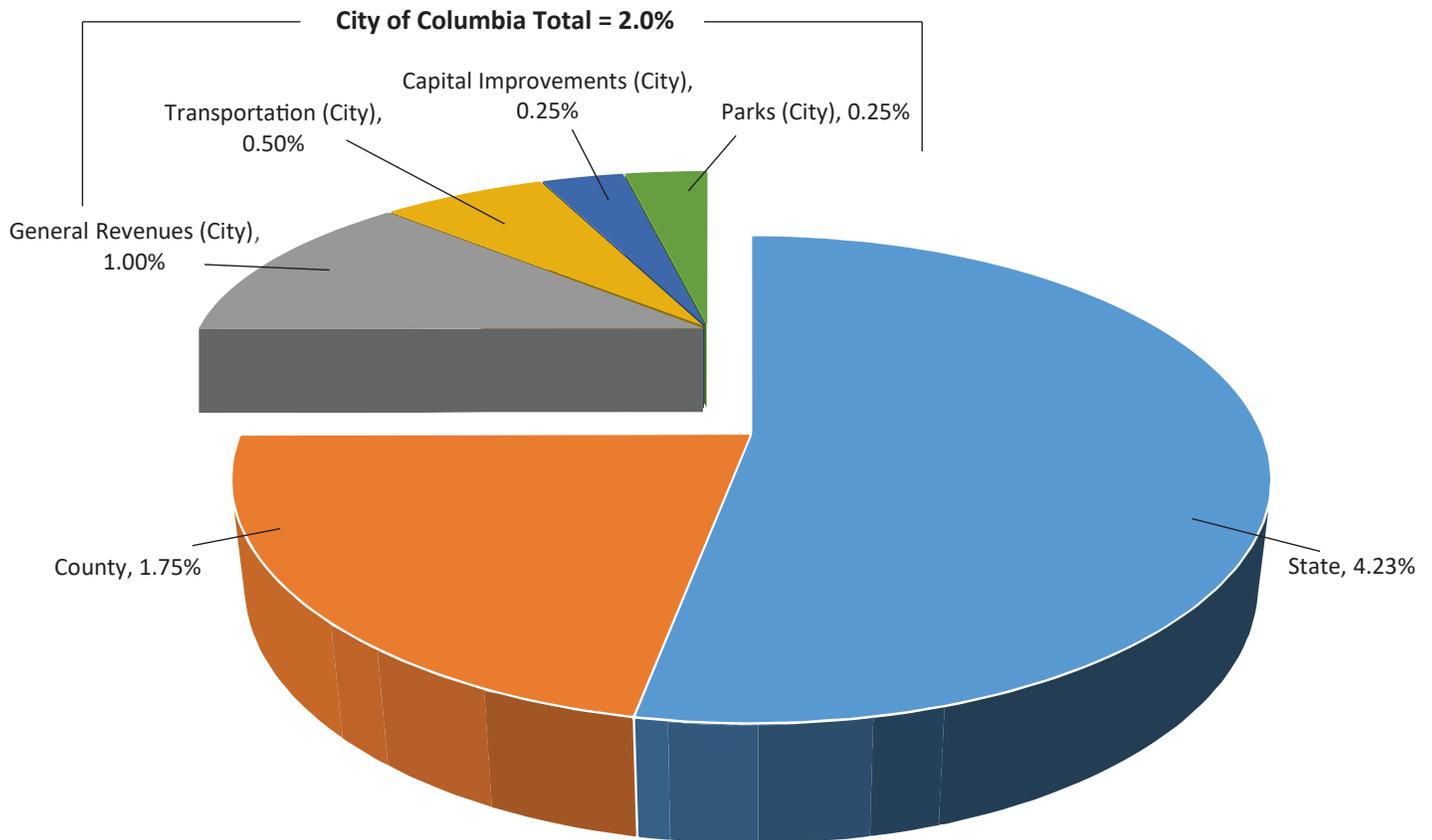
Property Tax Breakdown



Residential property is assessed at 19% of market value. This "assessed value" is then multiplied by the tax rate (per \$100) for your particular area. A property assessed at \$50,000, would have a property tax amount of \$3,563.30 ($\$50,000/100 \times 7.1266$). The Boone County Website has a property tax portal that allows residents to view prior year property taxes, and can be found at the link below.

<https://www.showmeboone.com/collector/disclaimer.asp?SEARCH=-BillSearch&REASON=P>

BREAKDOWN OF SALES TAX REVENUE



Sales Tax Breakdown

The City's sales tax rate of 7.98% is comparable to cities of similar size within Missouri. The sales tax is divided between three separate entities, the State receives 4.23%, the County receives 1.75%, and the City receives 2%.

Of the portion the City receives, 1% goes to the General Fund, 0.5% to transportation, 0.25% for capital improvements, and 0.25% for parks. The portion of sales tax allocated to transportation goes to fund Airport and Transit activities, various road projects, and pay for street and sidewalk

related activities. Capital Improvement Sales Tax is used for capital improvement projects. Parks sales tax is composed of a one-eighth cent permanent portion that goes to fund operations of Parks and Recreations, and a one-eighth temporary portion primarily used to fund capital projects within Parks and Recreations. It is scheduled to expire on March 31, 2022.

In 2020, the City collected \$47,278,467 in sales tax.

Sales Tax Rate of the Ten Most Populace Cities in Missouri

City	Tax	City Portion
Kansas City	8.60%	3.00%
St Joseph	8.70%	2.88%
Independence	7.85%	2.25%
Lee Summit	7.85%	2.25%
Springfield	8.10%	2.13%
Columbia	7.98%	2.00%
O'Fallon	7.95%	2.00%
St Charles	7.95%	2.00%
St Peters	7.95%	2.00%
St Louis	9.68%	1.94%

City of Columbia, MO

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