



City of Columbia, Missouri

Popular Annual Financial Report

For the Fiscal Year Ended - Sept. 30, 2023



City of Columbia, Missouri

Popular Annual Financial Report - 2023

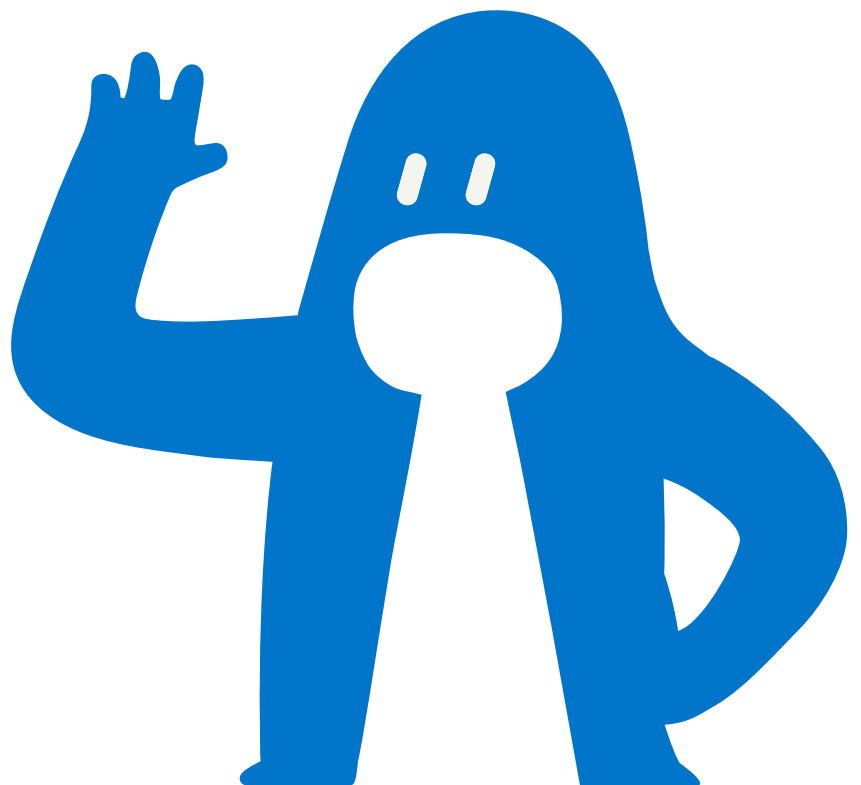


City of Columbia, Missouri

Founded in 1821, Columbia is Missouri's fourth 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 3rd and 4th congressional district. The 19th Missouri State Senate district covers all of Boone County. There are four Missouri House of Representatives districts (45, 46, 47, and 50) within the city.



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, 2023. 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 2023 Annual Comprehensive Financial Report (ACFR). The PAFR is unaudited and not presented in a Generally Accepted Accounting Principles (GAAP) format. A copy of the Annual Comprehensive Financial Report is available at the City's website at [CoMo.gov](https://www.columbiagov.com).

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 Sept. 30, 2023.

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 Issuer 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 Sept. 30, 2023, the City had an unassigned general fund balance of 46.5% of expenditures and transfers, which is 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 [CoMo.gov](https://www.columbiagov.com).

Additional information regarding the City's finances may be found at: [CoMo.gov/finance/accounting/financial-reports/](https://www.columbiagov.com/finance/accounting/financial-reports/)



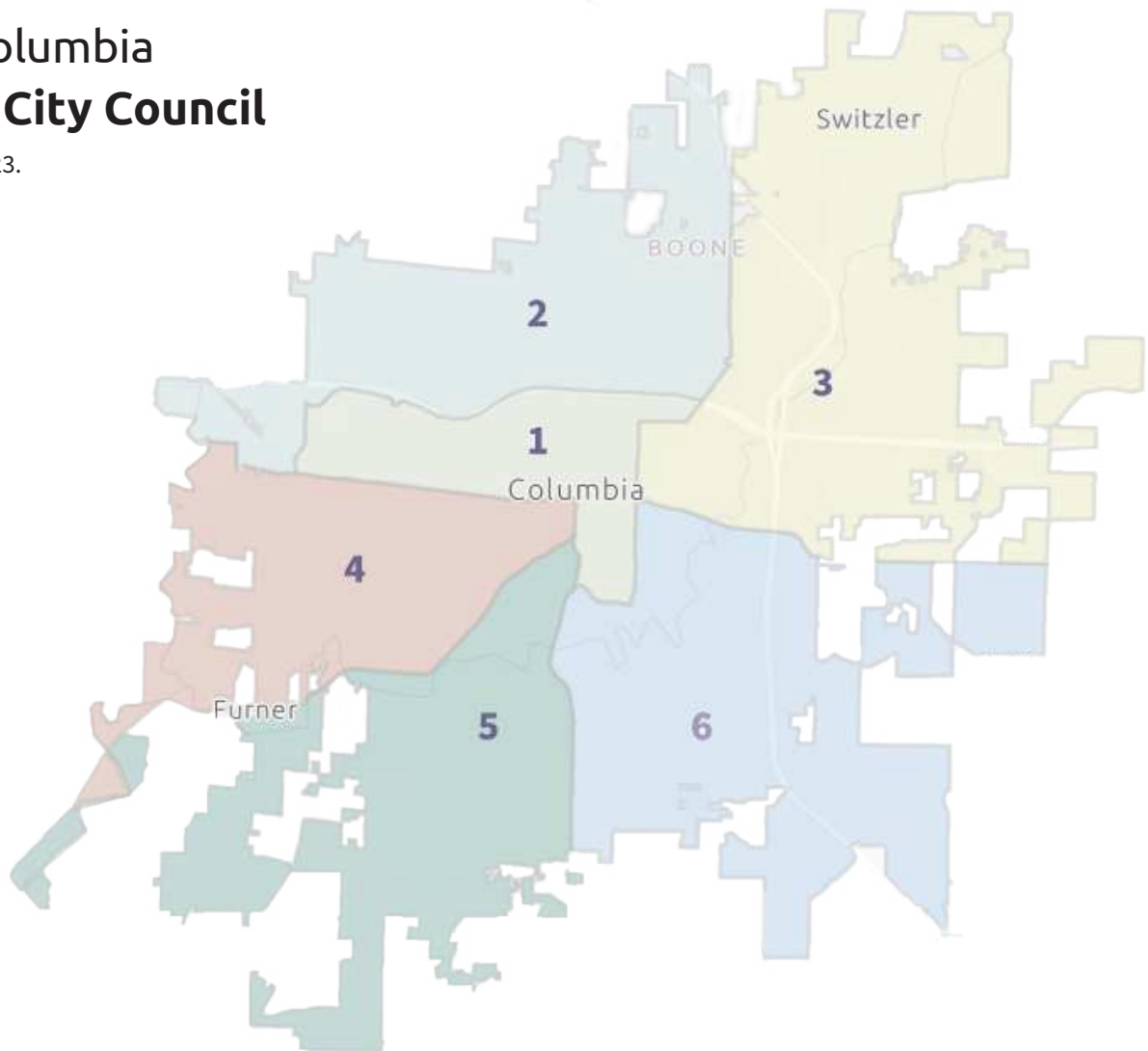

De'Carlton Seewood
City Manager




Matthew Lue
Director of Finance

City of Columbia Mayor & City Council

As of Sept. 30, 2023.



Barbara Buffaloe
Mayor@CoMo.gov

1



Nick Knoth
Ward1@CoMo.gov

2



Andrea Waner
Ward2@CoMo.gov

3



Roy Lovelady
Ward3@CoMo.gov

4



Nick Foster
Ward4@CoMo.gov

5



Donald Waterman
Ward5@CoMo.gov

6



Betsy Peters
Ward6@CoMo.gov

City of Columbia Profile

Type of Government:

Council-Manager

City Founded:

1821

Residents:

128,545

Per Capita Personal Income:

\$54,618

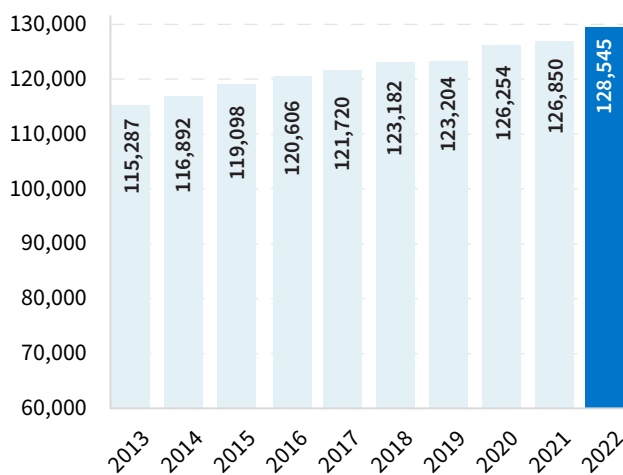
Unemployment Rate:

4%

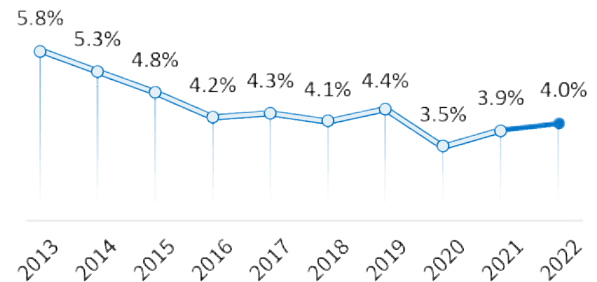
Median Age:

28.8

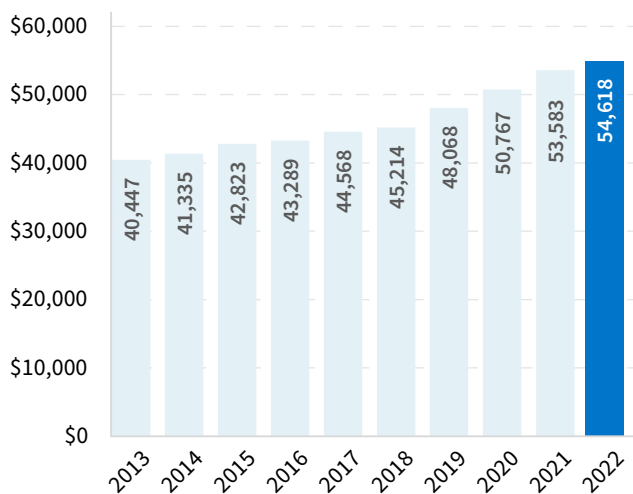
Population



Unemployment Rate



Per Capita Personal Income



Top 10 Employers

	Number of Full-Time Employees	Percentage of Total City Employment
University of Missouri	8,709	9.07%
Health Care	5,092	5.30%
Veterans United Home Loans	3,474	3.62%
Columbia PUBLIC SCHOOLS	2,650	2.76%
VA U.S. Department of Veterans Affairs	1,779	1.85%
Boone Hospital Center	1,581	1.65%
city of Columbia	1,515	1.58%
SHELTER	1,375	1.43%
JOE MACHENS DEALERSHIPS	1,277	1.33%
HUBBELL Power Systems, Inc.	751	0.78%

Financial Activity Statement: Governmental Funds for Years Ended Sept. 30, 2023; Sept. 30, 2022; and Sept. 30, 2021

Governmental Funds

Revenues	2023	2022	2021	Expenditures	2023	2022	2021
General Property Taxes	10,266,557	9,335,517	9,146,927	Policy Development And Administration	12,531,411	12,097,240	10,153,287
Sales Tax	60,246,376	58,955,232	52,611,482	Police (Public Safety)	27,475,491	25,723,349	24,278,083
Use Tax	8,115,773	1,311,370	-	Fire (Public Safety)	24,615,954	23,362,300	21,069,294
Other Local Taxes	18,036,594	15,631,349	13,684,090	Public Safety Misc. (Public Safety)	1,984,455	1,807,445	1,899,802
Payment In Lieu Of Taxes (P.I.L.O.T.)	16,759,394	16,748,504	16,726,267	Public Works	11,233,238	11,362,199	11,086,735
Licenses And Permits	1,641,352	1,072,953	1,102,948	Health And Environment	14,107,295	13,325,477	15,683,454
Fines	439,148	552,153	630,989	Personal Development	15,869,759	8,784,038	7,810,519
Fees And Service Charges	8,094,618	4,113,934	6,684,563	Supporting Activities	3,434,079	3,425,404	3,528,844
Intragovernmental Revenue	10,815,718	9,207,929	7,833,847	Misc. Nonprogrammed Activities	125,476	57,963	2,059,868
Revenue From Other Governmental Units	12,043,041	23,653,548	19,385,110	Capital Outlay	18,593,527	11,344,304	20,932,869
Lease Revenue	-	-	153,664	Debt Service:			
Investment Revenue	6,755,409	196,717	767,445	Principal	1,475,000	1,415,000	1,562,445
Miscellaneous	4,212,932	2,482,884	1,608,832	Interest	282,825	355,393	426,225
Total Revenues	157,426,912	143,262,090	130,336,164	Bond Issuance And Other Costs:			
				Total Expenditures	131,728,510	113,060,112	120,491,425
				Excess (Deficiency) Of Revenues Over Expenditures	25,698,402	30,201,978	9,844,739

Other Financing Sources (Uses)	2023	2022	2021
Transfers In From Other City Funds	4,400,330	7,009,317	4,507,533
Transfers Out To Other City Funds	(6,958,094)	(13,342,776)	(4,171,358)
Total Other Financing Sources (Uses)	(2,557,764)	(6,333,459)	336,175
Net Change In Fund Balances	23,140,638	23,868,519	10,180,914
Fund Balance - Beginning	158,888,432	135,019,913	124,838,999
Fund Balance - Ending	\$182,029,070	\$158,888,432	\$135,019,913

Definition

Governmental Funds - 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, Parks and Recreation 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 increased by \$27,090,748 or 20.79%. This was largely due to the voter approved use tax that went into effect in FY22, and a significant increase in Interest Revenue due to rising interest rates.

Expenditures increased by 9.33% largely due to the moving of Rec Services into the Parks & Rec Special Revenue Fund.

Financial Activity Statement: General Funds for Years Ended Sept. 30, 2023; Sept. 30, 2022; and Sept. 30, 2021

General Funds

Revenues	2023	2022	2021	Expenditures	2023	2022	2021
General Property Taxes	10,266,557	9,335,517	9,146,927	Current:			
Sales Tax	30,124,725	29,461,437	26,295,876	Policy Development And Administration	10,026,261	9,485,474	7,915,484
Use Tax	3,961,765	642,572	-	Police (Public Safety)	27,475,491	25,723,349	24,278,083
Other Local Taxes	14,010,570	12,003,180	11,082,330	Fire (Public Safety)	24,615,954	23,362,300	21,069,294
Payment In Lieu Of Taxes (P.I.L.O.T.)	16,759,394	16,748,504	16,726,267	Public Safety Misc. (Public Safety)	1,984,455	1,807,445	1,899,802
Licenses And Permits	1,641,352	1,072,953	1,102,948	Public Works	11,233,238	11,362,199	11,086,735
Fines	439,148	552,153	630,989	Health And Environment	12,956,620	12,037,810	12,767,098
Fees And Service Charges	2,746,587	3,060,416	5,417,444	Personal Development	2,577,956	8,637,666	7,693,565
Intragovernmental Revenue	10,815,718	9,207,929	7,833,847	Supporting Activities	3,434,079	3,425,404	3,528,844
Revenue From Other Governmental Units	7,347,263	17,810,635	11,705,842	Misc. Nonprogrammed Activities	125,476	57,964	2,059,868
Investment Revenue	2,493,199	(38,896)	(61,407)	Capital Outlay	-	-	1,655,922
Miscellaneous	2,474,938	1,137,062	1,353,384	Total Expenditures	94,429,530	95,899,611	93,954,695
Total Revenues	103,081,216	100,993,462	91,234,447	Excess (Deficiency) Of Revenues Over Expenditures	8,651,686	5,093,851	(2,720,248)

Other Financing Sources (Uses)	2023	2022	2021
Transfers In	9,060,989	10,685,064	15,310,890
Transfers Out	(11,303,687)	(12,447,593)	(2,930,002)
Total Other Financing Sources (Uses)	(2,242,698)	(1,762,529)	12,380,888
Net Change in Fund Balances	6,408,988	3,331,322	9,660,640
Fund Balance - Beginning	51,759,820	48,428,498	38,767,858
Fund Balance - Ending	58,168,808	51,759,820	48,428,498

Definition

General Funds - Funds that are 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. In FY23 the Parks Department was moved out of the General Fund into the Parks & Rec Fund.

Total General Fund revenues increased by \$11,846,769 or (12.98%) over the three-year period. Largely from the implementation of the Use Tax and a large increase in interest revenue due to rising interest rates. Expenditures increased by \$474,835 or (0.51%).

Financial Activity Statement: Utility Enterprise Funds for Years Ended Sept. 30, 2023; Sept. 30, 2022; and Sept. 30, 2021

Utility Enterprise Funds

Charges For Services	2023	2022	2021
Water	30,972,220	28,925,977	27,386,064
Electric	143,362,292	146,231,047	136,322,478
Solid Waste	27,038,281	26,623,267	24,926,232
Sewer	25,055,378	25,891,056	25,336,835
Stormwater	3,710,339	3,721,744	3,686,147
Total Charges for Services	230,138,510	231,393,091	217,657,756
Operating Expenses			
Water	20,735,326	15,911,411	15,306,154
Electric	119,194,411	129,592,792	103,781,447
Solid Waste	21,084,889	19,634,668	17,747,120
Sewer	12,184,219	10,248,386	11,108,955
Stormwater	1,326,810	1,406,246	1,152,142
Total Operating Expenses	174,525,655	176,793,503	149,095,818
Operating Income (Loss) Before Payment-in-lieu-of-tax and Depreciation	55,612,855	54,599,588	68,561,938
Payment-in-lieu-of-tax	(16,759,394)	(16,748,504)	(16,726,267)
Depreciation	(25,171,031)	(25,376,443)	(25,712,823)
Operating Income (Loss)	13,682,430	12,474,641	26,122,848

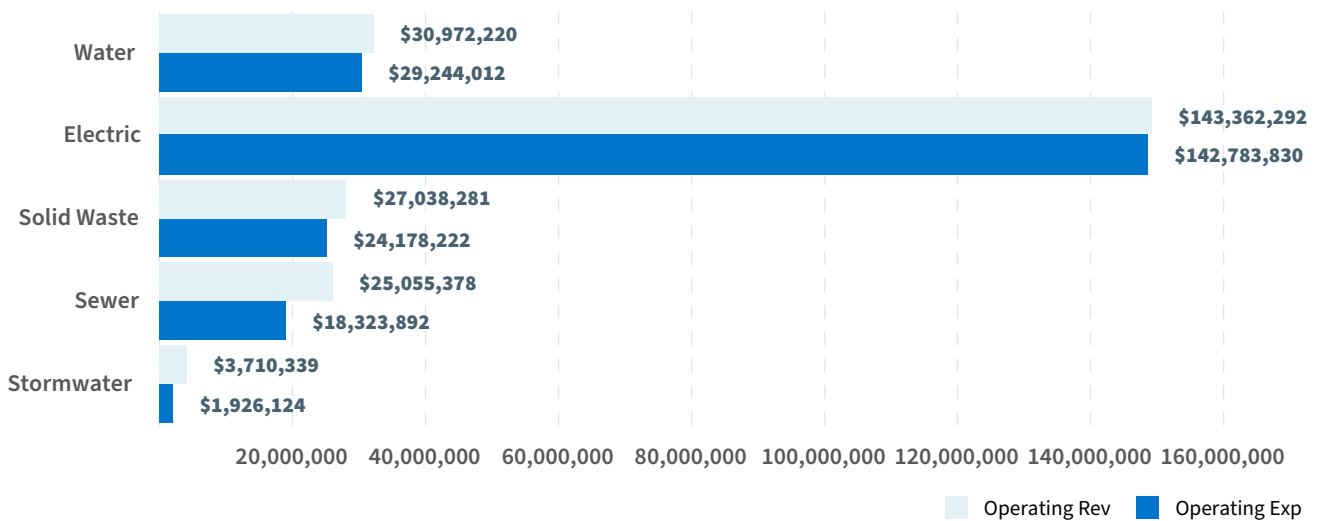
Non-Operating Revenues (Expenses)	2023	2022	2021
Investment revenue	8,810,671	82,700	565,432
Revenue from other governmental units	61,252	140,244	61,897
Miscellaneous revenue	3,378,682	9,134,063	10,235,738
Interest revenue - leases	10,925	11,952	-
Interest expense	(6,398,222)	(7,094,080)	(7,995,708)
Loss on disposal of fixed assets	(86,411)	(109,985)	(1,528,358)
Miscellaneous expense	(178,737)	(221,622)	(330,020)
Total Non-Operating Revenues and Expenses	5,598,160	1,943,272	1,008,981
Operating Transfers	2023	2022	2021
Operating transfers from other funds	600,000	565,887	2,071,031
Operating transfers to other funds	(1,568,210)	(1,566,530)	(1,538,899)
Total Operating Transfers	(968,210)	(1,000,643)	532,132
Capital contribution	5,660,817	3,528,893	2,018,852
Net Income (Loss)	23,973,197	16,946,163	29,682,813

Definition

Utility Enterprise Funds - 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.

Additional Enterprise Funds Information

FY23 Utilites Operating Revenue to Operating Expense Comparison



Utilites	2023 Operating Income (Loss)	2022 Operating Income (Loss)	2021 Operating Income (Loss)	% Change
Water	1,728,208	4,596,913	3,560,529	-51.46%
Electric	578,462	(7,274,029)	8,496,211	-93.19%
Solid Waste	2,860,059	3,801,722	4,156,127	-31.18%
Sewer	6,731,486	9,609,707	7,974,648	-15.59%
Stormwater	1,784,215	1,740,328	1,935,333	-7.81%

- **Utility Operating Income:** The decrease in operating income among all of the utilities is largely due to rising cost of labor and supplies that have outpaced revenue, which has remained relatively flat with the exception of Water, which had a rate increase in FY23.

Financial Activity Statement: Non-Utility Enterprise Funds for Years Ended Sept. 30, 2023; Sept. 30, 2022; and Sept. 30, 2021

Non-Utilities Enterprise Funds

Charges for Services	2023	2022	2021
Airport	1,350,745	1,160,346	967,882
Public Transportation	1,032,659	1,287,366	955,395
Parking	3,756,391	4,085,614	3,708,230
Recreation Services	-	4,487,125	3,911,598
Railroad	354,037	352,876	423,722
Transload	212,256	177,549	85,921
Total Charges For Services	6,706,088	11,550,876	10,052,748
Operating Expenses			
Airport	3,284,000	2,916,860	2,460,492
Public Transportation	6,412,038	6,015,578	5,358,989
Parking	1,871,567	1,844,866	2,159,456
Recreation Services	-	6,580,818	6,190,292
Railroad	526,026	472,640	443,173
Transload	90,505	89,520	145,736
Total Operating Expenses	12,184,136	17,920,282	16,758,138
Operating Income (Loss) Before Depreciation	(5,478,048)	(6,369,406)	(6,705,390)
Depreciation	(4,335,130)	(4,950,426)	(4,935,358)
Operating Income (Loss)	(9,813,178)	(11,319,832)	(11,640,748)

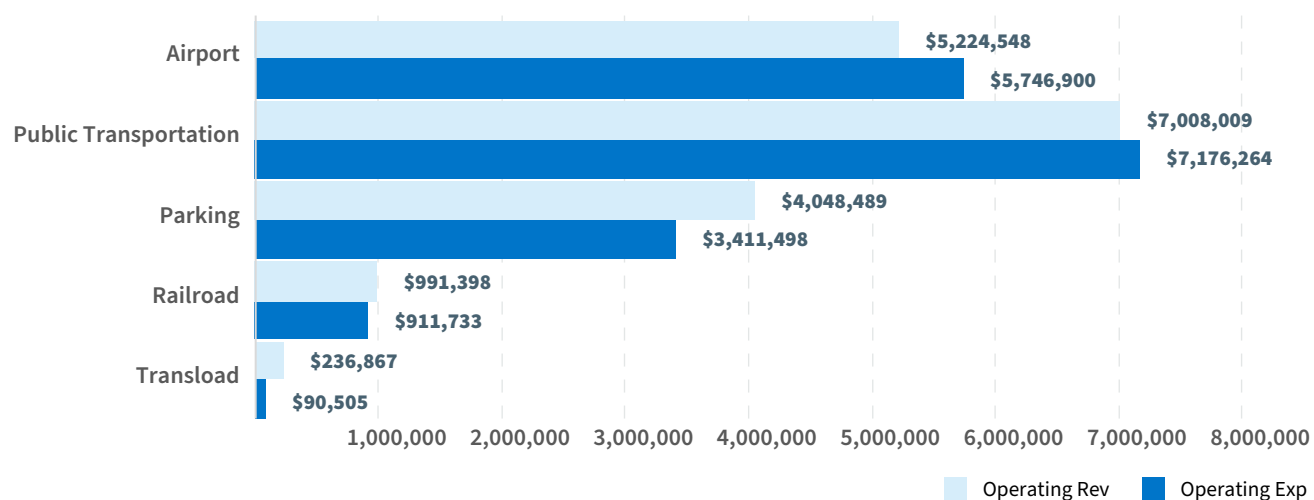
Non-Operating Revenues (Expenses)	2023	2022	2021
Investment Revenue	774,782	32,397	63,262
Revenue From Other Governmental Units	5,568,291	4,822,257	6,446,811
Miscellaneous Revenue	17,679	1,153,750	1,998,935
Interest Revenue - Leases	152,269	34,412	-
Interest Expense	(537,871)	(599,051)	(662,003)
Gain Or (Loss) On Disposal Of Fixed Assets	(16,162)	(3,456)	(219,811)
Miscellaneous Expense	(636)	(636)	(514,817)
Total Non-Operating Revenues And (Expenses)	5,958,352	5,439,673	7,112,377
Operating Transfers			
Operating Transfers From Other Funds	4,290,202	10,554,911	3,860,194
Operating Transfers To Other Funds	(262,995)	(5,661,442)	(175,618)
Total Operating Transfers	4,027,207	4,893,469	3,684,576
Capital Contribution	4,756,141	12,602,741	14,115,410
Net Income (Loss)	4,928,522	11,616,051	13,271,615

Definition

Non-Utility Enterprise Funds - 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.

Additional Enterprise Funds Information

FY23 Non-Utilities Enterprise Funds Revenue and Expense Comparison

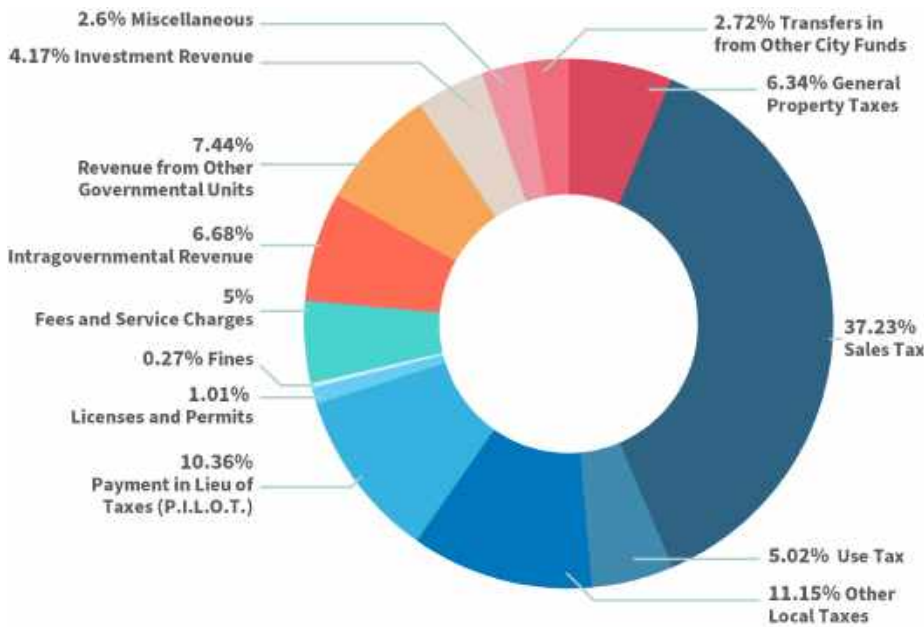


Non-Utilities	2023 Net Income (Loss) before Capital Contributions	2022 Net Income (Loss) before Capital Contributions	2021 Net Income (Loss) before Capital Contributions	% Change
Airport	(522,352)	(1,309,983)	(753,575)	30.68%
Public Transportation	(168,255)	(1,097,907)	(133,934)	-25.63%
Parking	636,991	1,369,695	212,392	199.91%
Railroad	79,635	(257,194)	(72,956)	209.15%
Transload	146,362	87,919	(59,511)	345.94%

- Non-Utility Net Income:** Increases in net income gains for Parking was largely the result of moving out of the COVID-19 pandemic and a return to more normal economic activities. Increases in net income losses for Airport and Public Transportation was the result of the CARES grant revenue that was going to supplement operating revenue ending in 2022.

Where does the Money Come From?

Government-Wide Revenues by Type



Revenues	Amounts
General Property Taxes	10,266,557
Sales Tax	60,246,376
Use Tax	8,115,773
Other Local Taxes	18,036,594
Payment in Lieu of Taxes (P.I.L.O.T.)	16,759,394
Licenses and Permits	1,641,352
Fines	439,148
Fees and Service Charges	8,094,618
Intragovernmental Revenue	10,815,718
Revenue from Other Governmental Units	12,043,041
Investment Revenue	6,755,409
Miscellaneous	4,212,932
Transfers in from Other City Funds	4,400,330
Total	161,827,242



Definitions

The revenues and transfers in for governmental activities total \$161,827,242 for FY23. This was a 20.79% increase over the last three years. The increase largely came from Use Tax, which in FY23 was the first full year the City collected this tax, and Interest Revenue which saw a large increase due to the rising interest rates over the last year.

Taxes are majority of the Governmental Funds revenue, 59.74%, is generated by taxes levied on property, retail sales, a use tax, a lodging tax, and gross receipts tax on the sale of electricity, gas, telephone and television video services.

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.

Revenues from Other Governmental Units represents grants the City receives from other governmental agencies such as the federal government, State and County.

Intragovernmental Revenue consists of revenue transferred from non-governmental funds to the General Fund to cover the cost of the overhead services that the General Fund provides. These services 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.

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.

Licenses and Permits are charges assessed for various business activities and animal ownership.

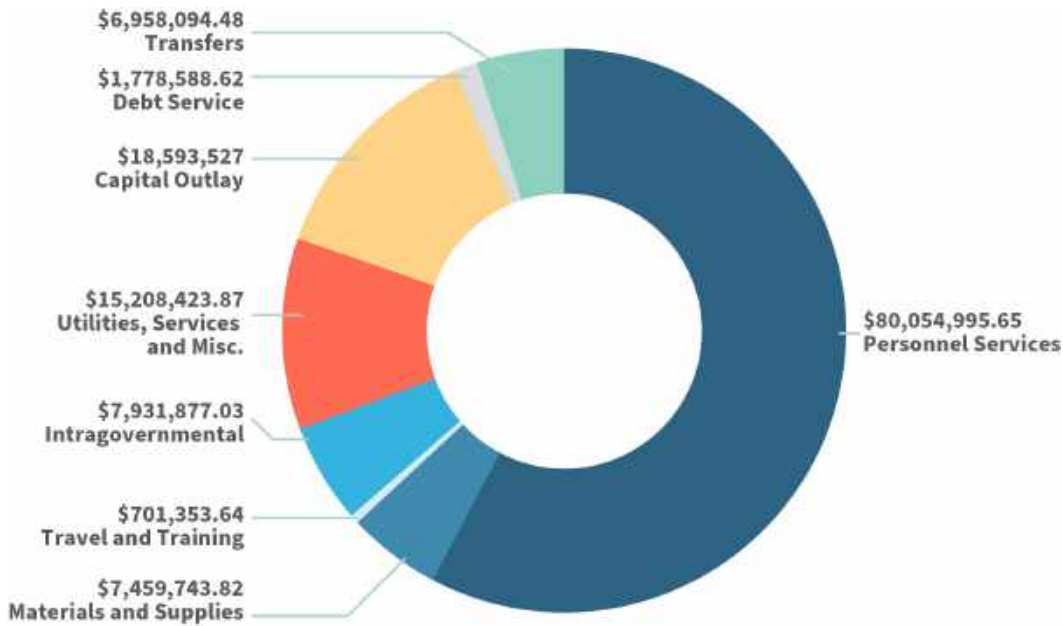
Fines include violations of any city ordinance, corporation court fines, uniform ticket fines, meter fines and alarm violations.

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?

Governmental Funds Expense Category Breakdown



Expenditures	% of Total
Police (Public Safety)	19.81%
Fire (Public Safety)	17.75%
Capital Outlay	13.41%
Parks & Rec/Personal Development	11.44%
Health and Environment	10.17%
Policy Development and Administration	9.04%
Public Works	8.10%
Transfers out to Other City Funds	5.02%
Supporting Activities	2.48%
Public Safety Misc. (Public Safety)	1.43%
Principal	1.06%
Interest	0.20%
Misc. Nonprogrammed Activities	0.09%



Definitions

The expenditures and transfers out for governmental activities total \$138,686,604 for 2023. The largest function of expenditures is public safety and represents 39% of all governmental activities. Personnel Services represents the largest expense category at almost 58% of all expenses.

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

Capital Outlay includes all governmental capital projects.

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.

Health and Environment includes Health and Human Services, Planning, Community Development and Economic Development.

Policy Development and Administration includes City Manager, Sustainability, Finance, Human Resources, City Counselor and Convention and Tourism.

Public Works includes Streets and Sidewalks and Traffic.

Parks and Recreation/Personal Development includes Parks and Recreation, Cultural Affairs and Community Services.

Debt Service includes principal and interest for all governmental debt.

Misc. Nonprogrammed Activities is part of the general fund and represent non-departmental governmental expenditures.

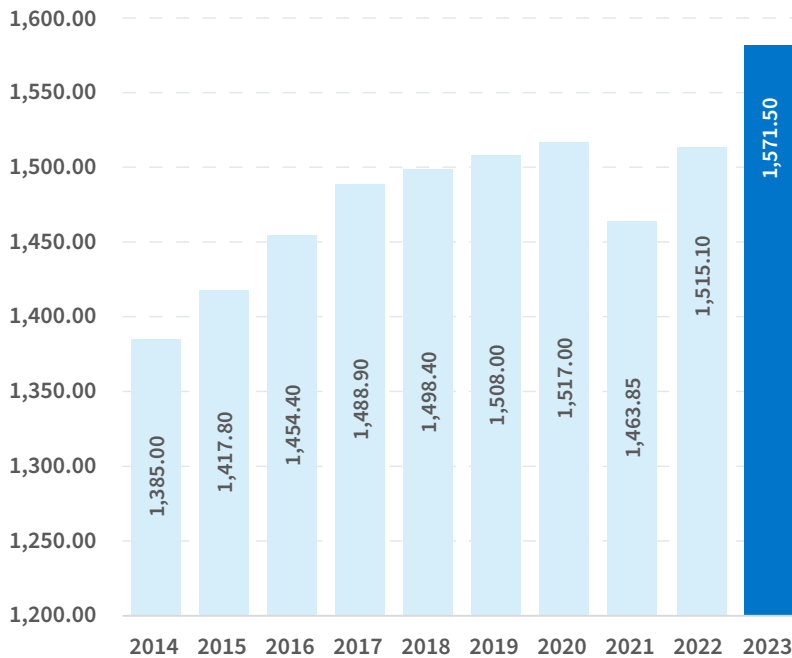
Personnel Services include all expenses related to Salaries and Benefits for Governmental City Employees.

Materials & Supplies are purchased for operating purposes for Governmental Funds.

Travel & Training are all expenses related to travel and training.

Intragovernmental expense related to services provided by other City Funds for operating purposes.

Utilities, Services and Misc. are operating expenses related to utilities, contractual and non-contractual services, and miscellaneous expenses usually related to banking and credit card fees.

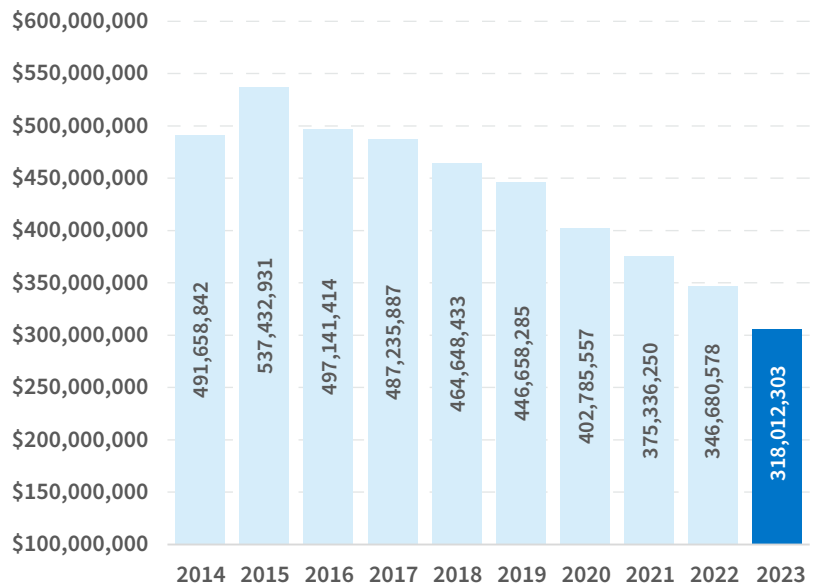


Citywide Full-Time Equivalent Employees

- This City's full-time equivalent employees increased by 56.4 positions. Departments with the largest increase were Police, Fire, Health and Human Services, and Water and Electric. Governmental Full-Time equivalent positions came to 990.30 in FY23. Business-Type Full-Time equivalent positions came to 581.20 in FY23.

Citywide Outstanding Bonded Debt at Fiscal Year End

- No new debt was issued in 2023 by the City.



Definitions

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 \$3,345.25 ($\$50,000/100 \times 6.6905$).

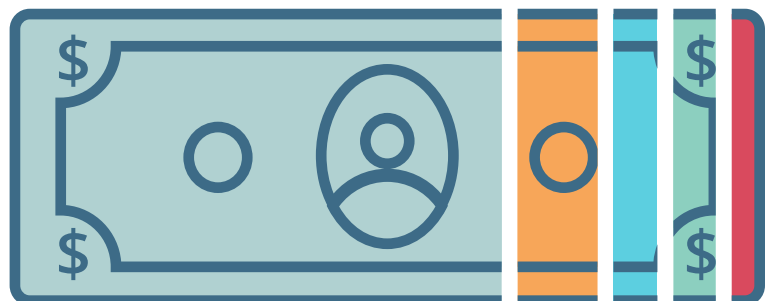
84.8%
COLUMBIA PUBLIC SCHOOLS

4.5%
DANIEL BOONE REGIONAL LIBRARY

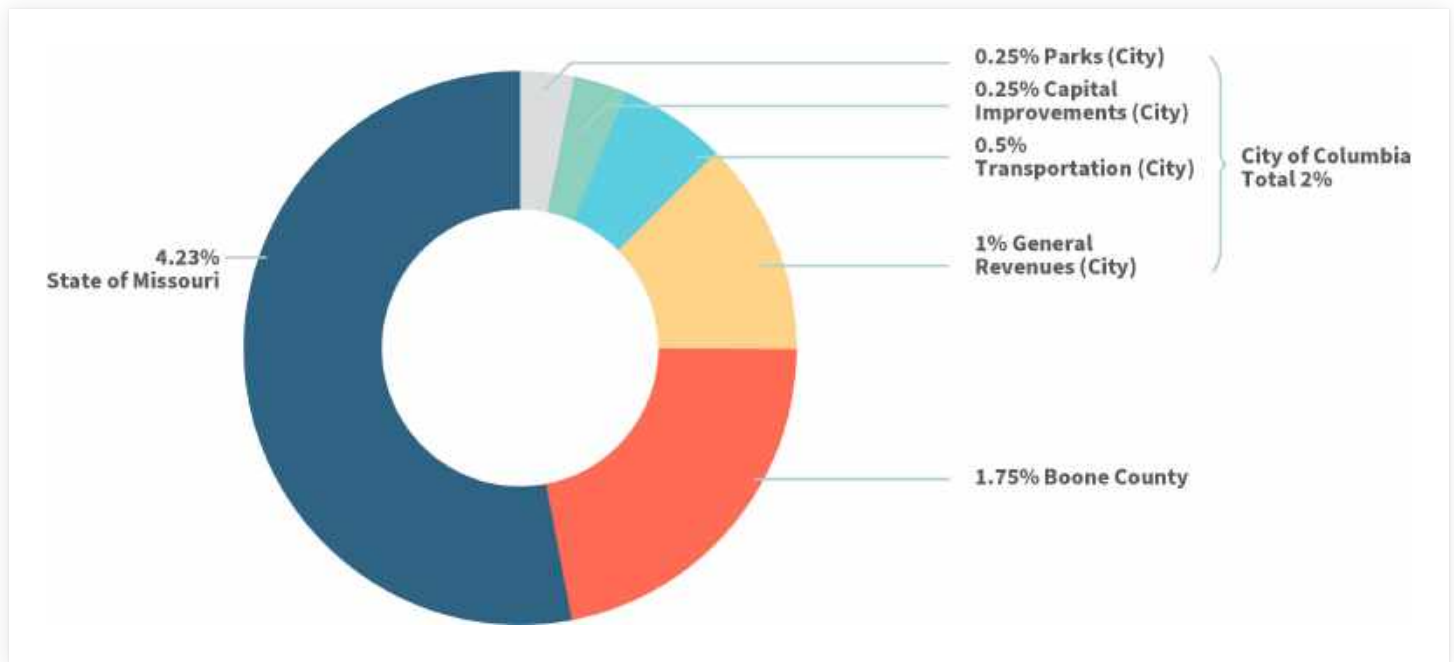
0.4%
STATE OF MISSOURI

6%
CITY OF COLUMBIA

4.2%
BOONE COUNTY



Breakdown of Sales and Use Tax



Sales Tax Rate of Most Populated Cities In Missouri

City	Tax	City Portion
St. Louis	9.679%	5.450%
St. Joseph	9.700%	3.875%
Kansas City	8.850%	3.250%
Lee's Summit	8.475%	2.750%
Independence	8.350%	2.625%
Springfield	8.100%	2.125%
Columbia	7.980%	2.000%
O'Fallon	7.950%	2.000%
St. Charles	7.960%	2.000%
St. Peters	7.950%	2.000%



Definitions

Breakdown of Sales & Use Tax Rate - The City's sales and use tax rate of 7.98% is comparable to cities of similar size within Missouri. The sales and use 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% to capital improvements, and 0.25% to parks. The portion of sales

and use 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 Recreation, and a one-eighth temporary portion primarily used to fund capital projects within Parks and Recreation.

In 2022, the City implemented a voter-approved use tax. The breakdown of the use tax is identical to the sales tax. The City brought in \$60,246,376 in sales tax, and \$8,115,773 in use tax in FY23.



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