

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

CITY OF COLUMBIA, SOUTH CAROLINA

FISCAL YEAR ENDED JUNE 30, 2006

**City Manager
Charles P. Austin, Sr.**

**Chief Financial Officer
Lisa L. Rolan**

**Prepared by the
Finance Department**

TABLE OF CONTENTS

**CITY OF COLUMBIA, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended June 30, 2006**

TABLE OF CONTENTS

	PAGE (S)
INTRODUCTORY SECTION	
Letter of Transmittal	3
Certificate of Achievement for Excellence in Financial Reporting	7
Principal Officials	8
Organizational Charts	9
FINANCIAL SECTION	
Report of Independent Auditors	12
Management’s Discussion and Analysis	14
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets	24
Statement of Activities	26
Fund Financial Statements	
Balance Sheet – Governmental Funds	27
Statement of Revenues, Expenditures, and Changes in Net Assets – Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Net Assets – Proprietary Funds	30
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	32
Statement of Cash Flows – Proprietary Funds	33
Statement of Fiduciary Net Assets – Fiduciary Funds	34
Combining Statement of Net Assets – Discretely Presented Component Units	36
Combining Statement of Activities – Discretely Presented Component Units	38
Notes to the Financial Statements	39

TABLE OF CONTENTS (CONTINUED)

	PAGE (S)
Required Supplementary Information	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund	72
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds	85
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	87
Combining Statement of Net Assets – Nonmajor Proprietary Funds	90
Combining Statement of Revenues, Expenses, and Changes in Net Assets – Nonmajor Proprietary Funds	91
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	92
Combining Statement of Net Assets – Internal Service Funds	94
Combining Statement of Revenues, Expenses, and Changes in Net Assets - Internal Service Funds	95
Combining Statement of Cash Flows – Internal Service Funds	96
Agency Funds	
Statement of Changes in Assets and Liabilities	98

STATISTICAL SECTION (UNAUDITED AND NOT COVERED BY THE REPORT OF INDEPENDENT AUDITORS)

General Governmental Expenditures by Function	100
General Governmental Revenues by Source	101
Property Tax Levies and Collections	102
Assessed and Estimated Actual Value of Property	103
Property Tax Rates--Direct and Overlapping Governments	104
Principal Taxpayers	105
Computation of Legal Debt Margin	106
Ratio of Net General Obligation Bonded Debt Per Capita to Assessed Value and Net General Obligation Bonded Debt Per Capita	107
Ratio of Annual Debt Service Expenditures--General Obligation Bonded Debt--Total General Governmental Expenditures	108
Computation of Direct and Overlapping Bonded Debt-- General Obligation Bonds	109
Revenue Bond Coverage--Water and Sewer Bonds	110
Revenue Bond Coverage--Parking Bonds	111
Demographic Statistics	112
Property Value, Construction and Bank Deposits	113
Net Assets by Component	114
Changes in Net Assets	115
Fund Balances Governmental Funds	116
Changes in Fund Balances, Governmental Funds	117
Miscellaneous Statistics	118

INTRODUCTORY SECTION

City of Columbia, South Carolina



**CITY OF COLUMBIA
SOUTH CAROLINA**

November 28, 2007

Honorable Robert D. Coble, Mayor
Members of City Council
City of Columbia, South Carolina

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the fiscal year ending June 30, 2006 is presented herein with the senior leadership team's admiration and sincere thankfulness to City Council for their energy, vision, devotion to public service and collective statesmanship. This report confirms the implementation of council's emphasis and favor of conservative fiscal practices and affirms the City of Columbia as one of South Carolina's financially well-managed cities.

The organization, form, and content of this report, and the accompanying financial statements and statistical tables, were formulated according to the principles prescribed by the Governmental Accounting Standards Board and the Government Finance Officers Association. The City of Columbia's financial statements have been audited by WebsterRogers, LLC, a firm of licensed certified public accountants. WebsterRogers, LLC concluded, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended June 30, 2006, are fairly presented in conformity with Generally Accepted Accounting Principles. The independent auditor's report is presented as the first component of the financial section of this report. Accuracy of the presented data and the completeness and fairness of this publication rests with the City, and its' management willingly assume full responsibility for the same. We believe that the report includes all disclosures necessary to enable the reader to gain a thorough understanding of the City's financial affairs.

PRESENTATION

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The Introductory Section, which is unaudited, includes this Letter of Transmittal, the Certificate of Achievement for Excellence in Financial Reporting, a list of the City of Columbia's elected officials and organizational charts of City staff and the Finance Division. The Financial Section includes the Management's Discussion and Analysis, the Government-wide Financial Statements, Fund Financial Statements and notes to the financial statements, combining schedules as well as the independent auditor's report on these financial statements and schedules. The Statistical Section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Columbia's MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY

The financial reporting entity (the government) includes all the funds and account groups of the Primary Government (i.e., the City of Columbia as legally defined), as well as its Component Units. The Component Units of the City of Columbia are legally separate entities for which the Primary Government is financially accountable. The government provides a full range of services including police and fire protection, certain judicial services, community development and promotion, water and sewer services, solid waste services, construction and maintenance of streets and infrastructure, recreational venues and activities, and cultural events.

Discretely Presented Component Units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Primary Government and to differentiate their financial position and results of operations.

The City and its Organization

The City of Columbia is the largest city and the capital of South Carolina. The City remains steadfastly committed to enhancing the quality of life for each resident of, and visitor to the greater Metro-Columbia area. Being cast in the pivotal lead ambassador role of South Carolina is not foreign to the City and it is a duty and responsibility that leadership gladly accepts as we serve as the cultural, educational, health-care, and commercial center of the state. Columbia located in the geographic center of South Carolina and is accommodated by three interstate highways, which enviably positions the City a comfortable drive to most other southeastern metropolitan areas. There are 134.5square miles of land within the corporate boundaries of the City. The City's estimated population is 117,394 with 565,666 in the metro area.

The City of Columbia operates under a Council – Manager form of government. Policy making and legislative authority is vested with the seven member City Council, including an elected Mayor, they also oversee the City Manager who is the Chief Executive Officer of the City and manages the day-to-day operations including budgeting and finances.

Economic Conditions and Outlook

The Greater Columbia Area has a world-class business-friendly operating environment, a well-trained labor force, an excellent transportation network, and support infrastructure that is conducive to business growth and development. This results in steady growth for the Columbia economy. A balanced economic base, including federal, state and local governments, plus a large medical community provides a stable source of jobs for the growing workforce. The number of jobs in the region increased from 273,000 to 290,000. This economic balance does not happen by chance; the City has a strong economic development team of professionals that has embarked on an enterprising modernization strategy to ensure a favorable economic future by diversification.

Fort Jackson, one of the country's largest military training facilities, is also located in Columbia. Annual expenditures by Fort Jackson exceed \$700 million, and over 100,000 family members visit the Midlands area each year to attend basic training graduation activities. These visitors have a solid impact on the local economy, supporting local hotels, restaurants and the retail shopping industry. Fort Jackson's new \$150 million infrastructure project is under way and reaps huge benefits to the local economy.

Another City strategic business unit and a major economic partner is the University of South Carolina. USC has recently launched a major 56-acre Research Campus expansion in Columbia's City Center. The research to be conducted at The Innovista Campus will concentrate on nanotechnology, hydrogen fuel cell research, bio-medical and environmental sciences. The University has added new faculty since our last report. The new spaces to house this growth are coming out of the ground as the City of Columbia is financing and preparing to build the new parking facilities. The economic impact of all this new construction, creation of new companies and new jobs is being felt currently and will continue to positively

impact the local and state business climate, add another element of diversity to our economy far into the future.

The renaissance of Columbia's City Center continues; the Meridian Tower office building and headquarters of First Citizens Bank & Trust Company are complete or nearing completion. The CanalSide project, redevelopment of the S.C. Mental Health property, North Columbia projects and The Congaree Vista district (The Vista) continues to be a major economic force in Columbia's City Center

MAJOR INITIATIVES

As the City's Master Plan is implemented the strengths and opportunities available to support the continued growth of Columbia become more apparent. The Master Plan sets forth a list of development opportunities, principles and strategies to guide public and private investment in the future, and focus on creating a vibrant urban core with a mixture of residential, retail and office space along with cultural and entertainment opportunities.

The Three Rivers Greenway is providing river access to the public while preserving the natural beauty and protecting the rivers as an asset for the local communities. The CanalSide Esplanade and Canalfront project provides prima facie evidence of the City's commitment to responsible riverfront development.

As reported last year, the City of Columbia is ready to embark on a variety of multi-year infrastructure projects. These projects will allow cabling for underground utilities, replacing or moving old water, sewer and storm drain utilities, redesigning streets, and updating gateways into the city. Streetscape improvement projects including new sidewalks, period street lighting, and major landscaping can be seen up and down the City's streets.

The development of the Convention Center is very exciting and continues on schedule as the Hilton Convention Center Hotel will open in 2007.

As highlighted previously, most of the positive impacts do not happen by chance, but by preparing for and planning to meet the inducement needs and infrastructure requirements necessary to accommodate the velocity of growth experienced by the City. The Mayor and Council anticipated these capital investment projects and the associated financing as the operating budget addresses this type of project on a very limited basis. Collectively, they took the fundamentally early steps to ensure the City did not rely solely on property taxes as the single source of revenues for the renaissance. Thus the Local Option Sales Tax (LOST) was considered, presented and approved as an alternative revenue source in the City. Fiscal year 2006 is the first opportunity to record the impact of this alternative tax, and we are pleased to report that the LOST generated over \$15 million, of which \$1.2 million is being deferred to next year. The LOST is a fitting example of what diversification is all about and the leading indicators seem to project similar results and benefits from other alternative sources in the future.

RELEVANT FINANCIAL POLICIES

Internal controls

Internal controls are procedures designed to protect assets from loss, theft or misuse; to check the accuracy and reliability of accounting data; to promote operational efficiency; and to encourage compliance with managerial policies. The management of the City is responsible for establishing a system of internal controls designed to provide reasonable assurances these objectives are met.

In addition to the examination of controls performed by members of the finance and accounting department, the City's has embraced an active participation initiative requiring that the internal auditors on a periodic basis review and assess financial transactions for accuracy, completeness, and authorization.

Cash management practices

The decision to split the \$140 million investment portfolio between four asset managers continues to be successful. This decision has maximized the earnings potential of the portfolio. Macro economic uncertainty continues to influence the market, yet the City of Columbia was able to achieve market rate earnings with less overall portfolio risk by employing asset management diversity. Additionally, the City maintains \$73 million in yield restricted money market funds for arbitrage avoidance.

Budgetary control

All federal and state financial assistance programs require recipients to comply with many laws and regulations involving administrative controls designed to ensure compliance with these regulations. The City maintains budgetary controls, which are designed to ensure compliance with legal provisions of the annual budget as adopted by Council. It is the City's objective to conduct an open budget process providing for input from department administrators, top management, elected officials, and the public as the City's programs and services are determined for the next year.

AWARDS

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 for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2005. This was the eleventh consecutive year that the City of Columbia has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

ACKNOWLEDGEMENTS

This report represents countless hours of preparation, invested by a dedicated team of professionals. Many individuals are responsible for its completion. The utmost appreciation is extended to the many City employees throughout the organization who daily maintain the financial records upon which this document is based. Special recognition is given to the staff members of the finance and accounting department who worked diligently to insure the accuracy of the report.

These efforts and this kind of loyalty should indicate to Council and the readers of this report that our financial integrity is of most importance to all involved. Our commitment to sound financial management is firmly embedded in the City's DNA and with your forward thinking support and partnership, we are confident that "our City" will remain a leader of sustainable prosperity and a pillar of fiscal responsibility in South Carolina and the country.

Respectfully submitted,



Charles P. Austin,
City Manager



Lisa L. Rolan
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Columbia
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

**CITY OF COLUMBIA, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
June 30, 2006**

MAYOR

Robert D. Coble

COUNCIL MEMBERS

District 1	Sam Davis
District 2	E. W. Cromartie, II
District 3	Anne M. Sinclair
District 4	Hamilton Osborne, Jr.
At Large	Tameika Isaac-Devine
At Large	Daniel J. Rickenmann

CITY MANAGER

Charles P. Austin, Sr.

ASSISTANT CITY MANAGER

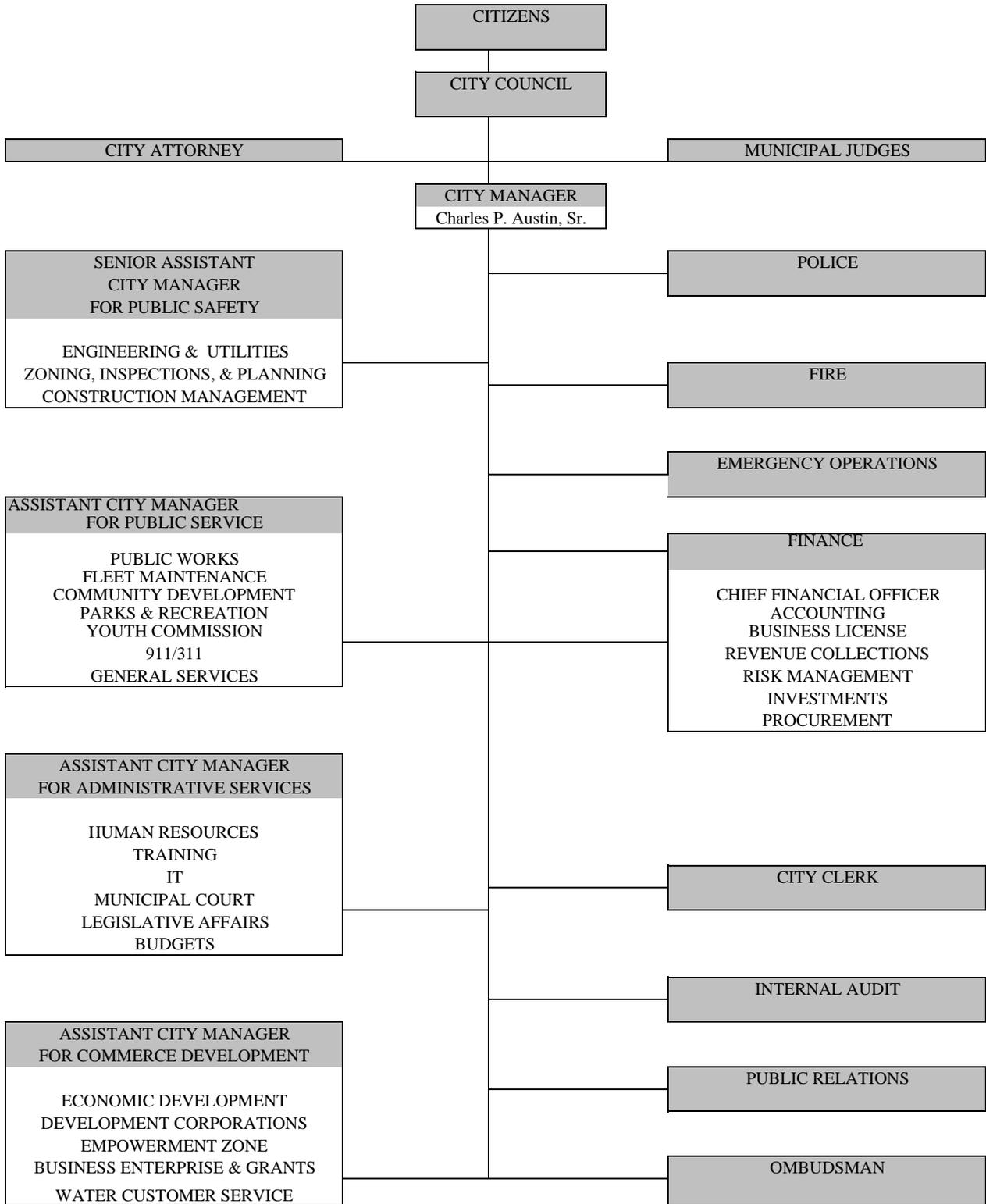
Senior Assistant City Manager for Operations	Steven A. Gantt
Assistant City Manager for Public Services	S. Allison Baker
Assistant City Manager for Administrative Services	Gladys L. Brown
Assistant City Manager for Commerce & Development	Dana D. Turner

DEPARTMENT HEADS

Chief Financial Officer	Lisa L. Rolan
City Attorney	James S. Meggs
Community Development Director	Richard J. Semon
Court Administrator	Gladys L. Brown
Development Services/Zoning Director	Marc S. Mylott
Economic Development	James B. Gambrell
Fire Chief	Wm. Bradley Anderson
General Services	John David Spade
Human Resources Director	Jacques A. Gilliam
Information Technology	Mark Johnson, Interim
Parks and Recreation Director	S. Allison Baker
Planning Director	Nathaniel B. Land
Police Chief	H. Dean Crisp, Jr.
Public Relations Director	Leshia Utsey
Public Works Director	Melissa Smith Gentry
Utilities & Engineering Director	John J. Dooley, Jr., P.E.

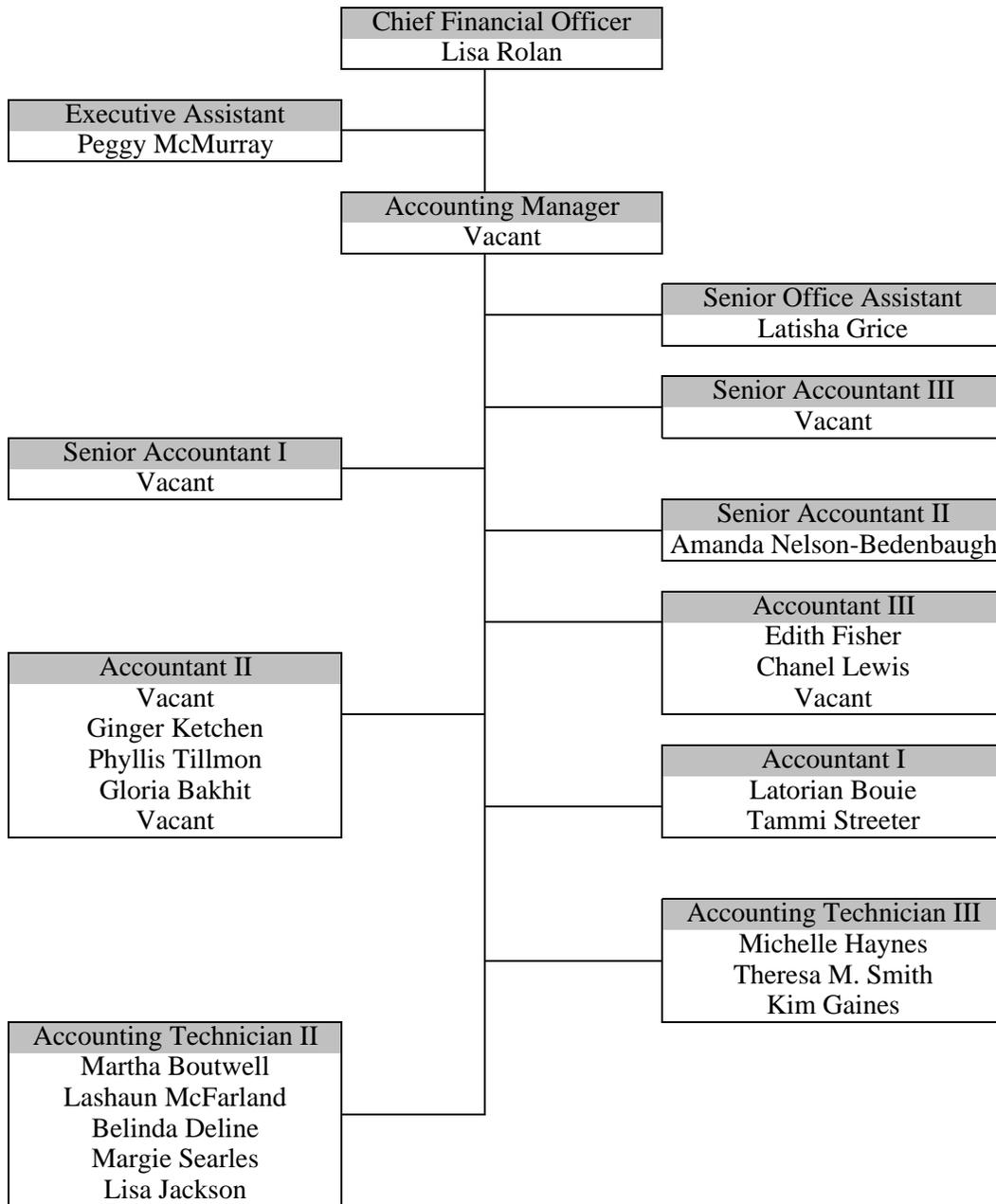
CITY OF COLUMBIA, SOUTH CAROLINA

ORGANIZATION CHART



CITY OF COLUMBIA, SOUTH CAROLINA

FINANCE DEPARTMENT ORGANIZATIONAL CHART (Current)



FINANCIAL SECTION

Independent Auditor's Report

The Honorable Robert D. Coble, Mayor
and Members of City Council
Columbia, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the City of Columbia (the City), as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, the financial statements referred to in paragraph one present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Columbia as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2007, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

The management's discussion and analysis and required supplementary information, listed in the accompanying table of contents, are not a required part of the basic financial statements, but are required supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Members

SC Association of Certified Public Accountants

NC Association of Certified Public Accountants

Member

Division for CPA Firms, AICPA

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplementary information to the financial statements, and the statistical section, 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. The supplementary information to the financial statements has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Wibetis Rogers LLP

Florence, South Carolina
November 26, 2007

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

The following summary and overview is presented by the financial management team of the City of Columbia in an effort to provide a brief, easy to read, yet concise financial analysis of what the many pages of schedules, comparisons, statements and notes of the Comprehensive Annual Financial Report represents and supports. We have found that many interested readers, those that may not be particularly well versed in the accounting discipline, prefer to be informed via the narrative format, thus this is "our work" to satisfy that need. Please be encouraged to consider the information presented here as well as that found in the letter of transmittal, it starts on page 3 of this report.

The discussion and analysis is organized to increase the amount of information and detail as the reader continues through the pages of this document. The following are the "top three" financially significant facts, if you should read nothing further, these highlights are important for you to know and find confidence in the fact that your elected officials and appointed professionals are maintaining the City's long history of financial stewardship, integrity and strength.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$681.9 million (net assets).
- The government's total net assets increased by \$13.5 million when compared to the restated net assets on June 30, 2005.
- The Local Option Sales Tax was implemented in the current year. This alternative funding method provided \$15 million in revenue as an "offset" to property taxes.

The next portion of this discussion will focus on the financial statements of the annual report, and is much like an introduction or preface to a book.

The financial data of the annual report is organized much like this discussion, in that it too provides consolidated information and aggregate reporting in the first few pages and then increases the amount of detail as the reader progresses through the report, and concludes by providing very detailed explanations to the "how and why" of certain presented financial data in the notes to the financial statement section. The reader will need to understand the concept of funds being established on the basis of legal requirement, source of revenue or service provided. You will come to know that the City of Columbia has three types of funds; Government (General), Proprietary (Enterprise) and Fiduciary (Trust).

Overview of the Financial Statements

The City's basic financial statements comprise three components: 1) government-wide (consolidating all the activities of the City), 2) fund (taking each activity of the City and placing its financial reporting into a designated fund), and 3) notes to the financial statements. The City of Columbia employs the Government-wide financial statement to distinguish functions of the City's operations that are principally supported by taxes and government related revenues, these are **governmental activities**, from the functions of the City's operations that are supported primarily by fees and charges for service rendered, these are **business-type activities**. If we may provide just a couple of examples of each:

Governmental Activities – police and fire department

Business-type Activities – water and sewer facilities and parking facilities

MANAGEMENT'S DISCUSSION & ANALYSIS (Continued)

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. In the private-sector the statement that presents all that the business owns (Assets) and the claims against those Assets by others (Liabilities) and the resultant Net Worth of the company (Assets minus Liabilities) is called the Balance Sheet, the governmental Balance Sheet is titled "The Statement of Net Assets" and it provides the same information. Over time, increases or decreases in net assets may serve as a useful indicator of the financial well being of the City.

The consolidated net assets schedule below displays the net assets for both the governmental activities and business-type activities. The complete government-wide financial statements can be found on pages 24-26 of this report.

Our discussion will first focus on the governmental activities followed by a review of the business-type activities. This schedule and the changes in net assets schedule will be our reference for these discussions. The presentation approach employed here is to provide the tables "choked full" of data and then extract information from the schedules to facilitate our discussion.

City of Columbia Net Assets June 30, 2006 and 2005

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005*</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Assets						
Current and other assets	\$ 114,139,005	\$ 95,216,134	\$ 214,000,986	\$ 189,936,917	\$ 328,139,991	\$ 285,153,051
Capital assets	<u>186,146,982</u>	<u>189,139,004</u>	<u>526,554,122</u>	<u>501,318,280</u>	<u>712,701,104</u>	<u>690,457,284</u>
Total assets	<u>300,285,987</u>	<u>284,355,138</u>	<u>740,555,108</u>	<u>691,255,197</u>	<u>1,040,841,095</u>	<u>975,610,335</u>
Liabilities						
Long-term liabilities outstanding	97,243,381	69,932,001	211,866,932	165,571,042	309,110,313	235,503,043
Other liabilities	<u>29,848,817</u>	<u>30,824,954</u>	<u>19,952,096</u>	<u>30,602,783</u>	<u>49,800,913</u>	<u>61,427,736</u>
Total liabilities	<u>127,092,198</u>	<u>100,756,955</u>	<u>231,859,028</u>	<u>196,173,825</u>	<u>358,911,226</u>	<u>296,930,779</u>
Net assets						
Invested in capital assets, net of related debt	97,571,358	78,654,522	412,723,624	323,319,938	510,294,982	401,974,460
Restricted	6,982	54,858,328	0	18,553,749	6,982	73,412,077
Unrestricted	<u>75,615,449</u>	<u>50,085,333</u>	<u>95,972,456</u>	<u>153,207,685</u>	<u>171,587,905</u>	<u>203,293,018</u>
Total net assets	<u>\$ 173,193,789</u>	<u>\$ 183,598,183</u>	<u>\$ 508,696,080</u>	<u>\$ 495,081,372</u>	<u>\$ 681,889,869</u>	<u>\$ 678,679,555</u>

* Restated to include the blending of Public Facilities Corporation into governmental assets.

We are now introducing another consolidated schedule which will assist in our discussion of the assets of the City.

The statement of changes (activities) presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

MANAGEMENT'S DISCUSSION & ANALYSIS (Continued)

**City of Columbia
Condensed Statement of Changes in Net Assets
For the Years Ended June 30, 2006 and 2005**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues						
Program revenues						
Charges for services	\$ 51,943,738	\$ 62,989,276	\$ 103,272,992	\$ 96,099,207	\$ 155,216,730	\$ 159,088,483
Operating grants & Contributions	30,208,260	25,839,940	-	-	30,208,260	25,839,940
Capital grants & Contributions	2,165,766		13,738,679		15,904,445	
General revenues						
Property taxes	27,134,829	36,597,464	-	-	27,134,829	36,597,464
Other taxes	17,464,895	3,155,799	-	-	17,464,895	3,155,799
Unrestricted investment income	2,478,194	2,625,477	5,536,084	3,368,514	8,014,278	5,993,991
Other	<u>(2,950,480)</u>	<u>1,134,362</u>	<u>22,080</u>	<u>58,153</u>	<u>(2,928,400)</u>	<u>1,192,515</u>
Total revenues	<u>128,445,202</u>	<u>132,342,318</u>	<u>122,569,835</u>	<u>99,525,874</u>	<u>251,015,037</u>	<u>231,868,192</u>
Expenses						
General government	51,296,219	6,912,887	-	-	51,296,219	6,912,887
Judicial	2,044,037	1,967,326	-	-	2,044,037	1,967,326
Finance department	1,360,869	1,194,909	-	-	1,360,869	1,194,909
Community development	3,396,497	3,082,389	-	-	3,396,497	3,082,389
Public safety	41,619,178	38,027,339	-	-	41,619,178	38,027,339
Parks & recreation	7,853,425	13,169,502	-	-	7,853,425	13,169,502
Public services	22,868,279	25,910,346	-	-	22,868,279	25,910,346
General services	5,791,988	2,630,296	-	-	5,791,988	2,630,296
Community promotion	7,946,764	781,376	-	-	7,946,764	781,376
Interest on bonds	2,275,464	3,131,666	-	-	2,275,464	3,131,666
Non departmental	1,147,254	3,956,106	-	-	1,147,254	3,956,106
Water/sewer facilities	-	-	80,189,801	67,586,282	80,189,801	67,586,282
Hydro electric plant	-	-	1,010,483	903,114	1,010,483	903,114
Storm water operating	-	-	1,683,476	1,518,394	1,683,476	1,518,394
Parking facilities	-	-	6,149,446	2,745,011	6,149,446	2,745,011
Transportation operations	-	-	31,363	121,363	31,363	121,363
Redevelopment programs	-	-	901,209	238,547	901,209	238,547
Total expenses	<u>147,599,976</u>	<u>100,764,142</u>	<u>89,965,778</u>	<u>73,112,711</u>	<u>237,565,754</u>	<u>173,876,853</u>
Increase (decrease) in net assets before transfers	(19,154,775)	31,578,176	32,604,057	26,413,163	13,449,283	57,991,339
Transfers	<u>5,832,436</u>	<u>243,168</u>	<u>(5,832,436)</u>	<u>(243,168)</u>	-	-
Change in net assets	(13,322,338)	31,821,344	26,771,621	26,169,995	13,449,283	57,991,339
Net assets 7/1/05	183,598,184	152,302,985	495,081,372	468,997,008	678,679,556	621,299,993
Blending of Public Facilities Corp. into governmental funds	3,909,007				3,909,007	
Prior period adjustment	<u>(991,064)</u>	<u>(526,145)</u>	<u>(13,156,913)</u>	<u>(85,631)</u>	<u>(14,147,977)</u>	<u>(611,776)</u>
Net assets 7/1/05 as restated	<u>186,516,127</u>	<u>151,776,840</u>	<u>481,924,459</u>	<u>468,911,377</u>	<u>668,440,586</u>	<u>620,688,217</u>
Net assets 6/30/06	<u>\$ 173,193,789</u>	<u>\$ 183,598,184</u>	<u>\$ 508,696,080</u>	<u>\$ 495,081,372</u>	<u>\$ 681,889,869</u>	<u>\$ 678,679,556</u>

In comparison to the restated net assets, the City's net assets decreased \$13.3 million in governmental activities and increased \$26.8 million in business-type activities during the current fiscal year. The following tables and graphs provide information regarding the government's change in net assets for the year ending June 30, 2006.

MANAGEMENT'S DISCUSSION & ANALYSIS (Continued)

Our discussion and analysis will involve an isolated "look at" the governmental activities, (the business-type activities review will follow). The tables below will calculate the changes to the net assets, first in aggregate and then by detailed sources and uses of how the changes were affected.

City of Columbia
Net Change in Assets-Governmental Activities
(in thousands)

Net Assets June 30, 2006	\$ 173,194
Less: Restated Net Assets June 30, 2005	<u>186,516</u>
Change in Assets	<u>\$ (13,322)</u>

The next schedule will present the actual source of the revenues and use of the expenditures that were made over the year that resulted in this change.

City of Columbia
Changes in Net Assets-Governmental Activities
(in thousands)

	Revenues	Expenses	Net Change
Program Revenues	\$ 84,318		
General Revenues	47,078		
Other Revenues/Transfers	2,882		
General Government		\$ 51,296	
Judicial		2,044	
Finance		1,361	
Community Development		3,396	
Public Safety		41,619	
Parks and Recreation		7,853	
Public Services		22,868	
General Services		5,792	
Community Promotions		7,947	
Interest on Bonds		2,275	
Other/Transfers		1,147	
Net Revenues	<u>\$ 134,278</u>		
Less: Expenses		<u>\$ 147,600</u>	
Total Net Change in Assets			<u>\$ (13,322)</u>

Our discussion will continue as we look more closely at the revenues and expenses. From the above schedule one can confirm "where" the revenues were generated and "which department" was charged for the expenses, our next table will show the classification of both the revenues and expenses.

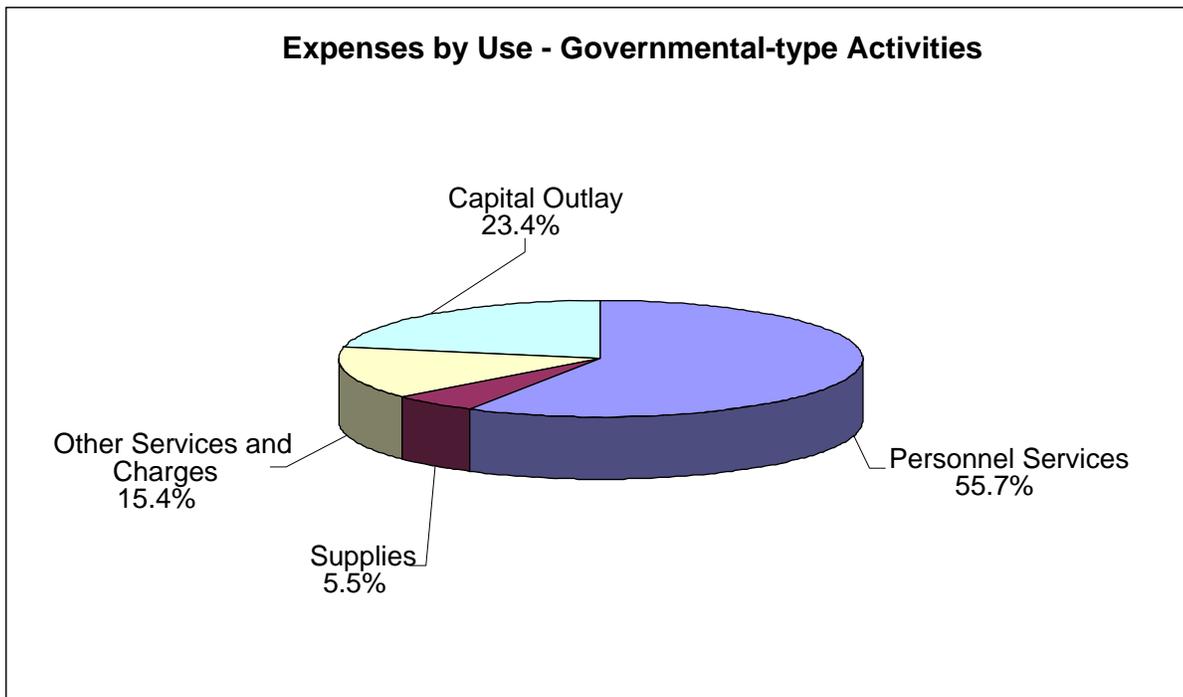
Revenues by Source – Governmental Activities
(in thousands)

Charges for services	\$ 51,944
Operating and Capital grants and contributions	32,374
General property taxes	27,135
Other taxes (including LOST taxes)	17,465
Unrestricted investment income	2,478
Other/Transfer	2,882

MANAGEMENT'S DISCUSSION & ANALYSIS (Continued)

We will now look at the "use" side of the changes in the net assets; the schedule below will show the expense classification. Most readers will find this table of interest as it will show the "mix" of expenses required to generate the changes we have been considering.

Expenses by Use - Governmental Activities	
(in thousands)	
Personnel services	80,925
Supplies	8,258
Other services and charges	23,171
Capital outlay and transfers	35,246



Our objective of the above review is to present the financial information in such a manner as to provide a level of assurance that "all the pieces of this financial puzzle" are fitting together and that the results of our engaging personnel and employing equipment have proved to be proper and beneficial to the financial gain of the City and therefore its citizens.

The information provided in this section and the business-type activities may be more detail than you wish to consider, if so, just skip to the portions of this discussion that interest you most.

Our detail review will now move to the business-type activities, in much the same manner as we explored the governmental activities. We will start with the "big picture" first.

City of Columbia
 Net Change in Assets-Business-type Activities
 (in thousands)

Net Assets June 30, 2006	\$ 508,696
Less: Restated Net Assets June 30, 2005	<u>481,924</u>
Change in Assets	<u>\$ 26,772</u>

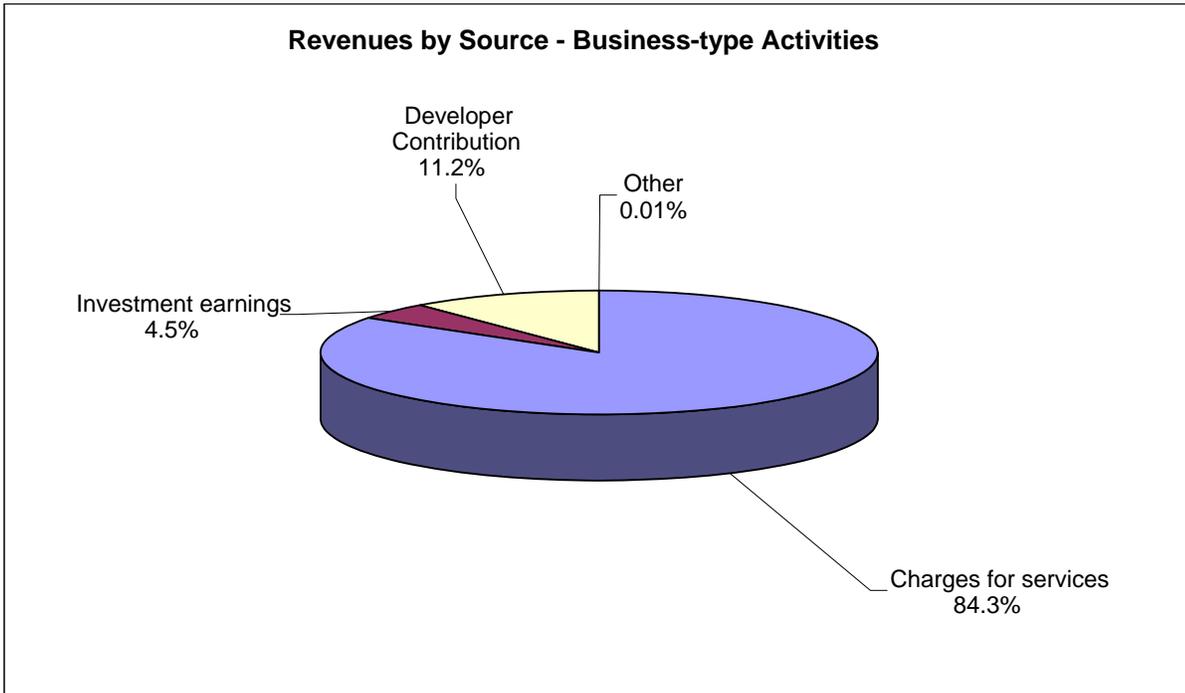
MANAGEMENT'S DISCUSSION & ANALYSIS (Continued)

The next schedule will present the actual source of the revenues and use of the expenditures that were made over the year that resulted in this change.

City of Columbia			
Changes in Net Assets-Business-type Activites			
(in thousands)			
	Revenues	Expenses	Net Change
Charge for Services	\$ 103,273		
Developer Contributions	13,739		
Investment Income	5,536		
Other Revenues/Transfers	22		
Water & Sewer		\$ 80,190	
Hydro-Electric Plant		1,011	
Storm Water		1,683	
Parking Facilities		6,150	
Transportation		31	
Redevelopment		901	
Transfer		5,832	
Net Revenues	\$ 122,570		
Less: Expenses		\$ 95,798	
Total Net Change in Assets			\$ 26,772

The table and graph below will present the same information in a different format as well as from a different perspective, much as we did in the review of the governmental activities portion of our discussion.

Revenues by Source – Business-type Activities	
(in thousands)	
Charges for services	\$ 103,273
Investment earnings	5,536
Developer Contribution	13,739
Other	22

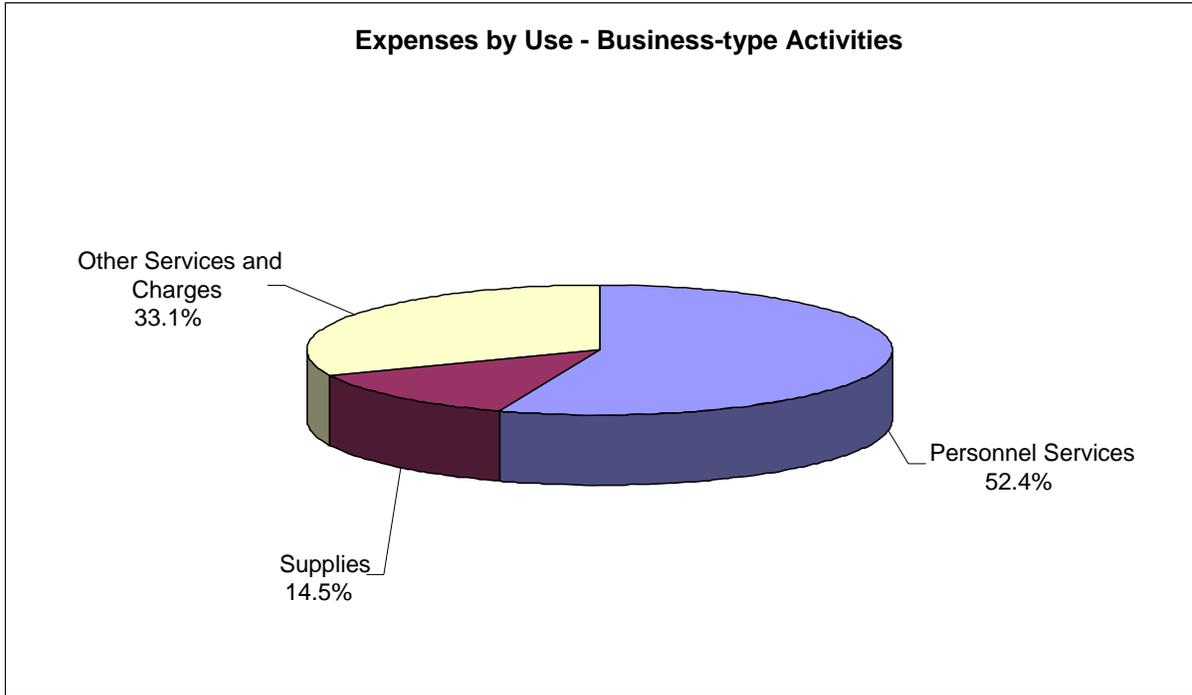


The previously displayed information shows that operating revenues are considerable and that the water and sewer department are the main contributors to the increase in net assets.

MANAGEMENT'S DISCUSSION & ANALYSIS (Continued)

As we did in the governmental activities review, an analysis of the expenses will follow:

Expenses by Use - Business-type Activities		
(in thousands)		
Personnel services		50,163
Supplies		13,892
Other services and charges		31,743



We have concluded our discussion of the government-wide statements but as noted earlier in this work, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following paragraphs provide a discussion of these funds.

Financial Analysis of the City's Funds

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, unreserved fund balance may serve as a useful measure of a government's net resources available to address interruption in cash flow due to timing of cash receipts (most of the taxes are collected in the middle of the fiscal year) or contribute to the next fiscal years revenue requirement.

As of the end of the current fiscal year, the City's governmental funds reported a combined decrease of \$5.5 million in comparison with the prior year. A portion of this total amount constitutes unreserved fund balance, which is available for allocation at the government's discretion. However, a preponderance of the fund balance is reserved to indicate that it is not available because it has already been committed to liquidate contracts and purchase orders of the prior period and to pay debt service.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, a favorable unreserved fund balance existed, which is a measure of the general fund's liquidity. This represents an increase of \$6.6 million during the current fiscal year. At the close of the same year the fund balance of the special revenue fund decreased by \$12.2 million, indicating that the funds are being used for their designated

MANAGEMENT'S DISCUSSION & ANALYSIS (Continued)

and special purposes. Also of note, is the Capital project fund, it too decreased by \$2.1 million, but that is great news, as this is an evidence that many city construction projects are nearing completion.

Proprietary Funds. Proprietary funds are established and utilized to report the business function of the City. The City of Columbia has two types of proprietary funds, enterprise and internal service. Enterprise funds are used to account for our departments that "sell" goods and services outside the government, such as our Water & Sewer Facilities. Internal service funds account for our departments which "sell" goods and services only to departments and components of the City's government, such as our Fleet Management department. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City's Water & Sewer Facilities is the largest of the enterprise funds with total assets of more than \$602 million and operating revenues of \$89 million, both of these measures are increases over last year and reflects well upon the long-term management practices of the department.

The City of Columbia continues to prosper and the value of the assets continues to grow in like manner. Therefore, with the value approaching a billion dollars our discussion would be woefully inadequate if we did not allocate space for a perusal of how the City accounts for and reports these assets.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2006 amounts to \$712.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, infrastructure, and bridges. To fairly report an estimated current value, much like a business entity would, the City employs a depreciation allocation method, which reduces the value reported as the asset ages or decreases in value due to usage, obsolescence, or amortization.

Major capital asset events during the current fiscal year included:

- Improvements to the water treatment plants were included in "construction in progress".
- \$18 million of improvements to the water treatment plants were completed and added to capital assets.
- Additional capital was contributed to the capital assets fund during this fiscal year

City's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2006	2005 (restated)	2006	2005	2006	2005
\$						
Land	34,558,999	\$ 39,276,883	\$ 13,676,365	\$ 13,676,365	\$ 48,235,364	\$ 52,953,248
Construction work-in-progress	2,425,053	41,954,477	64,046,188	83,560,817	66,471,241	125,515,294
Infrastructure	7,091,356	1,518,841	-	-	7,091,356	1,518,841
Buildings	130,126,729	93,338,304	430,879,623	396,116,379	561,006,352	489,454,683
Machinery and equipment	11,944,845	13,050,500	17,951,946	7,964,719	29,896,791	21,015,219
Total	\$ 186,146,982	\$ 189,139,004	\$ 526,554,122	\$ 501,318,280	\$ 712,701,104	\$ 690,457,285

Additional information on the City's capital assets can be found in note III G on pages 58-59 of this report.

The schedule above displays the tremendous importance of assets to the efficient operations of the City. Paying for the investment in assets is not a one year transaction but rather a long-term commitment by the City and those obligations warrant review as well.

MANAGEMENT'S DISCUSSION & ANALYSIS (Continued)

City's Outstanding Debt - General Obligation and Revenue Bonds

The City's total long term (more than one year), debt increased by \$46.8 million during the current fiscal year. This increase in debt is attributed to the 2005 Parking Revenue Bonds (\$45.3 M) and a note payable for Drew Wellness Center equipment (\$1.5 M).

At the end of the current fiscal year, the City had total debt outstanding of \$309.1 million. Of this amount, \$18.8 million comprises debt backed by the full faith and credit of the government and \$14.1 million tax increment debt for which the City is liable for the full amount of the debt but the debt service is paid through incremental tax revenues from property owners located in specific areas. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds), such as those issued by the Water & Sewer Facilities or the Parking Facilities.

The City maintains an "AA" credit rating, which is great news because this finding is the result of an unrelated and independent company (a rating agency) considering our financial condition. Therefore, when outside financial institutions consider funding projects for the City, the amount of interest they will charge directly relates to this credit rating, if the credit rating is 'high' the interest rate will be 'low' and the City's cost of funds will be low as well.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8 percent of its total assessed valuation without referendum; the City is well below this limit.

Additional information on the City's long-term debt can be found in note III J on pages 61-66 of this report.

Requests for Information

This portion of the financial report is designed to provide a general overview of the City's financial presentation. The management team hopes this narrative has proved to be helpful in your understanding of the City's finances. If you have questions concerning any of the information provided in this report or suggestions that you feel will help improve this discussion paper please address same to Ms. Lisa L. Rolan, Chief Financial Officer, City of Columbia, PO Box 147, 1136 Washington Street, Columbia, South Carolina, 29217.

Thank you for your interest in the City, in general, and its finances specifically.

Lisa L. Rolan
CFO

BASIC FINANCIAL STATEMENTS

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET ASSETS

June 30, 2006

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 23,203,583	\$ 19,608,744	\$ 42,812,327	\$ 2,803,574
Investments	73,586,142	102,543,593	176,129,735	7,914,222
Receivables				
Property taxes	1,251,566	0	1,251,566	0
Federal government	7,869,796	0	7,869,796	0
State government	1,281,114	0	1,281,114	0
Other	1,325	0	1,325	0
Accounts	6,574,735	8,080,100	14,654,835	462,905
Accrued interest receivable	394,033	749,436	1,143,469	6,878
Notes receivable, net of allowance	400,000	2,810,486	3,210,486	271,175
Inventory	1,949,470	2,356,678	4,306,148	1,698
Due from component units	2,009	933,023	935,032	0
Internal balances	(4,325,834)	4,325,834	(0)	0
Due from primary government	0	0	0	406,537
Prepaid expenses	0	0	0	142,025
Deposits	340,135	0	340,135	0
Real estate held for resale	0	617,040	617,040	4,682,576
Total current assets	112,528,074	142,024,934	254,553,008	16,691,590
Noncurrent assets				
Investments	0	47,444,028	47,444,028	0
Mortgage note receivable, net	50,000	18,851,087	18,901,087	0
Notes receivable	0	363,116	363,116	0
Capital assets not being depreciated:				
Land	34,558,999	13,676,365	48,235,364	2,069,745
Construction in progress	2,425,053	64,046,188	66,471,241	0
Capital assets net of accumulated depreciation:				
Buildings, improvements and utility plant	130,126,729	430,879,623	561,006,352	7,872,574
Office furniture and fixtures	0	0	0	155,935
Infrastructure	7,091,356	0	7,091,356	0
Machinery and equipment	11,944,845	17,951,946	29,896,791	0
Other capital assets	0	0	0	8,790
Other Assets				
Unamortized organizational costs	0	0	0	18,610
Unamortized bond issue costs	1,560,931	3,451,803	5,012,734	23,273
Contracts receivable	0	1,866,018	1,866,018	739,801
Other	0	0	0	14,842
Total noncurrent assets	187,757,913	598,530,174	786,288,087	10,903,570
Total assets	\$ 300,285,987	\$ 740,555,108	\$ 1,040,841,095	\$ 27,595,160

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET ASSETS (CONTINUED)

June 30, 2006

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES AND FUND BALANCE				
Current Liabilities				
Cash overdraft	\$ 9,589,226	\$ 0	\$ 9,589,226	\$ 18,724
Accounts payable	3,570,448	8,936,252	12,506,700	755,237
Accrued salaries and benefits	2,330,579	484,371	2,814,950	0
Accrued liability for claims	9,160,974	0	9,160,974	0
Accrued interest	751,908	4,379,540	5,131,448	0
Retainage payable	1,874,521	4,956,661	6,831,182	0
Deferred revenue	2,164,624	0	2,164,624	120,530
Due to component unit	406,537	0	406,537	0
Due to primary government	0	0	0	935,033
Compensated absences	1,108,138	323,691	1,431,829	0
Current notes payable	75,000	80,000	155,000	0
Current contracts payable	0	830,585	830,585	0
Capital lease payable (due in one year)	709,240	0	709,240	0
Bonds and notes (due in one year)	6,174,169	0	6,174,169	3,871,541
Revenue bonds payable	0	9,735,000	9,735,000	0
Customer deposits	0	996	996	0
Total current liabilities	37,915,364	29,727,096	67,642,460	5,701,065
Noncurrent liabilities				
Noncurrent notes payable	1,425,000	1,060,000	2,485,000	267,190
Compensated absences	4,432,551	1,294,462	5,727,013	0
Capital lease payable	2,246,993	0	2,246,993	0
Bonds and notes (due after one year)	78,096,585	194,645,001	272,741,586	5,492,230
Contracts payable	0	2,736,055	2,736,055	0
Unamortized premium	2,975,705	2,396,414	5,372,119	0
Total non current liabilities	89,176,834	202,131,932	291,308,766	5,759,420
Total liabilities	127,092,198	231,859,028	358,951,226	11,460,485
Net assets				
Invested in capital assets, net of related debt	97,571,357	412,723,624	510,294,981	2,291,056
Held in trust				
Nonexpendable	1,982	0	1,982	0
Expendable	5,000	0	5,000	0
Unrestricted	75,615,450	95,972,456	171,587,906	13,843,619
Total net assets	173,193,789	508,696,080	681,889,869	16,134,675
Total liabilities and net assets	\$ 300,285,987	\$ 740,555,108	\$ 1,040,841,095	\$ 27,595,160

See accompanying notes to the basic financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2006

	Net (Expenses) Revenues and Changes in Net Assets						Component Units
	Program Revenues			Primary Government		Total	
	Charges for Services	Operating Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
Expenses							
FUNCTIONS/PROGRAMS							
Primary government							
Governmental activities							
General government	\$ 51,296,220	\$ 10,872,952	\$ 29,883,489	\$ 735,266	\$ (9,804,514)	\$ (9,804,514)	0
Judicial	2,044,037	0	0	0	(2,044,037)	(2,044,037)	0
Finance department	1,360,869	24,697,055	0	0	23,336,186	23,336,186	0
Community development	3,396,497	2,079,932	0	0	(1,316,565)	(1,316,565)	0
Public safety	41,619,178	10,345,365	0	0	(31,273,813)	(31,273,813)	0
Parks and recreation	7,853,425	457,103	0	0	(7,396,322)	(7,396,322)	0
Public services	22,868,279	1,123,926	324,770	1,430,500	(19,989,083)	(19,989,083)	0
General services	5,791,988	0	0	0	(5,791,988)	(5,791,988)	0
Community promotion	7,946,764	0	0	0	(7,946,764)	(7,946,764)	0
Interest on bonds	2,275,464	0	0	0	(2,275,464)	(2,275,464)	0
Non departmental	1,147,254	2,367,405	0	0	1,220,151	1,220,151	0
Deposits							
Total governmental activities	147,599,975	51,943,738	30,208,259	2,165,766	(63,282,213)	(63,282,214)	0
Business-type activities							
Water/sewer facilities	80,189,801	88,919,453	0	13,738,679	0	22,468,331	0
Hydro-electric plant	1,010,483	662,924	0	0	0	(347,559)	0
Storm water operating	1,683,476	3,921,119	0	0	0	2,237,643	0
Parking facilities	6,149,446	6,165,672	0	0	0	16,226	0
Transportation operating	31,363	0	0	0	0	(31,363)	0
Redevelopment programs	901,209	3,603,824	0	0	0	2,702,615	0
Total business-type activities	89,965,778	103,272,992	0	13,738,679	0	27,045,893	0
Total primary government	\$ 237,565,753	\$ 155,216,730	\$ 30,208,259	\$ 15,904,445	\$ (63,282,213)	\$ (36,236,321)	0
COMPONENT UNITS	\$ 7,193,906	\$ 4,090,251	\$ 2,540,773	\$ 0	0	0	(562,882)
General revenues							
General property taxes					27,134,829	0	27,134,829
LOST					14,241,132	0	14,241,132
Alcoholic beverage taxes					3,204,139	0	3,204,139
Motor fuel taxes					9,241	0	9,241
Miscellaneous state taxes					10,383	0	10,383
Unrestricted investment earnings					2,478,194	8,014,278	181,205
Gain/Loss from disposal of capital assets					(2,950,480)	22,080	(2,928,400)
Transfers					5,832,436	(5,832,436)	0
Total general revenues and transfers					49,959,874	(274,272)	49,685,602
Change in net assets					(13,322,339)	26,771,621	13,449,282
Net assets - beginning					183,598,184	495,081,372	678,679,556
Net assets - beginning, as restated with Public Facilities Corp					3,909,007	0	3,909,007
Prior Period Adjustment					(991,064)	(13,156,913)	(14,147,977)
Net assets - beginning, as restated					186,516,127	481,924,459	668,440,586
Net assets - ending					173,193,789	508,696,080	681,889,869
					\$ 16,134,675	\$ 16,134,675	\$ 16,134,675

See accompanying notes to the basic financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2006

	General	County Services	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 7,300,463	\$ 0	\$ 9,354,922	\$ 16,655,385
Investments	12,224,017	0	50,775,507	62,999,524
Receivables				
Property taxes	1,237,308	0	14,258	1,251,566
Federal government	0	0	7,869,796	7,869,796
State government	841,691	0	439,423	1,281,114
Other	1,325	0	0	1,325
Accounts	2,171,816	2,416,341	1,746,101	6,334,258
Accrued interest receivable	129,480	0	156,213	285,693
Mortgages receivable	0	0	50,000	50,000
Notes receivable	400,000	0	0	400,000
Due from other funds	4,253,966	0	1,377,519	5,631,485
Due from component units	0	0	2,009	2,009
Total assets	\$ 28,560,066	\$ 2,416,341	\$ 71,785,748	\$ 102,762,155
LIABILITIES AND FUND BALANCE				
Liabilities				
Cash overdraft	\$ 0	\$ 0	\$ 9,589,226	\$ 9,589,226
Accounts payable	945,459	208,700	1,794,240	2,948,399
Accrued salaries and benefits	1,643,124	334,435	39,482	2,017,041
Retainage payable	0	0	1,874,521	1,874,521
Deferred revenue	2,051,021	0	635,575	2,686,596
Due to other funds	0	604,649	8,808,347	9,412,996
Due to component unit	400,000	0	6,537	406,537
Total liabilities	5,039,604	1,147,784	22,747,928	28,935,316
Fund balance				
Reserved for encumbrances	726,443	891,492	21,536,837	23,154,772
Reserved for long-term loans receivable	400,000	0	0	400,000
Held in trust				
Nonexpendable	0	0	1,982	1,982
Expendable	0	0	5,000	5,000
Unreserved, reported in				
General fund	22,394,019	0	0	22,394,019
Special revenue funds	0	377,065	9,374,731	9,751,796
Debt service funds	0	0	4,086,495	4,086,495
Capital projects funds	0	0	14,032,774	14,032,774
Total fund balance	23,520,462	1,268,557	49,037,820	73,826,839
Total liabilities and fund balance	\$ 28,560,066	\$ 2,416,341	\$ 71,785,748	
Amounts reported for governmental activities in the statement of net assets are different because:				
Internal Service funds are used by management to charge the costs of fleet management, support services, and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets				11,036,601
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds				186,146,982
Certain other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds				
Property taxes receivable, net of allowance for doubtful accounts of \$660,516.00				(1,382,275)
Unamortized bond costs				1,560,931
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds				
Accrued compensated absences				(5,540,689)
Accrued interest				(751,908)
Accrued bonds and notes payable				(88,726,987)
Unamortized premium				(2,975,705)
Net assets of governmental activities				\$ 173,193,789

See accompanying notes to the basic financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2006

	General	County Services	Other Governmental Funds	Total Governmental Funds
REVENUES				
General property taxes	\$ 22,577,520	\$ 0	\$ 0	\$ 22,577,520
Lost Revenue	14,241,132	0	0	14,241,132
License and permits	27,911,017	0	0	27,911,017
Intergovernmental revenue	8,884,739	0	0	8,884,739
Charges for services	6,612,746	1,095,973	0	7,708,719
Fines and forfeitures	788,374	0	0	788,374
Federal government	0	0	7,364,346	7,364,346
State government	0	0	2,501,419	2,501,419
County government	0	11,672,367	8,876,628	20,548,995
Promotions	0	0	60,177	60,177
Confiscated funds	0	0	143,818	143,818
Current taxes	0	0	4,727,853	4,727,853
Interest	128,819	0	1,740,441	1,869,260
Other revenues	832,366	900,005	5,267,052	6,999,423
Cost recovery fees	3,200,000	0	0	3,200,000
Total revenues	85,176,713	13,668,345	30,681,734	129,526,792
EXPENDITURES				
Current				
General government	7,613,739	12,324,793	26,794,352	46,732,884
Judicial	1,833,635	0	0	1,833,635
Finance department	1,252,432	0	0	1,252,432
Community development	3,093,611	0	0	3,093,611
Public safety	37,555,878	0	0	37,555,878
Parks and recreation	6,855,324	0	1,995	6,857,319
Public services	16,387,591	0	5,045,950	21,433,541
General services	5,181,242	0	0	5,181,242
Community promotion	497,169	0	7,449,595	7,946,764
Non departmental	656,597	0	0	656,597
Other Charges	204,575	0	278,792	483,367
Debt service				
Principal retirement/ payment on bonds	0	0	8,168,439	8,168,439
Interest on bonds	0	0	1,626,467	1,626,467
Fiscal agent charges	0	0	5,208	5,208
Capital outlay				
Capital outlay	0	74,995	5,952,779	6,027,774
Total expenditures	81,131,793	12,399,788	55,323,577	148,855,158
Excess (deficiency) of revenues over (under) expenditures	4,044,920	1,268,557	(24,641,843)	(19,328,366)
OTHER FINANCING SOURCES (USES)				
Transfers in	6,546,465	0	18,620,848	25,167,313
Transfers (out)	(3,914,433)	0	(15,420,444)	(19,334,877)
Proceeds from sale of capital assets	0	0	6,485,100	6,485,100
Proceeds from note payable issued	0	0	1,500,000	1,500,000
Total other financing sources (uses)	2,632,032	0	11,185,504	13,817,536
Excess (deficiency) of revenues and other financing sources over (under) expenditures				
Change in net assets	6,676,952	1,268,557	(13,456,339)	(5,510,830)
Beginning fund balance	16,843,510	0	42,551,475	59,394,985
Prior Period Adjustment	0	0	19,942,684	19,942,684
Beginning fund balance, as restated	16,843,510	0	62,494,159	79,337,669
Fund balance, end of year	\$ 23,520,462	\$ 1,268,557	\$ 49,037,820	\$ 73,826,839

See accompanying notes to the basic 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

For the Year Ended June 30, 2006

Amounts reported for governmental activities in the statement of activities
 are different because

Net change in fund balance - total governmental funds	\$	(5,510,830)
Internal Service funds are used by management to charge the costs of fleet management, support services, and risk management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities		(9,157,752)
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets		
Capital asset purchases capitalized		9,977,377
Depreciation expense		(6,696,985)
Capital asset sold-loss		(2,950,480)
Proceeds from sale of captial assets		(6,485,100)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		
Accrued compensated absences		(391,616)
Accrued interest		(503,737)
Donations of Capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources		1,430,460
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(170,544)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		7,136,868
		<u>7,136,868</u>
	\$	<u>(13,322,339)</u>

See accompanying notes to the basic financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2006

	Business-type Activities				Governmental Activities Internal Service Funds
	Water/Sewer Facilities Fund	Parking Facilities Fund	Other Proprietary Funds	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 6,172,539	\$ 5,109,714	\$ 8,326,491	\$ 19,608,744	\$ 6,548,197
Investments	46,237,695	44,800,621	11,505,277	102,543,593	10,586,618
Accounts receivable, net	6,956,823	12,601	1,110,676	8,080,100	240,477
Mortgage notes receivable, net	0	0	2,810,486	2,810,486	0
Accrued interest receivable	338,911	102,176	308,349	749,436	108,340
Deposits	0	0	0	0	340,135
Due from other funds	8,307,045	0	0	8,307,045	0
Due from component unit	933,023	0	0	933,023	0
Inventory	2,099,547	257,131	0	2,356,678	1,949,470
Real estate held for resale	0	0	617,040	617,040	0
Total current assets	71,045,583	50,282,243	24,678,319	146,006,145	19,773,237
Noncurrent assets					
Investments	46,725,122	718,906	0	47,444,028	0
Capital assets:					
Land	4,232,349	9,117,316	326,700	13,676,365	0
Construction in progress	55,473,709	5,535,662	3,036,817	64,046,188	0
Buildings, improvements and utility plant	624,045,752	13,778,582	19,684,945	657,509,279	903,586
Machinery and equipment	26,448,459	1,318,947	128,058	27,895,464	7,785,385
Less, accumulated depreciation	(228,582,676)	(6,310,901)	(1,679,597)	(236,573,174)	(4,103,905)
Net capital assets	481,617,593	23,439,606	21,496,923	526,554,122	4,585,066
Mortgage notes receivable, net	0	0	18,851,087	18,851,087	0
Notes receivable	363,116	0	0	363,116	0
Contracts receivable	0	0	1,866,018	1,866,018	0
Unamortized bond discounts and costs	2,049,044	1,402,759	0	3,451,803	0
Total noncurrent assets	530,754,875	25,561,271	42,214,028	598,530,174	4,585,066
Total assets	\$ 601,800,458	\$ 75,843,514	\$ 66,892,347	744,536,319	24,358,303

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS (Continued)

June 30, 2006

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water/Sewer Facilities Fund	Parking Facilities Fund	Other Proprietary Funds	Total	
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 7,544,832	1,026,774	\$ 364,646	\$ 8,936,252	\$ 622,049
Accrued salaries and benefits	436,365	25,542	22,464	484,371	58,542
Compensated absences	206,304	77,790	39,597	323,691	254,996
Retainage	4,368,019	435,156	153,486	4,956,661	0
Due to other funds	0	0	0	0	4,525,534
Accrued liability for claims	0	0	0	0	9,160,974
Notes payable	0	0	80,000	80,000	0
Contracts payable	0	0	830,585	830,585	0
Capital lease payable short term	0	0	0	0	709,240
Accrued interest payable	3,287,327	941,488	150,725	4,379,540	0
Revenue bonds payable	9,275,000	460,000	0	9,735,000	0
Customer deposits	0	996	0	996	0
Total current liabilities payable from current assets	25,117,847	2,967,746	1,641,503	29,727,096	15,331,335
Long-term liabilities:					
Notes payable	0	0	1,060,000	1,060,000	0
Capital lease payable	0	0	0	0	2,246,993
Contracts payable	0	0	2,736,055	2,736,055	0
Compensated absences	1,294,462	0	0	1,294,462	0
Revenue bonds payable, net	147,910,945	49,130,470	0	197,041,415	0
Total long-term liabilities	149,205,407	49,130,470	3,796,055	202,131,932	2,246,993
Total liabilities	174,323,254	52,098,216	5,437,558	231,859,028	17,578,328
Net Assets:					
Invested in capital assets, net of related debt	381,438,341	9,788,360	21,496,923	412,723,624	4,585,066
Reserved/designated	12,562,327	1,402,484	150,725	14,115,536	0
Unrestricted	33,476,536	12,554,454	39,807,141	85,838,131	2,194,909
Total net assets	427,477,204	23,745,298	61,454,789	512,677,291	6,779,975
Total liabilities and net assets	\$ 601,800,458	75,843,514	\$ 66,892,347	\$ 744,536,319	24,358,303
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund				(3,981,211)	
Net assets of business type activities				508,696,080	

See accompanying notes to the basic financial statements

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

For the Year Ended June 30, 2006

	Business-type Activities				Governmental Activities Internal Service Funds
	Water/Sewer Facilities Fund	Parking Facilities Fund	Other Proprietary Funds	Total	
Operating revenues:					
Charges for services	\$ 87,076,564	\$ 4,301,935	\$ 3,921,119	\$ 95,299,618	\$ 21,199,605
Other operating revenue	1,762,359	1,640,666	4,266,748	7,669,773	0
Total operating revenue	88,838,923	5,942,601	8,187,867	102,969,391	21,199,605
Operating expenses:					
Personnel services	22,922,993	1,555,020	1,339,733	25,817,746	3,049,979
Materials and supplies	12,731,112	1,867,937	97,179	14,696,228	7,273,345
Contractual services	0	0	0	0	1,913,999
Other services and charges	8,050,912	384,412	78,269	8,513,593	668,311
Heat, light and power	5,183,158	57,603	508,108	5,748,869	74,476
Claims and premiums	0	0	0	0	19,196,771
Indirect costs	3,200,000	0	0	3,200,000	0
Depreciation	16,686,970	443,502	416,341	17,546,813	922,794
Bad debt expense	1,259,772	0	731,076	1,990,848	0
Total operating expenses	70,034,917	4,308,474	3,170,706	77,514,097	33,099,675
Operating income (loss)	18,804,006	1,634,127	5,017,161	25,455,294	(11,900,070)
Nonoperating revenues (expenses):					
Investment income (loss)	3,806,915	702,047	1,027,122	5,536,084	404,359
Other nonoperating revenue	80,530	223,071	0	303,601	0
Gain (loss) from sale of assets	0	0	22,080	22,080	14,296
Interest expense	(7,468,923)	(1,575,008)	(296,133)	(9,340,064)	0
Amortization of bond costs	(288,366)	(80,933)	0	(369,299)	0
Total nonoperating revenues (expenses)	(3,869,844)	(730,823)	753,069	(3,847,598)	418,655
Income before contributions and transfers	14,934,162	903,304	5,770,230	21,607,696	(11,481,415)
Transfers in	1,217,066	0	1,043,319	2,260,385	0
Transfers (out)	(6,957,821)	(1,000,000)	(135,000)	(8,092,821)	(37,082)
Water & Sewer development contributions	13,738,679	0	0	13,738,679	0
Change in net assets	22,932,086	(96,696)	6,678,549	29,513,939	(11,518,497)
Total net assets - beginning net assets	417,702,031	23,841,995	54,776,239		18,298,472
Prior Period Adjustment	(13,156,913)	0	0		0
Total net assets- ending net assets	\$ 427,477,204	\$ 23,745,299	\$ 61,454,789		\$ 6,779,975
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund				(2,742,318)	
Change in net assets of business-type activities				\$ 26,771,621	

See accompanying notes to the basic financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 For the Year Ended June 30, 2006

	Business-type Activities - Proprietary Funds				Governmental Activities Internal Service Funds
	Parking Facilities Fund	Water/Sewer Facilities Fund	Total Nonmajor Proprietary Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 6,041,302	\$ 86,473,037	\$ 8,200,624	\$ 100,714,963	\$ 20,828,893
Payments to suppliers	(1,591,339)	(24,449,853)	(608,060)	(26,649,252)	(27,274,509)
Payments to employees	(1,605,709)	(23,445,651)	(1,368,106)	(26,419,466)	(3,134,501)
Net Cash provided (used) by operating activities	2,844,254	38,577,533	6,224,458	47,646,245	(9,580,117)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Due to (from) others	(6,661)	(6,604,453)	(7,850)	(6,618,964)	1,179,586
Transfers in	0	1,217,066	1,043,319	2,260,385	0
Transfers out	(1,000,000)	(6,957,821)	(135,000)	(8,092,821)	(37,082)
Net cash provided (used) by noncapital and related financing activities	(1,006,661)	(12,345,208)	900,469	(12,451,400)	1,142,504
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(5,913,273)	(38,092,200)	(1,256,781)	(45,262,254)	(1,068,335)
Proceeds from sale of capital assets	0	0	0	0	14,296
Proceeds from sale of bonds	49,404,592	0	0	49,404,592	0
Principle paid on capital lease	0	(1,091,638)	0	(1,091,638)	(690,244)
Principal paid on bonds and notes	(4,345,850)	(14,900,399)	(1,212,921)	(20,459,170)	0
Interest paid on debt	(661,065)	(6,473,022)	(321,810)	(7,455,897)	0
Net cash provided (used) by capital and related financing activities	38,484,404	(60,557,259)	(2,791,512)	(24,864,367)	(1,744,283)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(37,872,163)	(28,751,936)	(6,707,688)	(73,331,787)	0
Proceeds from sale of investments	0	0	5,570,009	5,570,009	6,265,065
Principal received on debt	0	731,296	743,659	1,474,955	0
Interest received	649,019	3,910,857	1,033,509	5,593,385	413,582
Rent received	0	80,530	0	80,530	0
Purchase of inventory for resale	(257,131)	0	(61,099)	(318,230)	0
Net cash provided (used) by investing activities	(37,480,275)	(24,029,253)	578,390	(60,931,138)	6,678,647
Net increase (decrease) in cash and cash equivalents	2,841,722	(58,354,187)	4,911,805	(50,600,660)	(3,503,249)
Cash and cash equivalents, July 1, 2005	2,267,992	64,526,726	3,414,686	70,209,404	10,051,446
Cash and cash equivalents, June 30, 2006	\$ 5,109,714	\$ 6,172,539	\$ 8,326,491	\$ 19,608,744	\$ 6,548,197
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income	\$ 1,634,127	18,804,007	\$ 5,017,162	\$ 25,455,296	\$ (11,900,070)
Adjustment to reconcile operating income to net cash provided (used) by operating activities					
Depreciation	443,502	16,686,970	416,341	17,546,813	922,794
Bad debt expense	0	1,259,772	731,076	1,990,848	0
Change in operating assets and liabilities					
Accounts Receivable	98,701	(670,331)	12,757	(558,873)	(159,054)
Accounts Payable	718,613	3,019,773	75,496	3,813,882	(603,498)
Accrued salaries	(46,118)	(634,882)	(35,406)	(716,406)	(91,052)
Accrued vacation	(4,571)	112,224	7,032	114,685	6,532
Accrued liability for claims	0	0	0	0	99,639
Inventory	0	0	0	0	2,356,252
Customer Deposits	0	0	0	0	(211,660)
Total adjustments	1,210,127	19,773,526	1,207,296	22,190,949	2,319,953
Net cash provided (used) by operating activities	\$ 2,844,254	\$ 38,577,533	\$ 6,224,458	\$ 47,646,245	\$ (9,580,117)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Amortization of bond cost	1,310,012	(241,943)	0	1,068,069	0
Decrease of outstanding debt obligations due to amortization of original issue discounts, premiums and deferred refunding costs	0	21,045	0	21,045	0

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

June 30, 2006

	<u>AGENCY</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ <u>117,913</u>
Total assets	\$ <u><u>117,913</u></u>
 <u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Accounts payable	\$ <u>117,913</u>
Total liabilities	<u>117,913</u>
Net Assets	<u>0</u>
Total net assets	<u>0</u>
Total liabilities and net assets	\$ <u><u>117,913</u></u>

See accompanying notes to the basic financial statements

DISCRETELY PRESENTED COMPONENT UNITS

The Discretely Presented Component Units are presented separately to emphasize that they are legally separate from the City, but are a part of the City's reporting entity.

Columbia Action Council provides support to the community through the sponsorship and promotion of community programs and festivals.

Eau Claire Development Corporation provides assistance in the conservation and redevelopment of neighborhoods located in North Columbia.

Columbia Downtown Business Association promotes the business interest and economic development of the Central Business District.

Columbia Development Corporation assists the City in promoting and improving the growth and development of business concerns through the strengthening of the economic and residential base of the community.

Columbia Housing Development Corporation assists the City in the development of housing and to promote growth in the residential base of the community.

TN Development Corporation promotes growth and develops opportunities for affordable rental housing.

South Columbia Development Corporation assists the city in promoting the livability, improving the tax base, and enhancing the quality of housing in the South Columbia area.

CITY OF COLUMBIA, SOUTH CAROLINA
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS

June 30, 2006

	Midlands							Total
	Columbia Action Council	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Regional Convention Center Authority	South Columbia Development Corporation	TN Development Corporation	
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 1,895	\$ 96,431	\$ 248,581	\$ 22,779	\$ 1,028,390	\$ 188,814	\$ 616,684	\$ 2,203,574
Certificates of deposit	100,000	100,000	100,000	100,000	0	100,000	100,000	600,000
Investments	0	183,818	0	0	7,730,404	0	0	7,914,222
Accounts receivable	0	0	41,611	19,018	397,436	0	4,840	462,905
Accrued interest receivable	0	1,696	0	0	5,182	0	0	6,878
Mortgage notes receivable, current portion	0	174,667	67,466	0	27,083	1,959	0	271,175
Inventory	0	0	0	0	1,698	0	0	1,698
Prepaid expenses	0	4,585	5,493	6,210	90,925	0	34,812	142,025
Due from primary government	0	400,000	0	0	0	6,537	0	406,537
Real estate held for sale and development	0	877,464	1,601,435	2,203,677	0	0	0	4,682,576
Total current assets	<u>101,895</u>	<u>1,838,661</u>	<u>2,064,586</u>	<u>2,351,684</u>	<u>9,281,118</u>	<u>297,310</u>	<u>756,336</u>	<u>16,691,590</u>
Capital assets:								
Land	0	0	4,000	1,261,522	0	115,492	688,731	2,069,745
Buildings	0	0	38,500	2,065,245	0	152,021	6,756,402	9,012,168
Office furniture & fixtures	9,898	19,760	10,287	18,305	317,233	18,573	275,171	669,227
Other capital assets	0	0	0	0	0	0	24,093	24,093
Accumulated depreciation	<u>(9,696)</u>	<u>(11,228)</u>	<u>(29,753)</u>	<u>(195,462)</u>	<u>(267,410)</u>	<u>(14,472)</u>	<u>(1,140,168)</u>	<u>(1,668,189)</u>
Net capital assets	<u>202</u>	<u>8,532</u>	<u>23,034</u>	<u>3,149,610</u>	<u>49,823</u>	<u>271,614</u>	<u>6,604,229</u>	<u>10,107,044</u>
Other assets:								
Unamortized Organizational Cost	0	0	0	0	18,610	0	0	18,610
Unamortized bond issue costs	0	0	0	23,273	0	0	0	23,273
Mortgage note receivable, net of allowance	0	0	701,345	0	6,250	32,206	0	739,801
Other	0	0	0	0	0	0	14,842	14,842
Total other assets	<u>0</u>	<u>0</u>	<u>701,345</u>	<u>23,273</u>	<u>24,860</u>	<u>32,206</u>	<u>14,842</u>	<u>796,526</u>
Total assets	<u>\$ 102,097</u>	<u>\$ 1,847,193</u>	<u>\$ 2,788,965</u>	<u>\$ 5,524,567</u>	<u>\$ 9,355,801</u>	<u>\$ 601,130</u>	<u>\$ 7,375,407</u>	<u>\$ 27,595,160</u>

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS (Continued)

	Columbia Action Council	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Regional Convention Center Authority	South Columbia Development Corporation	TN Development Corporation	Total
LIABILITIES								
Current liabilities:								
Cash overdraft	\$ 0	\$ 0	\$ 18,724	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,724
Accounts payable and accrued expenses	12,520	31,022	37,218	115,533	405,349	12,407	141,188	755,237
Due to primary government	100,000	100,000	110,620	409,999	0	100,000	114,414	935,033
Mortgage/bonds/notes payable - current portion	0	0	120,000	3,611,859	0	0	139,682	3,871,541
Deferred revenue	0	0	0	0	114,434	650	5,446	120,530
Total current liabilities	112,520	131,022	286,562	4,137,391	519,783	113,057	400,730	5,701,065
Other liabilities:								
Mortgage/bonds payable	0	0	570,086	0	0	66,000	4,856,144	5,492,230
Notes payable - primary government	0	0	0	267,190	0	0	0	267,190
Total other liabilities	0	0	570,086	267,190	0	66,000	4,856,144	5,759,420
Total liabilities	112,520	131,022	856,648	4,404,581	519,783	179,057	5,256,874	11,460,485
NET ASSETS								
Invested in capital assets, net of related debt	202	8,532	23,034	329,447	49,823	271,615	1,608,403	2,291,056
Unrestricted	(10,625)	1,707,639	1,909,283	790,539	8,786,195	150,458	510,130	13,843,619
Total net assets	(10,423)	1,716,171	1,932,317	1,119,986	8,836,018	422,073	2,118,533	16,134,675
Total liabilities and net assets	\$ 102,097	\$ 1,847,193	\$ 2,788,965	\$ 5,524,567	\$ 9,355,801	\$ 601,130	\$ 7,375,407	\$ 27,595,160
See accompanying notes to financial statements.								

CITY OF COLUMBIA, SOUTH CAROLINA
DISCREETLY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2006

	Program Revenue			Net (Expense) Revenues and Changes in Net Assets							Totals	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Columbia Action Council	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Regional Convention Center Authority	South Columbia Development Corporation		TN Development Corporation
Columbia Action Council Parks and recreation	\$ 264,548	\$ 73,975	\$ 170,000	\$ 0	\$ (20,573)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (20,573)
Columbia Development Corporation Community development	315,710	18,729	150,000	0	0	(146,981)	0	0	0	0	0	(146,981)
Columbia Housing Development Corporation Community development	282,786	18,167	350,000	0	0	0	85,381	0	0	0	0	85,381
Eau Claire Development Corporation Community development	535,219	254,637	218,350	0	0	0	0	(62,232)	0	0	0	(62,232)
Midlands Regional Convention Center Authority Community promotions	4,730,053	3,048,647	950,752	0	0	0	0	0	(730,654)	0	0	(730,654)
South Columbia Development Corporation Community development	166,770	7,583	351,671	0	0	0	0	0	0	192,484	0	192,484
TN Development Corporation Community development	898,820	668,513	350,000	0	0	0	0	0	0	0	119,693	119,693
Total component units	7,193,906	4,090,251	2,540,773	0	(20,573)	(146,981)	85,381	(62,232)	(730,654)	192,484	119,693	(562,882)
General revenues: Investment earnings					0	(180,305)	6,670	568	337,472	1,107	15,693	181,205
Total general revenues					0	(180,305)	6,670	568	337,472	1,107	15,693	181,205
Change in net assets					(20,573)	(327,286)	92,051	(61,864)	(393,182)	193,591	135,386	(391,677)
Beginning net assets Prior period adjustment					10,150	2,043,457	1,840,266	1,181,650	9,229,200	228,482	1,983,147	16,516,352
Beginning net assets, as restated					10,150	2,043,457	1,840,266	1,181,650	9,229,200	228,482	1,983,147	16,516,352
Ending net assets					\$ (10,423)	\$ 1,716,171	\$ 1,932,317	\$ 1,119,786	\$ 8,836,018	\$ 422,073	\$ 2,118,533	\$ 16,134,675

See accompanying notes to financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

INDEX

<u>Note</u>	<u>Page</u>
I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
A. Reporting Entity	41
B. Basis of Presentation	43
C. Measurement Focus and Basis of Accounting	46
D. Assets and Liabilities	47
E. Revenues, Expenditures and Expenses	49
F. Fund Balance	51
II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY	
A. Budgets and Budgetary Accounting	52
B. Encumbrances	52
C. Deficit Fund Equity	52
D. Risk Management	52
III. DETAIL NOTES ON ALL FUNDS	
A. Deposits and Investments	54
B. Receivables	55
C. Mortgages Notes Receivable and Revolving Loan Pools	55
D. Interfund Receivables, Payables, and Transfers	56
E. Operating Leases	57

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006
INDEX (Continued)

<u>Note</u>	<u>Page</u>
III. DETAIL NOTES ON ALL FUNDS (CONTINUED)	
F. Capital Leases	57
G. Capital Assets	58
H. Deferred Compensation Plan	59
I. Post-Employment Benefits	60
J. Long-Term Debt	61
K. Net Assets and Restricted Asset Accounts	66
IV. PENSION PLANS	66
V. CONTINGENT LIABILITIES	67
VI. PRIOR PERIOD ADJUSTMENT	68
VII. SUBSEQUENT EVENTS	69

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Columbia, 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 a population of 117,394 living within an area of 134.5 square miles. The Greater Columbia Metropolitan Area consists of Lexington and Richland Counties and has an estimated population of 565,666. The City's economy is driven by education, government, military, finance, and industry. In 1950, the City approved a charter adopting a Council-Manager form of government and is governed by a six (6) member council and Mayor.

The financial statements of the City have been prepared in accordance with accounting principles Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Government 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. Using the criteria of GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39 "Determining Whether Certain Organizations Are Component Units," discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Blended Component Unit

Public Facilities Corporation

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

Discretely Presented Component Units

Columbia Action Council (CAC)

The CAC, incorporated in 1979, provides support to the community through the sponsorship and promotion of community programs and festivals. The Board of Directors has fifteen members of which eight members are appointed by City Council, including the City Manager. Partial funding is supplied by the City.

Columbia Development Corporation (CDC)

Incorporated in 1980, the CDC was formed to assist the City in promoting and monitoring the growth and development of business concerns through the strengthening of the economic and residential base of the community. The nine member Board of Directors is composed of three members of City Council, the Mayor, the City Manager and four members that are appointed by City Council. The Executive Director of the CDC serves as an ex-officio Administrative Secretary. Funding for the CDC is derived from rentals, contributions, appropriations from the City, and U.S. Department of Housing and Urban Development (HUD) Grants that are passed through the Community Development Special Revenue Fund.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Columbia Housing Development Corporation (CHDC)

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

Eau Claire Development Corporation (ECDC)

Incorporated in 1993, the ECDC provides assistance in the conservation and redevelopment of neighborhoods located in North Columbia. The nine-member Board of Directors is composed of three Council members and six members appointed by City Council. Current funding is derived from the U.S. Department of Housing and Urban Development (HUD) grants passed through the Community Development Special Revenue Fund and the City of Columbia.

Midlands Regional Convention Center Authority (MRCCA)

The MRCCA, incorporated in July 2001 was formed to oversee the development of a regional convention center and operate the convention center under a long-term management arrangement for the mutual benefit of the City and Richland and Lexington Counties of South Carolina (the Governmental Entities). The Governmental Entities have pledged their tourism development fees to support this project. However, outside of this pledge of revenues, the City is responsible for issuing the initial debt to fund this project and will retain title to the Convention Center.

South Columbia Development Corporation (SCDC)

The SCDC, incorporated in 1994, was formed to strengthen the livability, improve the tax base, and enhance the quality of housing in the South Columbia area. The ten-member Board of Directors is composed of three Council members and seven members appointed by City Council. Funding sources for SCDC are the City of Columbia and the U.S. Department of Housing and Urban Development (HUD) grants passed through the Community Development Special Revenue Funds.

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 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 passed through the Columbia Housing Development Organization (CHDO), and the U.S. Department of Housing and Urban Development (HUD) grants passed through the Community Development Special Revenue Fund.

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

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION

GOVERNMENT WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. For the most part, the affect of interfund activity has been removed from these statements and are displayed separately. The City's internal funds do not provide outside uses or grant use. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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 revenues 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:

- Accommodation Tax -- accounts for State Hotel Accommodations Tax receipts to promote activities of City organizations.
- Tourism Development -- 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.
- 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.
- Hospitality tax -- accounts for a local 2% gross sales tax on prepared food and beverages sold in establishments.
- Confiscated Drug Program -- accounts for the disposition of forfeited property and money seized in Columbia by law enforcement agencies.
- Land Acquisition -- accounts for future land acquisition and development.
- County Services -- accounts for the collection of Richland County Business Licenses until December 31, 2005, and for fire services provided to citizens outside the City limits and the reimbursement for expenditures from Richland County.
- Other Programs -- provides for miscellaneous programs for park improvements and special events

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

- Community Development Grants and Awards -- accounts for the Community Development Block Grants.
- Justice Department Grants -- accounts for receipt of Federal and State funds for programs to improve public safety and law enforcement to the community..
- Other Grants -- accounts for the receipt of Federal and State funds used for various signal grants, and highway safety grants, various tree-planting projects, and various public services and planning projects.

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. Ad valorem taxes, 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, tax increment district property taxes, certain Federal grants and other specific receipts. These funds include:

- Tax Increment District -- accounts for the construction and development of parks and infrastructure, within the Congaree Vista Redevelopment District, and is funded by tax increment district property tax revenues.
- Streetscaping -- accounts for capital improvements to street landscaping.
- Storm Drains -- accounts for infrastructure improvements.
- General Obligation Bonds 2002 -- accounts for funds designated from the General Obligation Bonds Series 2002.
- Convention Center Infrastructure -- accounts for the development of the infrastructure for a new convention center.
- 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 Park Fund -- accounts for trust funds specifically intended for the income to be used for beautification of the parks. The total expendable amount for this endowment is \$153 and is shown as an expendable trust on the government-wide and the fund financial statements. The funds are invested in an interest bearing account. The amount invested equals the fair value.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

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 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:

- Water/Sewer Facilities Fund -- accounts for water and sewer utility activities.
- Hydro-Electric Plant -- accounts for hydro electric plant activities.
- Storm Water Fund -- accounts for storm water utility activities
- Parking Facilities Fund -- accounts for parking garage and parking ticket activities.
- Transportation Operating Fund -- accounts for the operation of the Bus Transfer Station.
- Redevelopment Programs Fund -- accounts for various home rehabilitation and mortgage lending programs funded from various sources.

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 funds include:

- Fleet Management -- accounts for the maintenance and repair of movable vehicles.
- Support Services -- accounts for a decentralized governmental and 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, unemployment, and tort liability for all City departments.

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

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

Agency Funds

These funds are used to account for assets held by the City as an agent and do not involve measurement of results of operations.

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

- The County Services Fund accounts for the collection of Richland County Business Licenses until December 31, 2005 and for fire services provided to citizens outside the City limits and the reimbursement for expenditures from Richland County.

The government reports the following major proprietary funds:

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Additionally, the affect of interfund activity has been eliminated from the Government-Wide financial statements, except for amounts due between the County's governmental activities and business-type activities.

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 unreserved fund balance is a measure of available spendable resources.

All Governmental Fund Types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the transaction can be identified, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are considered available if they are collected within sixty days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. The City considers all revenues available if they are collected within sixty 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.

Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also 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 deferred revenue is removed from the balance sheet, and revenue is recognized.

CITY OF COLUMBIA, SOUTH CAROLINA

Notes to Financial Statements

Year Ended June 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Proprietary Fund Financial Statements are accounted for on a flow of economic resources measurement focus. The accrual basis of accounting is utilized by Proprietary Fund types. Under this method, revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidelines.

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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. 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 and certain claims and judgment liabilities, among other accounts. Actual results could differ from those estimates.

D. ASSETS AND LIABILITIES

Deposits

City procedures require that all 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 amount.

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

Investments

In accordance with GASB 31, investments in all funds are stated at fair value. State statutes authorize the City to invest in certificates of deposit, United States Treasury and United States Agency obligations and repurchase agreements secured by these obligations.

Inventory and Prepaid Assets

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

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

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS AND LIABILITIES (Continued)

Real Estate

Real estate held for resale and real estate under development in the Proprietary Funds are recorded at the lower of cost or net realizable value.

Mortgage Notes and Notes Receivable and Allowance for Loan Losses

Mortgage notes receivable, secured by the 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 charges-offs, 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.

Accounts Receivable and Allowance for Bad Debt

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

All balances between funds that are outstanding at the end of the fiscal year are referred to as "due 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."

Bond Discount and Issuance Costs

Bond discount and issuance costs are deferred and amortized using the straight-line method over the term of the applicable bonds, providing no material differences exist between the straight-line method and the interest method.

Restricted Assets

Restricted accounts in the Proprietary Fund Types are established to account for assets restricted for specific purposes. Certain bond indentures of trust agreements require the establishment of (1) maximum annual principal and interest payments, unless a surety bond was provided, or (2) the next succeeding principal and accrued interest payment.

Capital Assets

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

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS AND LIABILITIES (Continued)

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	15-50 years
Equipment	3-15 years

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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. Bond proceeds are reported as an “other financing source” net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

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 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 County under a joint billing and collection agreement. The City collects property taxes assessed in Lexington County on property annexed into Columbia

That portion of General Fund property taxes allocated for payment of debt services is transferred to the Debt Service Fund. All Special District, Tax Increment property taxes are recorded as revenue in the Debt Service Fund and any excess revenues over debt service requirements are remitted as principle outstanding on the balance of the debt.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES, EXPENDITURES AND EXPENSES (Continued)

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.

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 funds have been eliminated.

F. FUND BALANCE

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following is a schedule of the designations:

Unreserved fund balance	\$	22,394,019
Designated for:		
Accommodations Tax		100,826
Tourism Development		1,913,191
Business Improvement District		48,946
Hospitality Tax		5,838,789
Confiscated Drug Program		161,545
Land Acquisition		2,709,120
Capital projects		9,821,602
Loans		400,000
Allocated by City Council		1,400,000
		0
Total Unreserved/Undesignated Fund Balance	\$	0

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETS AND BUDGETARY ACCOUNTING

A legal operating budget is prepared annually for the General Fund on a GAAP basis. 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 the year. Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at year-end.

SCHEDULE OF CHANGES IN APPROPRIATED BUDGET
FOR YEAR ENDED JUNE 30, 2006

	Original Adopted Budget	Prior Year Carry Forward	Final Budget Amendments	Revised Budget
General Fund	\$ 84,268,846	\$ 0	\$ 2,703,648	\$ 86,972,494

B. ENCUMBRANCES

Encumbrance accounting represents commitments related to unperformed contracts for goods and services. These contracts record expenditures as reserves to the applicable appropriation in each fund. At year-end, encumbrances are carried forward and related appropriations are considered to be budget amendments. Certain of the encumbrances will be paid by subsequent receipt of entitlements.

C. DEFICIT FUND EQUITY

Justice Department Grants, other grants and other programs of the special revenue fund had a combined deficit fund balance of \$3,126,805 at June 30, 2006. Miscellaneous projects, which are capital projects funds, had a total deficit fund balance of \$1,622,532. Transfers in subsequent years will fund these deficits.

D. RISK MANAGEMENT

The City is partially insured for medical and dental coverage. Health claims are handled by an administrator and the stop-loss provision is adjusted annually. The accrued liability for prior year claims represents estimates for medical and dental claims incurred as of June 30, 2006. Some of these claims were reported June 30, 2006, while others may not be reported until a later date. The incurred but not reported (IBNR) is estimated by the City's independent insurance administrator based on historical results.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. RISK MANAGEMENT (Continued)

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 \$750,000. 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 based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage, subrogation, and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount, particularly for coverage such as general liability. Adjustments to claim liabilities are charged or credited to expense in the period in which they are made.

Changes in the aggregate liability were as follows:

Fiscal Year	Beginning Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending Liability
2000	6,647,753	8,225,987	(8,396,452)	6,477,288
2001	6,477,288	9,532,803	(9,198,983)	6,811,108
2002	6,811,108	10,066,475	(11,641,002)	5,236,581
2003	5,236,581	14,028,269	(12,344,944)	6,919,906
2004	6,919,906	24,459,308	(15,449,295)	15,929,919
2005	15,929,919	18,002,543	(24,871,127)	9,061,335
2006	9,061,355	21,391,121	(21,291,502)	9,160,974

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

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

As of June 30, 2006, the city had the following investments (in millions):

Investments Type	Fair <u>Value</u>	<u>Investment Maturities (in Years)</u>		
		Less <u>Than 1</u>	<u>1-3</u>	<u>4-7</u>
Money market	\$15,203	\$15,203	\$0	\$0
U.S. Treasuries	85,629	7,752	66,045	11,799
U.S. Agencies	122,742	40,987	60,721	21,067
Total	<u>\$223,574</u>	<u>\$63,942</u>	<u>\$126,766</u>	<u>\$32,866</u>

Interest Rate Risk

In accordance with its investment policy the City manages its exposure to declines in fair values by limiting the maturity of its portfolio to no more than seven years.

Credit Risk

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.

At June 30, 2006 the City owned only obligations of the United States and its agencies and collateralized certificates of deposit.

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 securities of a fair value equal to the bank deposits be held by a third party custodian in the City's name. However, at June 30, 2006 the City was not in full compliance with its collateral policy. At June 30, 2006, \$237,900 of the government's two certificates of deposit totaling \$3.9 million was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk - Investments

Similarly the City uses an independent investment custodian who takes direction from the outside portfolio managers and independently settles all trades with the securities being held by the custodian on behalf of and in the name of the City.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

B. RECEIVABLES

Receivables for the primary government, as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

Governmental activities	<u>General</u>	<u>County Services</u>	<u>Non Major Total</u>	<u>Internal Service</u>	<u>Total</u>
Property taxes	\$ 1,237,308	\$ 0	\$ 14,258	\$ 0	\$ 1,251,566
Federal government	0	0	7,869,796	0	7,869,796
State government	841,691	0	439,423	0	1,281,114
Accounts	2,171,816	2,416,341	1,746,101	240,477	6,574,735
Accrued Interest Receivable	129,480	0	156,213	108,340	394,033
Mortgage Receivable	0	0	50,000	0	50,000
Notes receivable	400,000	0	0	0	400,000
Other	1,325	0	0	0	1,325
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net total receivables	<u>\$ 4,781,620</u>	<u>\$ 2,416,341</u>	<u>\$ 10,275,791</u>	<u>\$ 348,817</u>	<u>\$ 17,822,569</u>

Business-type activities	<u>Water/ Sewer Facilities</u>	<u>Parking Facilities</u>	<u>Non Major Total</u>	<u>Total</u>
Accounts	\$ 6,956,823	\$ 12,601	\$ 1,110,676	\$ 8,080,100
Contracts	0	0	1,866,018	1,866,018
Interest receivable	338,911	102,176	308,349	749,436
Notes receivable	363,116	0	0	363,116
Mortgage notes	<u>0</u>	<u>0</u>	<u>21,661,573</u>	<u>21,661,573</u>
Net total receivables	<u>\$ 7,658,850</u>	<u>\$ 114,777</u>	<u>\$ 24,946,616</u>	<u>\$ 32,720,243</u>

Contractual rights and related obligations:

During FY 2004 year the City acquired the contractual right to receive approximately \$1,000,000 per year for seven years in monthly installments. At the same time, the City contracted to pay \$1,000,000 per year annually for seven years to an unrelated governmental entity. No interest was specified in either contract. This receivable and related payable has been discounted at 4.75% (prime rate at the date of the transaction).

Receivables for the Component Units consist of other items totaling \$728,150 at June 30, 2006. As of June 30, 2006, the allowance for doubtful accounts was \$1,184,173.

C. MORTGAGE NOTES RECEIVABLE AND REVOLVING LOAN POOLS

The various mortgage programs involve the Community Development loan programs. 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.

Mortgage notes receivable in the various Community Development Revolving Loan programs are evaluated annually and loan loss allowances are applied where appropriate. All mortgages are secured by the property and any delinquent mortgages receivable are immaterial as of June 30, 2006.

The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of \$701,345. Mortgage notes receivable consist of loans to individuals under various federal housing lending programs have various interest rates and maturity dates. The Columbia Housing Development Corporation is considered a real estate development corporation and revenue recognition is applied under the cost recovery method.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The interfund receivables and payables at June 30, 2006 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Funds:		
General	\$ 4,253,966	\$ 0
County Service	<u>0</u>	<u>604,649</u>
Non major governmental funds	<u>1,377,519</u>	<u>8,808,347</u>
Water and Sewer	<u>8,307,045</u>	<u>0</u>
Internal Service Fund	<u>0</u>	<u>4,525,534</u>
Total	<u>\$ 13,938,530</u>	<u>\$ 13,938,530</u>

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 occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made.

The interfund transfers at June 30, 2006 are as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General	\$ 3,914,433	\$ 6,546,465
Non major governmental funds	15,420,444	18,620,848
Water/Sewer	6,957,821	1,217,066
Parking	1,000,000	0
Non major proprietary fund	<u>135,000</u>	<u>1,043,319</u>
	<u>\$ 27,427,698</u>	<u>\$ 27,427,698</u>

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

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

E. OPERATING LEASES

The City is committed under various operating leases for office and copier equipment. Operating lease expenditures for the year ended June 30, 2006, were \$195,968. Future minimum lease payments for these leases are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2007	\$ 175,431
2008	67,278
2009	<u>37,000</u>
Total	<u>\$ 279,709</u>

F. CAPITAL LEASE

A capital lease is an agreement, which specifies a transfer of benefits and risk of ownership to the lessee. The City has entered into an agreement to lease equipment under this criterion. The funds are being utilized to upgrade the City's telecommunication connection equipment, update computer equipment, and computer software. As of June 30, 2006, the purchase of this equipment has been partially completed. The gross value of the assets acquired to date is \$3,870,673. The lease has been recorded at the present value of the future minimum lease payments as of the date of their inception. The capital lease outstanding as of June 30, 2006, is as follows:

	Maturity Date	Interest Rate	Total Balance Outstanding
<u>Internal Service Fund:</u>			
Parking meters/fire trucks	2010	2.75%	\$ <u>2,956,233</u>
			<u>2,956,233</u>

Minimum lease payments at June 30, 2006 are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2007	\$ 790,596
2008	790,596
2009	790,595
2010	<u>790,595</u>
Total	3,162,382
Less: amount representing interest	<u>206,149</u>
Present value of future minimum lease payments	<u>\$ 2,956,233</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

G. CAPITAL ASSETS

Capital assets for the year ended June 30, 2006, are as follows:

Governmental activities	Balance June 30, 2005 (as restated)	Increases	Decreases	Balance June 30, 2006
Capital assets, not being depreciated:				
Land	\$ 39,276,882	\$ 7,664,474	\$ (12,382,357)	\$ 34,558,999
Construction in progress	41,954,477	11,018,727	(50,548,151)	2,425,053
Total capital assets, not being depreciated:	<u>81,231,359</u>	<u>18,683,201</u>	<u>(62,930,508)</u>	<u>36,984,052</u>
Capital assets, being depreciated:				
Buildings and Improvements	117,537,875	43,801,898	(4,827,681)	156,512,092
Machinery and Equipment	39,801,440	2,916,983	(2,081,167)	40,637,256
Infrastructure	10,335,215	1,430,500	0	11,765,715
Total capital assets, being depreciated:	<u>167,674,530</u>	<u>48,149,381</u>	<u>(6,908,848)</u>	<u>208,915,063</u>
Less accumulated depreciation:				
Buildings and Improvements	(24,199,571)	(2,986,204)	800,412	(26,385,363)
Machinery and Equipment	(26,750,940)	(3,174,535)	1,233,064	(28,692,411)
Infrastructure	(4,138,133)	(536,226)	0	(4,674,359)
Total accumulated depreciation	<u>(55,088,644)</u>	<u>(6,696,965)</u>	<u>2,033,476</u>	<u>(59,752,133)</u>
Total capital assets, being depreciated, net	<u>112,585,886</u>	<u>41,452,416</u>	<u>(4,875,372)</u>	<u>149,162,930</u>
Governmental activities capital assets, net	<u>\$ 193,817,245</u>	<u>\$ 60,135,617</u>	<u>\$ (67,805,880)</u>	<u>\$ 186,146,982</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 13,676,365	\$ 0	\$ 0	\$ 13,676,365
Construction in progress	83,560,817	47,596,950	(67,111,579)	64,046,188
Total capital assets, not being depreciated:	<u>97,237,182</u>	<u>47,596,950</u>	<u>(67,111,579)</u>	<u>77,722,553</u>
Capital assets, being depreciated:				
Buildings and Improvements	603,780,415	50,965,123	0	654,745,538
Machinery and Equipment	20,586,052	11,332,158	(2,269,791)	29,648,419
Total capital assets, being depreciated:	<u>624,366,467</u>	<u>62,297,281</u>	<u>(2,269,791)</u>	<u>684,393,957</u>
Less accumulated depreciation:				
Buildings and Improvements	(207,664,036)	(16,201,879)	0	(223,865,915)
Machinery and Equipment	(12,621,333)	(1,344,931)	2,269,791	(11,696,473)
Total accumulated depreciation	<u>(220,285,369)</u>	<u>(17,546,810)</u>	<u>2,269,791</u>	<u>(235,562,388)</u>
Total capital assets, being depreciated, net	<u>404,081,098</u>	<u>44,750,471</u>	<u>0</u>	<u>448,831,569</u>
Business-type activities capital assets, net	<u>\$ 501,318,280</u>	<u>\$ 92,347,421</u>	<u>\$ (67,111,579)</u>	<u>\$ 526,554,122</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

G. CAPITAL ASSETS (Continued)

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

Governmental activities:

Total depreciation expense – governmental activities	\$	6,696,965
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Business-type activities:

Water/Sewer facilities	\$	16,686,970
Storm Water facilities		61,512
Parking facilities		443,502
Transportation operations		31,363
Hydro electric plant		323,466
Total depreciation expense – business-type activities	\$	17,546,812

The City disposed of the Canal side property to a developer for \$6M. Of these funds, \$3M was designated for Community Development Corporation and \$3M applied to long term debt.

Construction commitments as of June 30, 2006 totaled \$142,199,705.

Under the provisions of GASB 34, the City switched from the modified to the straight line depreciation method of reporting infrastructure values. 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 FYs 03-06. This information provided the street name and the value of the street at acquisition. These values also included sidewalks, curbs, and gutters adjacent to the street acquired. The City determined the life of the streets to be 20 years using the “Capital Assets of Local Governments Suggested Useful Lives”. Infrastructure assets acquired prior to 1986 would have been fully depreciated and were considered in this calculation. For those assets acquired between FY 86-05, the acquisition date is assumed to have been on the last day of the fiscal year. Infrastructure Assets acquired during FY06 were depreciated from the date of acquisition. This change in accounting estimate, accounts for the difference in the FY 2005 ending net assets and the FY 2006 beginning net assets.

H. DEFERRED COMPENSATION PLAN

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

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

I. POST-EMPLOYMENT BENEFITS

The City provides post-employment health care benefits, in accordance with City policy, to all employees who retire from the City under early or regular retirement and have been employed by the City for twenty years or more. Currently, 513 retirees meet those requirements. The City pays all premiums for all qualifying retirees. For the year ended June 30, 2006 premiums totaled \$238,665. Retirees paid dependent coverage of \$395,040. Currently, the City is financing the post-employment retirement benefits on a pay-as-you-go basis and expenditures for these insurance premiums are recorded in the General and Water/Sewer Funds.

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

	Year Ended June 30, 2006				
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Participants:					
Active	2,069	1,999	2,007	1,927	1,866
Retired	514	512	503	487	480
Total Employer Claims					
Active	\$8,699,735	\$8,430,837	\$7,265,549	\$5,714,607	\$4,144,555
Retired	4,683,189	3,400,508	3,168,890	2,516,346	2,763,036
% of Active Payroll:					
Active	10.91%	10.91%	9.71%	8.21%	6.48%
Retired	<u>5.87%</u>	<u>4.40%</u>	<u>4.24%</u>	<u>3.61%</u>	<u>4.32%</u>
Total	<u>16.78%</u>	<u>15.31%</u>	<u>13.95%</u>	<u>11.82%</u>	<u>10.80%</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

J. LONG-TERM DEBT

	Balance June 30, 2005 as Restated	Additions	Deletions	Balance June 30, 2006	Amount Due In 2007
Governmental activities:					
Notes Payable	\$ 0	\$ 1,500,000	\$ 0	\$ 1,500,000	\$ 75,000
General obligation bonds	20,110,000	0	(1,280,000)	18,830,000	1,400,000
Revenue bonds	53,020,000	0	(1,825,000)	51,195,000	2,080,000
Tax increment bonds	18,722,380	0	(4,476,626)	14,245,754	2,694,169
Unamortized discounts/premiums	3,281,645	0	(305,940)	2,975,705	
Capital lease payable	3,646,477	0	(690,244)	2,956,233	709,240
Compensated absences	5,149,073	5,540,689	(5,149,073)	5,540,689	1,108,138
Total Governmental Activities	<u>103,929,575</u>	<u>7,040,689</u>	<u>(13,723,883)</u>	<u>97,243,381</u>	<u>8,066,547</u>
Business-type activities:					
Notes Payable	754,824	500,000	(114,824)	1,140,000	80,000
General obligation bonds	210,000	0	(210,000)	0	0
Revenue bonds	174,402,477	45,275,000	(15,297,477)	204,380,000	9,735,000
Contracts Payable	4,359,561	0	(792,921)	3,566,640	830,585
Unamortized discounts/premiums	5,068,573	60,725	(238,198)	4,891,100	0
Deferred amount on refunding	(2,809,171)	0	314,485	(2,494,686)	0
Capital lease payable	1,091,638	0	(1,091,638)	0	0
Compensated absences	1,503,468	1,618,153	(1,503,468)	1,618,153	323,691
Total Business-type Activities	<u>184,581,370</u>	<u>47,453,878</u>	<u>(18,934,041)</u>	<u>213,101,207</u>	<u>10,969,276</u>
Total All Long-Term Debt	<u>\$ 288,510,945</u>	<u>\$ 54,494,567</u>	<u>\$ (32,934,041)</u>	<u>\$ 310,344,588</u>	<u>\$ 19,035,823</u>

CITY OF COLUMBIA, SOUTH CAROLINA

Notes to Financial Statements

Year Ended June 30, 2006

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

J. LONG-TERM DEBT (CONTINUED)

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end \$254,996 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund.

Governmental

Year End	General Obligation		Revenue		Tax Increment	
	Bonds	Interest	Bonds	Interest	Bonds	Interest
2007	1,400,000	810,798	2,080,000	2,455,630	2,694,169	589,781
2008	1,410,000	757,258	2,175,000	2,365,080	3,011,903	454,897
2009	1,520,000	701,008	2,250,000	2,274,105	3,350,354	303,296
2010	1,530,000	639,257	2,335,000	2,191,986	189,040	215,360
2011-2015	5,755,000	2,237,675	13,255,000	9,458,588	5,000,289	305,091
2016-2020	4,895,000	1,214,752	16,830,000	5,966,175	0	0
2021-2025	2,320,000	162,338	12,270,000	1,603,413	0	0
2026-2030	0	0	0	0	0	0
Totals	\$ 18,830,000	\$ 6,523,090	\$ 51,195,000	\$ 26,314,977	\$ 14,245,754	\$ 1,868,425

Year End	Capital	Interest	Note	Interest	Total	Total
	Lease		Payable		Principal	Interest
2007	709,240	81,356	75,000	23,750	6,748,408	3,961,314
2008	728,758	61,837	75,000	22,563	7,400,660	3,661,634
2009	748,813	41,782	75,000	21,375	7,944,167	3,341,565
2010	769,421	21,174	75,000	20,188	4,898,460	3,087,965
2011-2015	0	0	375,000	0	24,385,289	12,001,356
2016-2020	0	0	375,000	0	22,100,000	7,180,930
2021-2025	0	0	375,000	0	14,965,000	1,765,751
2026-2030	0	0	75,000	0	75,000	0
Totals	\$ 2,956,232	206,149	\$ 1,500,000	\$ 87,875	\$ 88,726,984	\$ 35,000,515

Business-Type

Year End	General Revenue		Note Payable	Total	Total
	Bonds	Interest		Principal	Interest
2007	9,735,000	8,137,512	80,000	10,025,000	8,137,512
2008	10,605,000	9,848,826	80,000	10,685,000	9,848,826
2009	11,190,000	9,269,307	80,000	11,270,000	9,269,307
2010	11,795,000	8,671,433	80,000	11,875,000	8,671,433
2011-2015	40,370,000	34,749,538	400,000	40,770,000	34,749,538
2016-2020	29,745,000	27,025,426	400,000	30,145,000	27,025,426
2021-2025	32,840,000	19,367,655	20,000	32,860,000	19,367,655
2026-2030	39,775,000	10,554,426		39,775,000	10,554,426
2031-2037	18,325,000	3,843,500		18,325,000	3,843,500
Totals	\$ 204,380,000	\$ 131,467,624	\$ 1,140,000	\$ 205,520,000	\$ 131,467,624

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

J. LONG-TERM DEBT (Continued)

The City has complied in all material respects with the bond covenants as outlined in each issue's indenture.

The annual requirements to amortize all outstanding debt of the City as of June 30, 2006, including interest payments of \$162,624,639, but excluding accrued vacation payable, are as follows:

General Obligation Bonds

The City has issued General Obligation Bonds to fund building programs of the City and also to refinance debt issued to fund parking facilities. The City has assumed 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 percent 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.

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.

General Obligation Bonds outstanding as of June 30, 2006, are as follows:

Governmental Activities:

General Fund:

\$8,240,000 City of Columbia General Obligation Bonds, Series 1998A Proceeds for: Refund Series 1991A General Obligation Bonds Annual Principal Installments of \$595,000 to \$915,000 through February 1, 2012 Interest Rate: 4.3 to 6.0 %	\$ 5,090,000
\$15,500,000 City of Columbia General Obligation Bonds, Series 2002 Proceeds for: Infrastructure improvements, acquisition of land, improvements to parking lots, construction of a new fire station Annual Principal Installments of \$575,000 to \$1,900,000 through June 1, 2022 Interest Rate: 2.75 to 4.625 %	<u>\$ 13,740,000</u>
<i>Total Government Activities General Obligation Bonds</i>	<u>\$ 18,830,000</u>

Special District Debt

Title 31, Chapter 6 of the South Carolina Code of Laws allows municipalities to redevelop deteriorating areas using incremental tax revenues from property owners located in those areas. In order to finance the development of the Congaree Vista area, the City issued bonds, which are repaid from the incremental taxes of property owners in that neighborhood. The Water and Sewer Facilities Fund revenues are pledged as a junior lien to secure this Special District Tax Increment Debt.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

J. LONG-TERM DEBT (Continued)

Special District Debt Outstanding at June 30, 2006 is as follows:

Governmental Activities:

General Fund:

\$2,350,000 Tax Increment Bonds Series of 1999	
Annual principal installments of \$159,000 to \$205,297	
through March 15, 2014	
Interest rate 4.75%	\$ 1,470,754
\$25,000,000 Tax Increment Bonds Series of 2001	
Annual principal installments of \$1,500,000 to \$3,300,000	
through December 1, 2011	
Interest rate 2.75% to 5.0%	<u>\$ 12,775,000</u>
<i>Total Special District Debt</i>	<u>\$ 14,245,754</u>

Notes Payable

\$1,500,000 note secured for development costs for Drew Wellness Center.
Annual principal installments of \$75,000 through August 14, 2026
Interest rate 0.0%

Total Notes Payable \$1,500,000

Revenue Bonds

Revenue bonds 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.

Revenue bonds outstanding as of June 30, 2006, are as follows:

Governmental Activities:

\$19,365,000 Certificate of Participation Hospitality Bond 2004	
Payable from revenues derived by the City from hospitality taxes	
Annual principal installments of \$650,000 to \$945,000	
through February 1, 2016 and \$1,000,000 to \$1,495,000	
through February 1, 2025	
Interest rate: 4.4 to 6.0%	\$18,915,000
\$36,570,000 Certificate of Participation Convention Center Bond 2002	
Payable from revenues derived by the City from hospitality taxes	
Annual principal installments of \$1,305,000 to \$2,085,000	
through June 1, 2016 and \$2,195,000 to \$2,810,000	
through June 1, 2022	
Interest rate: 2.2%	<u>\$32,280,000</u>
Total Revenue Bonds	<u>\$51,195,000</u>
<i>Total Governmental Activities Debt</i>	<u>\$85,770,754</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

J. LONG-TERM DEBT (Continued)

Business-type Activities:

Parking Facilities Fund:

\$8,605,000 Parking Facilities Revenue Bonds, Series 1994 (less defeased refunding loss)
Payable from revenues derived by the City from operation of off-street and on-street parking facilities.
Proceeds for: Refund Series 1987 Parking Facilities Revenue Bonds
Annual principal installments of \$265,000 to \$680,000 through December 1, 2013
Interest rate: 3.2 to 5.875% \$4,510,000

\$45,275,000 Parking Facilities Revenue Bonds, Series 2005 A & B
Payable from revenues derived by the City from operation of off-street and on-street parking facilities
Annual principal installments of \$255,000 to \$350,000 through February 1, 2013, \$1,065,000 to \$1,180,000 through February 1, 2016, and \$1,240,000 to \$3,015,000 through February 1, 2037
Interest rate: 4.8 to 5.3% \$45,275,000
Total Parking Facilities Debt \$49,785,000

\$74,765,000 Waterworks and Sewer System Revenue Bonds, Series 1993
Payable from revenues derived from the water and sewer system
Proceeds for: Refunding all of Series 1989 (\$31,984,646) and all allocated 1991 Series (\$34,935,000 in May 1993)
Annual principal installments of \$960,000 to \$8,590,000 through February 1, 2012.
Interest rate: 3.5 to 5.7% \$41,855,000

\$61,125,000 Waterworks and Sewer System Revenue Bonds, Series 1999
Payable from revenues derived from the water and sewer system
Proceeds for: Cost of improvements to the System
Annual principal installments of \$505,000 to \$3,025,000 through February 1, 2010
Interest rate: 3.6 to 6.0% \$11,240,000

\$41,500,000 Waterworks and Sewer System Revenue Bonds, Series 2001
Payable from revenues derived from the water and sewer system
Proceeds for: Refunding portion of Series 1991 (\$3,370,000) and portion of Series 1999 (\$36,045,000)
Annual principal installments of \$210,000 to \$4,985,000 through February 1, 2019.
Interest rate: 3.375 to 5.5% \$41,500,000

\$60,000,000 Waterworks and Sewer System Revenue Bonds, Series 2005
Payable from revenues derived from the water and sewer system
Proceeds for: Cost of improvements to the System
Annual principal installments of \$4,655,000 to \$6,385,000 through February 1, 2028.
Interest rate: 3.6 to 5.0% \$60,000,000

Total Water and Sewer Facilities Fund \$154,595,000

Total Revenue Bonds \$204,380,000

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

J. LONG-TERM DEBT (Continued)

Water and Sewer Facilities Fund Note Payable:

As a result of several annexations starting in 1989, the City acquired existing sewer lines constructed with proceeds from Richland County bond issues. The City assumed responsibility for the debt service related to the properties annexed.

Defeasance Debt:

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On June 30, 2006, revenue bonds outstanding, considered defeased in previous years, are approximately \$6,930,000 in the Water and Sewer Facilities Fund.

K. NET ASSETS AND RESTRICTED ASSET ACCOUNTS

Palmetto Health Foundation Project:

Resolution 2006-027 passed 6/28/2006 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.

IV. PENSION PLANS

The City's retirement plans are as follows:

Description of Plans

As a condition of employment, all eligible City employees are required to participate in a pension plan. All firemen and law enforcement officers must belong to the South Carolina Police Officers' Retirement System (SCPORS). All other eligible employees must belong to the South Carolina Retirement System (SCRS). Both plans are a cost-sharing multiple-employer Public Employee Retirement System (PERS) administered by the Retirement Division of the State Budget and Control Board. Retirement costs are funded by withholding from the employees' salaries, and by a contribution from the City of a percentage of the employees' salaries. Both Retirement Systems are administered by the South Carolina Retirement System, which is a state agency. The City has no fiduciary responsibility for or further liability for either of the retirement plans beyond their current contributions, except as noted below, which are established to fund prior year's liabilities. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and Police Officers Retirement System is issued and publicly available by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, South Carolina 29211-1960.

Basic Provisions

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

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

IV. PENSION PLANS (Continued)

Under current statutes pertaining to the SCPORS, member employees who retire at age 65 or after 25 years of credited service are entitled to an annual full service retirement benefit, payable monthly for life, equal to 2.14 percent of average final compensation times years of credited service.

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

Salaries

During the fiscal year ending June 30, 2006, the City paid salaries of \$79,741,479.

Funding Policy

South Carolina Retirement System (SCRS)

Plan members are required to contribute 6% of their annual covered salary and the City contributes at an actuarially determined rate of 6.70% of annual payroll. In addition, the City contributes .15% of payroll to provide group life insurance benefits. Contributions to SCRS for the years ending June 30, 2004, 2005 and 2006 were \$4,132,274, \$3,220,311 and \$3,720,731, respectively equal to the actuarially required contributions for each year.

Police Officers Retirement System (SCPORS)

Participating employees contribute 6.5% of their annual covered payroll. The City contributes on their behalf 10.3% of annual payroll plus an additional .2% of payroll to provide group life insurance and .2% of payroll to provide accidental death benefits. Contributions to SCPORS for the years ending June 30, 2004, 2005 and 2006 were \$5,117,418, \$3,135,162, and \$3,246,568, respectively, equal to the actuarially required contribution rates for each year.

V. CONTINGENT LIABILITIES

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.

Litigation

The City is a party to legal proceedings that normally occur in government operations. City officials believe that these legal proceedings are not likely to have a material adverse impact on the affected funds of the City.

Arbitration

Richland County and the City were the two parties involved in arbitration over the handling of funds generated as a result of the TIF 1999. A Settlement agreement was reached on November 12, 2007. Details of the settlement are disclosed in Section VII, Subsequent Events.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

VI. PRIOR PERIOD ADJUSTMENT

During the current year management discovered that certain construction in progress projects were completed in the prior fiscal year; certain CIP projects were not subject to capitalization; and certain repair and maintenance expenses were capitalized in prior years. This resulted in a decrease of governmental fund balances by \$991,064 and a decrease of beginning fund balance of business type activities by \$13,156,913.

Governmental Adjustments:

	Equity	
Governmental CIP	\$ (865,919)	CIP Projects that were not capitalized Infrastructure adjustment
Convention Center	(125,145)	
	\$ (991,064)	

Net Assets, as Previously Reported	Restatement	Net Assets, as Restated
\$187,507,191	\$ (991,064)	\$ 186,516,127
This includes \$3,909,007 from the blending of the Public Facilities Corporation		

Business-Type Adjustments:

	Equity	
Canal Water Plant	\$ (669,568)	CIP Projects that were not capitalized Depreciation expense on assets placed in service in 2005 CIP Projects that were not capitalized (less Canal Water Plant above) CIP Projects that were not capitalized (less Canal Water Plant above) Repairs previously capitalized that should have been expensed
Canal Water Plant	(201,464)	
Water & Sewer CIP	(7,633,020)	
Water & Sewer CIP	(1,950,082)	
Previously Capitalized Assets	(2,452,779)	
Correction of unrecorded journal entry	(250,000)	
	\$ (13,156,913)	

Net Assets, as Previously Reported	Restatement	Net Assets, as Restated
\$495,081,372	\$ (13,156,913)	\$ 481,924,459

VII. SUBSEQUENT EVENTS

Subsequent to June 30, 2006 the City entered into the following transactions:

The City entered into a lease agreement for the property at 1225 Lady Street. The proceeds from the sale of a parcel of land were expected to cover the rent expenses for the first year of operation of the Lady Street facility.

City Council endorsed the Proposed Hope VI project for Allen Benedict Court by committing up to \$4.5 million from the Water and Sewer Fund for the infrastructure of the project.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2006

VII. SUBSEQUENT EVENTS (Continued)

City Council approved \$75,000 for the Eau Claire Development Corporation, the Two Notch Development Corporation and the South Columbia Development Corporation from the Water and Sewer Fund. Council authorized payment of the audits for the Development Corporations for FY 2006/2007, payment of all salary increases for personnel for FY 2006/2007, and funds the Development Corporations from the General Fund for FY 2007/2008.

City Council approved Columbian Northeast Fire and Police Station, as requested by the Utilities and Engineering Department in the amount of \$1,889,864.

In December 2006, City Council voted to approve Resolution No.: R-2006-047, in support of the issuance by the South Carolina Jobs-Economic Development Authority of its not exceeding \$19,000,000 revenue bonds (Innovista Parking Garage Project). Prior to issuance of the revenue bonds, bond anticipation notes have been issued as an interim measure.

On November 12, 2007, Council approved a Settlement Agreement with Richland County to defease the 2001 TIF Bonds which remain unpaid as of December 31, 2007 in order to immediately relieve the County and other taxing authorities of any further financial responsibility under the 1999 Agreement; to defease or prepay the 1999 TIF Bonds and terminate the Urban Core TIF upon the effective date; and both parties hereby agree that the County Treasurer shall continue to escrow all ad valorem tax revenues received from properties in the Vista TIF District through to the effective date and, thereafter, direct that all funds being held in escrow (including interest earnings) pursuant to the 2007 Agreement by the Richland County Treasurer shall, as soon as reasonably possible after the effective date, be released to the County. The City will be responsible for all debt service from the date of the agreement.

The City entered into a bond anticipation note in advance of the issuance of the 2007 Parking garage bond. At the 12/13/2006 meeting, Council approved a resolution in support of the issuance by the South Carolina Jobs-Economic Development Authority of its not exceeding \$19,000,000 Revenue Bonds (Innovista Garage Project), in one or more series.

City of Columbia, South Carolina

REQUIRED SUPPLEMENTARY INFORMATION

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

CITY OF COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property taxes	\$ 31,389,911	\$ 32,114,911	\$ 22,577,520	\$ (9,537,391)
LOST revenue	0	0	14,241,132	14,241,132
License and permits	24,026,495	24,026,495	27,911,017	3,884,522
Intergovernmental revenue	8,427,680	8,427,680	8,884,739	457,059
Charges for services	5,966,360	5,966,360	6,612,746	646,386
Fines and forfeitures	835,500	835,500	788,374	(47,126)
Revenues from use of money and property	857,500	857,500	128,819	(728,681)
Other revenues	240,400	240,400	832,366	591,966
Cost recovery fees	3,200,000	3,200,000	3,200,000	0
Total revenues	74,943,846	75,668,846	85,176,713	9,507,867
EXPENDITURES				
Current				
General government	6,546,748	7,979,997	7,613,739	366,258
Judicial	1,968,663	1,933,548	1,833,635	99,913
Finance department	1,198,707	1,204,707	1,252,432	(47,725)
Community development	3,311,730	3,358,195	3,093,611	264,584
Public safety	37,454,217	37,319,806	37,555,878	(236,072)
Parks and recreation	6,825,934	7,150,405	6,855,324	295,080
Public services	17,398,271	16,677,538	16,387,591	289,946
General services	2,593,746	4,286,042	5,181,242	(895,200)
Community promotion	200,000	579,204	497,169	82,035
Nondepartmental	1,974,385	2,220,281	861,172	1,359,109
Total expenditures	79,472,401	82,709,723	81,131,793	1,577,930
Excess (deficiency) of revenues over (under) expenditures	(4,528,555)	(7,040,877)	4,044,920	11,085,797
OTHER FINANCING SOURCES (USES)				
Operating transfers in	10,050,000	9,325,000	6,546,465	(2,778,535)
Operating transfers (out)	(4,029,793)	(4,262,771)	(3,914,433)	348,338
Total other financing sources (uses)	6,020,207	5,062,229	2,632,032	(2,430,197)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	1,491,652	(1,978,648)	6,676,952	8,655,600
Fund balance-beginning	16,843,510	16,843,510	16,843,510	0
Fund balance- ending	\$ 18,335,162	\$ 14,864,862	\$ 23,520,462	\$ 8,655,600

See accompanying notes to the basic financial statements

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

For the Year Ended June 30, 2006

	2006			
	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property taxes				
General property taxes - current	\$ 27,617,011	\$ 28,342,011	\$ 17,176,466	\$ (11,165,545)
General property taxes - prior	1,000,000	1,000,000	1,214,248	214,248
LOST Revenue	0	0	14,241,132	14,241,132
Real estate tax - Lexington County - current	1,050,000	1,050,000	2,569,261	1,519,261
Personal tax - Lexington County - current	30,000	30,000	35,039	5,039
Personal tax - Lexington County - prior	10,000	10,000	1,762	(8,238)
Homestead exemption	940,000	940,000	877,790	(62,210)
Payment in lieu of taxes	40,000	40,000	0	(40,000)
Merchants inventory tax	702,900	702,900	702,954	54
Total general property taxes	31,389,911	32,114,911	36,818,652	4,703,741
License and permits				
Business license	6,650,000	6,650,000	7,313,970	663,970
Business license - Telecommunications	1,700,000	1,700,000	1,488,073	(211,927)
Business license insurance	8,500,000	8,500,000	10,377,195	1,877,195
Delinquent business license	675,000	675,000	1,069,275	394,275
Delinquent business license - prior year	95,000	95,000	102,781	7,781
Business license franchise fees	4,700,000	4,700,000	5,418,324	718,324
Franchise fees - vendors	300	300	600	300
Audited license fees	50,000	50,000	27,790	(22,210)
Arts and craft permits	1,200	1,200	1,580	380
New business list sales	600	600	1,391	791
Business license ordinance sales	50	50	12	(38)
Business license contractor's decals	23,000	23,000	23,784	784
Group event license/permit	7,000	7,000	6,310	(690)
Building permits	1,100,000	1,100,000	1,398,580	298,580
Electrical permits	130,000	130,000	187,315	57,315
Plumbing permits	65,000	65,000	76,325	11,325
Gas permits	13,000	13,000	17,310	4,310
Sign permits	12,500	12,500	14,455	1,955
Heat permits	95,000	95,000	121,710	26,710
Zoning permits	60,000	60,000	80,831	20,831
Dog license	46,000	46,000	39,424	(6,576)
Chauffeur license	2,845	2,845	3,705	860
Other miscellaneous - business	100,000	100,000	138,204	38,204
Other miscellaneous - non business	0	0	2,073	2,073
Total license and permits	24,026,495	24,026,495	27,911,017	3,884,522
Intergovernmental revenues				
State shared	3,100,000	3,100,000	3,204,139	104,139
Miscellaneous tax collected	15,000	15,000	10,383	(4,617)
SC Motor fuel tax reimbursement	0	0	9,241	9,241
Highway signal maintenance	312,680	312,680	324,770	12,090
Donated funds recreation	0	0	18	18
Fire Rebate - Richland County	5,000,000	5,000,000	5,336,188	336,188
Total intergovernmental revenues	8,427,680	8,427,680	8,884,739	457,059

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

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance
Charges for services				
Trade publication renewals	\$ 7,000	\$ 7,000	\$ 8,874	\$ 1,874
Election filing fees	0	0	1,170	1,170
Return check service charges	1,500	1,500	4,790	3,290
Regulation code books	1,000	1,000	2,833	1,833
Duplicated business licenses	290	290	280	(10)
Project work	6,000	6,000	4,113	(1,887)
Compost sales	5,000	5,000	5,115	115
Recycling sales	85,000	85,000	89,669	4,669
Solid waste disposal fees	18,000	18,000	18,555	555
Roll cart replacement fees	2,000	2,000	2,007	7
Commercial bulk container collection	2,000	2,000	0	(2,000)
Commercial bulk container disposal	428,000	428,000	376,451	(51,549)
Commercial roll cart disposal	59,000	59,000	46,783	(12,217)
Eleemosynary bulk container collection	46,000	46,000	44,519	(1,481)
Eleemosynary bulk container disposal	57,000	57,000	43,679	(13,321)
Eleemosynary roll cart collection	35,000	35,000	30,314	(4,686)
Eleemosynary roll cart disposal	10,000	10,000	7,512	(2,488)
Eleemosynary homeowner collection	9,700	9,700	9,746	46
Eleemosynary homeowner disposal	0	0	2,415	2,415
Six night service disposal	23,000	23,000	19,188	(3,812)
Special Events collections	0	0	7,273	7,273
Tree and forestry lot clearance fees	0	0	38,225	38,225
Demolition charges	20,000	20,000	91,303	71,303
Animal shelter fees	237,000	237,000	289,060	52,060
Employee animal clinic fees	2,500	2,500	2,112	(388)
Hydrants fees	4,500,000	4,500,000	4,981,634	481,634
Police accident report copies	12,700	12,700	17,843	5,143
Reimbursement police services	0	0	480	480
False fire alarm charges	30,000	30,000	9,700	(20,300)
Maxcy Gregg admissions fees	0	0	30,385	30,385
Drew Park admissions fees	175,000	175,000	245,423	70,423
Greenview pool admissions fees	8,000	8,000	8,205	205
Recreation athletics	50,200	50,200	31,931	(18,269)
Tennis court fees	35,000	35,000	39,190	4,190
Golf Center	25,470	25,470	18,860	(6,610)
Other parks/recreation fees	75,000	75,000	83,109	8,109
Total charges for services	5,966,360	5,966,360	6,612,746	646,386

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

For the Year Ended June 30, 2006

	2006			
	Original Budget	Final Budget	Actual	Variance
Fines and forfeitures				
Criminal court fines	\$ 140,000	\$ 140,000	\$ 158,936	\$ 18,936
Traffic court fines	620,000	620,000	549,389	(70,611)
Bond forfeiture from county courts	15,000	15,000	825	(14,175)
Other miscellaneous police receipts	25,000	25,000	42,800	17,800
Late Fees	0	0	911	911
Uniform ordinance inspections	0	0	10,390	10,390
Uniform ordinance animal control	0	0	13,411	13,411
Uniform ordinance business license	0	0	7,796	7,796
Uniform ordinance fire department	0	0	3,916	3,916
Fines - miscellaneous	35,500	35,500	0	(35,500)
Total fines and forfeitures	835,500	835,500	788,374	(47,126)
Revenues from use of money and property				
Interest on investments general	700,000	700,000	307,642	(392,358)
Interest gain/loss cost /market	100,000	100,000	(199,957)	(299,957)
Interest - Lexington County tax collections	5,000	5,000	7,436	2,436
Accrued Interest	0	0	10,601	10,601
Rents and Royalties	52,500	52,500	3,097	(49,403)
Total revenues from use of money and property	857,500	857,500	128,819	(728,681)
Other revenues				
Miscellaneous revenue	127,900	127,900	276,137	148,237
Collection agency	12,500	12,500	139	(12,361)
From other sources	0	0	357,513	357,513
Auction sales	100,000	100,000	127,354	27,354
Donations	0	0	13,841	13,841
Property gain/loss on sale	0	0	57,382	57,382
Total other revenues	240,400	240,400	832,366	591,966
Cost recovery fees	3,200,000	3,200,000	3,200,000	0
OTHER FINANCING SOURCES				
Transfers from other funds				
Water and sewer operating	5,225,000	4,500,000	4,500,000	0
Parking operating	1,000,000	1,000,000	1,000,000	0
Accommodations/Hospitality	825,000	825,000	825,000	0
Special Events	0	0	86,465	86,465
CERF (Columbia Economic Renaissance Fund)	0	0	135,000	135,000
Unappropriated surplus transfer	3,000,000	3,000,000	0	(3,000,000)
Total transfers from other funds	10,050,000	9,325,000	6,546,465	(2,778,535)
Total revenues and other financing sources	\$ 84,993,846	\$ 84,993,846	\$ 91,723,178	\$ 6,729,332

See accompanying notes to the basic financial statements

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

For the Year Ended June 30, 2006

	Original Budget	Final Budget	2006	
			Actual	Variance
EXPENDITURES				
General Government				
Legislative				
Personnel services	\$ 249,588	\$ 244,650	\$ 249,474	\$ (4,824)
Supplies	10,368	52,640	50,264	2,376
Other services and charges	118,670	104,836	92,706	12,130
Total Legislative	378,626	402,126	392,444	9,682
Executive/Administration				
Personnel services	3,152,728	3,159,607	2,820,429	339,178
Supplies	126,784	131,280	82,535	48,745
Other services and charges	392,891	949,023	1,076,669	(127,646)
Capital outlay	22,500	23,150	15,713	7,437
Special Events	0	0	59	(59)
Total Executive/Administration	3,694,903	4,263,060	3,995,405	267,655
Elections				
Other services and charges	45,000	45,000	36,222	8,778
Total Elections	45,000	45,000	36,222	8,778
Personnel Management				
Personnel services	446,074	446,074	442,300	3,774
Supplies	22,352	25,052	34,541	(9,489)
Other services and charges	16,877	21,577	11,081	10,496
Total Personnel Management	485,303	492,703	487,922	4,781
Legal				
Personnel services	766,652	766,652	687,308	79,344
Supplies	70,625	78,225	53,776	24,449
Other services and charges	382,240	382,240	474,990	(92,750)
Capital outlay	15,000	25,000	0	25,000
Total Legal	1,234,517	1,252,117	1,216,074	36,043
Public Information				
Personnel services	354,243	354,243	303,691	50,552
Supplies	63,173	74,371	66,188	8,183
Other services and charges	44,084	82,826	49,826	33,000
Total public information	461,500	511,440	419,705	91,735
Employee Christmas Baskets				
Supplies	100,000	100,000	17,620	82,380
Other services and charges	0	0	101,770	(101,770)
Total Employee Christmas Baskets	100,000	100,000	119,390	(19,390)

(Continued)

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

For the Year Ended June 30, 2006

	Original Budget	Final Budget	2006	
			Actual	Variance
Retired Employee Benefits:				
Other services and charges	\$ 913,551	\$ 913,551	\$ 946,576	\$ (33,025)
Total Retired Employee Benefits	913,551	913,551	946,576	(33,025)
Total General Government	7,313,400	7,979,997	7,613,738	366,259
Judicial				
Municipal Court				
Personnel services	1,790,596	1,790,596	1,723,835	66,761
Supplies	46,480	68,645	63,466	5,179
Other services and charges	131,587	74,307	46,334	27,973
Total Municipal Court	1,968,663	1,933,548	1,833,635	99,913
Total Judicial	1,968,663	1,933,548	1,833,635	99,913
Finance Department:				
Administration				
Personnel services	212,366	212,366	212,096	270
Supplies	4,500	7,647	4,583	3,064
Other services and charges	7,775	4,628	2,320	2,308
Special Events	0	0	4,113	(4,113)
Total Administration	224,641	224,641	223,112	1,529
Accounting				
Personnel services	480,831	480,831	506,949	(26,118)
Supplies	16,670	29,670	24,736	4,934
Other services and charges	44,100	37,100	20,352	16,748
Total Accounting	541,601	547,601	552,037	(4,436)
Business License				
Personnel services	376,769	376,769	426,388	(49,619)
Supplies	22,988	23,778	21,420	2,358
Other services and charges	18,258	19,518	17,075	2,443
Capital outlay	14,450	12,400	12,400	0
Total Business License	432,465	432,465	477,283	(44,818)
Total Finance Department	1,198,707	1,204,707	1,252,432	(47,725)

(Continued)

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

For the Year Ended June 30, 2006

	Original Budget	Final Budget	2006	
			Actual	Variance
Community Development				
Inspections				
Personnel services	\$ 2,396,808	\$ 2,396,808	\$ 2,159,000	\$ 237,808
Supplies	141,707	188,222	187,389	833
Other services and charges	95,154	95,154	81,098	14,056
Capital outlay	57,500	57,450	54,500	2,950
Total Inspections	2,691,169	2,737,634	2,481,987	255,647
Planning-Zoning				
Personnel services	445,393	445,393	453,691	(8,298)
Supplies	35,925	36,925	32,442	4,483
Other services and charges	139,243	138,243	126,070	12,173
Total Planning	620,561	620,561	612,203	8,358
TN Development Corp.				
Personnel services	0	0	(651)	651
Other services and charges	0	0	72	(72)
Total TN Development Corp.	0	0	(579)	579
Total Community Development	3,311,730	3,358,195	3,093,611	264,584
Public Safety				
Police Department				
Administrative Service				
Personnel services	1,968,517	1,968,517	1,808,390	160,127
Supplies	749,734	1,066,060	855,365	210,695
Other services and charges	797,561	689,316	686,190	3,126
Capital outlay	172,500	0	0	0
Total Administrative Service	3,688,312	3,723,893	3,349,945	373,948
Operations				
Personnel services	12,556,852	12,556,852	13,199,576	(642,724)
Supplies	432,160	431,328	741,106	(309,778)
Other services and charges	579,158	557,790	645,384	(87,594)
Capital outlay	437,180	437,180	427,160	10,020
Total Operations	14,005,350	13,983,150	15,013,226	(1,030,076)
Special Services				
Personnel services	4,271,278	4,271,278	3,828,188	443,090
Supplies	72,768	79,318	63,724	15,594
Other services and charges	77,760	71,210	34,991	36,219
Capital outlay	52,500	52,500	37,078	15,422
Total Special Services	4,474,306	4,474,306	3,963,981	510,325
Total Police Department	\$ 22,167,968	\$ 22,181,349	\$ 22,327,152	\$ (145,803)

(Continued)

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

For the Year Ended June 30, 2006

	Original Budget	Final Budget	2006	
			Actual	Variance
Fire Department - City				
Administration				
Personnel services	600,691	600,691	938,533	(337,842)
Supplies	16,781	16,371	13,934	2,437
Other services and charges	37,362	12,772	9,314	3,458
Total Fire Department - City	654,834	629,834	961,781	(331,947)
Fire Prevention				
Personnel services	723,373	723,373	689,622	33,751
Supplies	34,726	30,886	30,474	412
Other services and charges	18,010	22,315	24,630	(2,315)
Capital outlay	0	17,208	17,207	0
Total Fire Prevention	776,109	793,782	761,933	31,849
Fire Fighting				
Personnel services	11,707,712	11,707,712	11,402,983	304,729
Supplies	430,403	422,067	432,122	(10,055)
Other services and charges	1,077,454	942,525	979,639	(37,114)
Capital outlay	72,277	24,327	19,106	5,221
Total Fire Fighting	13,287,846	13,096,631	12,833,850	262,781
Shop Maintenance				
Personnel services	243,698	243,698	257,205	(13,507)
Supplies	103,287	78,467	76,677	1,790
Other services and charges	56,540	122,854	117,125	5,729
Capital outlay	29,000	28,256	28,256	0
Total Shop Maintenance	432,525	473,275	479,263	(5,988)
Total Fire Department	15,151,314	14,993,522	15,036,827	(43,305)
Emergency Operation				
Personnel services	64,205	64,205	67,140	(2,935)
Supplies	34,520	37,679	33,245	4,434
Other services and charges	36,210	33,051	38,398	(5,347)
Capital outlay	0	10,000	53,116	(43,116)
Total Emergency Operation	134,935	144,935	191,899	(46,964)
Total Public Safety	37,454,217	37,319,806	37,555,878	(236,072)
Parks and Recreation				
Recreation				
Personnel services	2,485,133	2,460,133	2,483,237	(23,104)
Supplies	69,063	69,625	109,051	(39,426)
Other services and charges	355,829	132,387	128,647	3,740
Total Recreation	2,910,025	2,662,145	2,720,935	(58,790)
Parks				
Personnel services	2,944,185	3,397,703	3,104,756	292,947
Supplies	273,704	328,697	322,971	5,727
Other services and charges	438,939	435,000	431,665	3,335
Capital outlay	17,200	84,977	38,248	46,729
Total Parks	3,674,028	4,246,378	3,897,639	348,738

(Continued)

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

For the Year Ended June 30, 2006

	Original Budget	Final Budget	2006	
			Actual	Variance
Swimming Pools				
Personnel services	\$ 85,897	\$ 85,898	\$ 82,227	\$ 3,671
Supplies	4,847	4,847	4,797	50
Other services and charges	5,383	5,383	3,880	1,503
Total Swimming Pools	96,127	96,128	90,904	5,224
Tennis Courts				
Personnel services	138,880	138,880	140,081	(1,201)
Supplies	2,825	2,825	2,430	395
Other services and charges	4,049	4,049	3,335	714
Total Tennis Courts	145,754	145,754	145,846	(92)
Total Parks and Recreation	6,825,934	7,150,405	6,855,324	295,080
Public Services				
Administration				
Personnel services	298,836	223,836	205,188	18,648
Supplies	15,737	15,737	13,368	2,369
Other services and charges	94,655	30,001	10,527	19,474
Total administration	409,228	269,574	229,083	40,491
Solid Waste				
Personnel services	4,836,019	4,836,019	4,756,009	80,010
Supplies	674,399	674,399	958,028	(283,629)
Other services and charges	2,925,927	3,020,387	3,249,193	(228,806)
Capital outlay	0	135,000	0	135,000
Total Solid Waste	8,436,345	8,665,805	8,963,230	(297,425)
Streets and Storm Drains				
Personnel services	1,169,443	1,169,443	910,431	259,012
Supplies	161,035	164,035	163,305	730
Other services and charges	137,619	134,619	163,269	(28,650)
Total Street and Storm Drains	1,468,097	1,468,097	1,237,005	231,092

(Continued)

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

For the Year Ended June 30, 2006

	Original Budget	Final Budget	2006	
			Actual	Variance
Animal Control:				
Personnel services	\$ 809,921	\$ 803,031	\$ 753,515	\$ 49,516
Supplies	107,959	127,910	124,365	3,545
Other services and charges	107,858	46,105	50,424	(4,319)
Capital outlay	0	15,908	15,908	0
Total Animal Control	1,025,738	992,954	944,212	48,742
Communication Center				
Personnel services	1,616,259	1,646,142	1,579,475	66,667
Supplies	37,385	34,402	29,109	5,293
Other services and charges	104,817	107,917	94,262	13,655
Capital outlay	30,000	0	0	0
Total Communication Center	1,788,461	1,788,461	1,702,846	85,615
Trees and Forestry				
Personnel services	1,499,323	1,499,323	1,390,381	108,942
Supplies	175,986	214,807	187,402	27,405
Other services and charges	226,993	193,490	263,466	(69,976)
Capital outlay	32,300	57,132	37,413	19,719
Total Trees and Forestry	1,934,602	1,964,752	1,878,662	86,090
Traffic Engineering				
Personnel services	1,235,320	1,235,320	1,199,834	35,486
Supplies	148,585	183,495	140,451	43,043
Other services and charges	926,550	76,550	81,986	(5,436)
Capital outlay	25,345	32,530	10,282	22,248
Total Traffic Engineering	2,335,800	1,527,895	1,432,553	95,342
Total Public Services	17,398,271	16,677,538	16,387,591	289,946
Computer Services				
Personnel services	1,173,164	1,173,164	1,131,427	41,737
Supplies	89,916	80,701	64,417	16,284
Other services and charges	416,805	406,997	377,168	29,829
Capital outlay	15,138	34,161	34,160	1
Total Computer Services	1,695,023	1,695,023	1,607,172	87,851

(Continued)

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

For the Year Ended June 30, 2006

	Original Budget	Final Budget	2006	
			Actual	Variance
Public Buildings				
Personnel services	\$ 214,768	\$ 214,768	\$ 236,307	\$ (21,539)
Supplies	36,800	36,800	39,723	(2,923)
Other services and charges	626,155	2,268,101	3,232,276	(964,175)
Capital outlay	21,000	71,350	65,765	5,586
Total Public Buildings	898,723	2,591,019	3,574,070	(983,051)
Total General Services	2,593,746	4,286,042	5,181,242	(895,200)
Community Promotion				
Donated Funds	0	434	1,696	(1,262)
Other services and charges	55,260	29,860	62	29,798
Community Promotion	144,740	548,910	495,411	53,499
Total Community Promotion	200,000	579,204	497,169	82,035
Nondepartmental Contingencies				
Personnel services	7,120	4,620	0	4,620
Supplies	662,000	781,000	0	781,000
Other services and charges	775,765	1,080,511	214,636	865,875
Capital outlay	200,000	24,650	0	24,650
Total Contingencies	1,644,885	1,890,781	214,636	1,676,145
Bad Debt Expense				
Bad debt expense	0	0	194,263	(194,263)
Other services and charges	0	0	1,648	(1,648)
Total Bad Debt Expense	0	0	195,911	(195,911)
General Insurance				
Other services and charges	329,500	329,500	104,245	225,255
Total General Insurance	329,500	329,500	104,245	225,255
Bank Service Charges:				
Other services and charges	0	0	141,805	(141,805)
Total Bank Service Charges	0	0	141,805	(141,805)
Total Nondepartmental	1,974,385	2,220,281	861,172	1,359,109
OTHER FINANCING SOURCES				
Transfers to Other Funds				
Debt service	2,959,793	2,959,793	1,821,477	1,138,316
Component units	170,000	170,000	170,000	0
Transfers Interfund	900,000	1,132,978	1,922,956	(789,978)
Total Transfers to Other Funds	4,029,793	4,262,771	3,914,433	348,338
Total Expenditures and Other financing Uses	\$ 84,268,846	\$ 86,972,494	\$ 85,046,226	\$ 1,926,268

See accompanying notes to the basic financial statements

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Accommodation Tax accounts for State Hotel Accommodations Tax receipts to promote activities of City organizations.

Tourism Development 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 improvement of the services provided to tourists.

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.

Hospitality Tax accounts for a 2% gross sales tax on prepared food and beverages sold in establishments to promote activities of City organizations.

Confiscated Drug Program accounts for the disposition of forfeited property and money seized in Columbia by law enforcement agencies.

Land Acquisition accounts for future land acquisition and development.

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

Community Development Grants and Awards accounts for the Community Development Block Grants and Emergency Shelter Grant.

U.S. Justice Department Grants accounts for receipt of Federal and State funds for programs to improve public safety and law enforcement to the community.

Other Grants accounts for the receipt of Federal and State funds for programs to improve public safety and law enforcement to the community, various tree-planting projects, and various public service and planning projects.

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 proprietary fund types. Ad valorem taxes, interest earned 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

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

Street Scaping accounts for capital improvements to street landscaping.

Storm Drains accounts for infrastructure improvements.

General Obligation Bonds 2002 accounts for funds designated from the General Obligation Bonds series 2002.

Convention Center Infrastructure accounts for the development of the infrastructure for a new convention center.

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

Annie Mae Dickson Fund accounts for an endowment for which the investment income must be use to purchase flowers for the parks.

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2006

	Special Revenue										Debt Service			
	Accommodations Tax	Tourism Development Convention Center	Business Improvement District	Hospitality Tax	Certificated Drug Program	Land Acquisition	Other Programs	Community Development	Justice Department Grants	Other Grants	Totals 2006	G. O. Bonds	Special District Bonds	Total
ASSETS														
Cash and cash equivalents	17,871,042	0	0	2,535,311	221,783	5,109,344	32,482	0	0	0	2,623,109	164,952	3,908,185	4,073,137
Investments	0	1,626,908	63,920	4,260,943	85,267	0	0	0	0	29,017,424	0	0	0	0
Receivables, net	0	0	900	0	0	0	0	0	0	900	0	13,358	0	13,358
Property taxes	0	0	0	0	0	0	0	0	0	3,993,017	0	0	0	0
Federal government	428,331	0	0	0	0	0	0	2,456,678	2,273,071	439,423	0	0	0	0
State government	0	0	0	0	0	0	0	0	11,092	994,667	0	0	0	0
Accounts	0	818,989	0	0	0	10,500	0	34,205	130,973	92,350	0	0	0	0
Accrued interest	0	0	593	42,593	1,090	48,074	0	0	0	50,000	0	0	0	0
Mortgage receivable	0	0	0	0	0	0	0	0	0	1,377,519	0	0	0	0
Due from other funds	0	0	0	0	0	770,069	607,450	0	0	0	0	0	0	0
Due from component units	0	0	0	0	0	0	0	0	0	2,009	0	0	0	0
Total assets	18,299,373	2,445,897	98,946	6,538,847	308,140	5,937,987	639,932	1,526,277	2,719,883	2,415,136	38,490,418	164,952	3,921,543	4,086,495
LIABILITIES AND FUND BALANCES														
Liabilities:														
Cash overdraft	6,124,515	53,029	0	0	0	3,225,284	0	0	0	186,398	9,589,226	0	0	0
Accounts payable	125,571	9,574	0	16,475	383	1,222	70,682	134,565	3,790	462,082	824,344	0	0	0
Accrued salaries and benefits	0	0	0	0	0	0	14,596	23,853	0	1,033	39,482	0	0	0
Prepaid expenses	0	0	0	0	0	0	0	0	0	927,829	0	0	0	0
Retainage payable	0	0	0	0	128,018	0	0	239,998	250,839	16,722	635,575	0	0	0
Deferred revenue	0	0	0	0	0	0	0	499,051	220,042	5,026,836	0	0	0	0
Due to other funds	0	0	0	0	0	0	772,870	499,051	0	3,534,873	5,026,836	0	0	0
Due to component units	0	0	0	0	0	0	0	6,537	0	0	6,537	0	0	0
Total liabilities	6,250,086	62,603	0	16,475	128,401	3,226,506	858,148	904,002	474,671	5,128,937	17,049,829	0	0	0
Fund balances														
Reserved for encumbrances	208,036	470,103	50,000	683,583	18,194	2,361	463,091	2,222,851	235,704	7,711,836	12,065,859	0	0	0
Reserved for debt service	0	0	0	0	0	0	0	0	0	0	0	164,952	3,921,543	4,086,495
Hold in trust	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nonexpendable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expendable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unreserved	11,841,251	1,913,191	48,946	5,838,789	161,545	2,709,120	(681,307)	(1,600,676)	(430,482)	(10,425,637)	9,374,730	0	0	0
Total fund balances	12,049,287	2,383,294	98,946	6,522,372	179,739	2,711,481	(218,216)	622,275	(194,788)	(2,713,801)	21,440,589	164,952	3,921,543	4,086,495
Total liabilities and fund balances	18,299,373	2,445,897	98,946	6,538,847	308,140	5,937,987	639,932	1,526,277	2,719,883	2,415,136	38,490,418	164,952	3,921,543	4,086,495

(Continued)

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

	Capital Projects							Total	Permanent Trust	Total Nonmajor Governmental Funds
	Tax Increment District	Streetscaping	General Obligation Bonds 2002	Convention Center Infrastructure	General Capital Projects	Miscellaneous Projects				
ASSETS										
Cash and cash equivalents	944,994	1,250,864	0	334,109	2,000	219,727	2,751,694	6,982	9,354,922	
Investments	16,485,344	2,384,395	2,063,629	636,877	0	187,638	21,758,083	0	50,775,507	
Receivables, net	0	0	0	0	0	0	0	0	14,258	
Property taxes	0	3,876,779	0	0	0	0	3,876,779	0	7,869,796	
Federal government	0	0	0	0	0	0	0	0	439,423	
State government	0	0	0	0	751,434	0	751,434	0	1,746,101	
Accounts	0	0	0	5,911	0	1,742	63,863	0	156,213	
Accrued interest	17,435	38,775	0	0	0	0	56,210	0	50,000	
Mortgage receivable	0	0	0	0	0	0	0	0	1,377,519	
Due from other funds	0	0	0	0	0	0	0	0	2,009	
Due from component units	0	0	0	0	0	0	0	0		
Total assets	17,447,773	7,550,813	2,063,629	976,897	753,434	409,107	29,201,853	6,982	71,785,748	
LIABILITIES AND FUND BALANCES										
Liabilities:										
Cash overdraft	0	0	0	0	0	0	0	0	9,589,226	
Accounts payable	610,445	0	0	59,546	289,251	10,654	969,896	0	1,794,240	
Accrued salaries and benefits	0	0	0	0	0	0	0	0	39,482	
Retainage payable	699,286	0	0	0	246,849	1,557	946,692	0	1,874,521	
Deferred revenue	0	0	0	0	0	0	0	0	635,575	
Due to other funds	0	0	1,735,350	0	26,732	2,019,429	3,781,511	0	8,808,347	
Due to component units	0	0	0	0	0	0	0	0	6,537	
Total liabilities	1,309,731	0	1,735,350	59,546	561,832	2,031,640	5,698,099	0	22,747,928	
Fund balances										
Reserved for encumbrances	5,315,825	1,205,853	0	0	2,318,563	630,737	9,470,978	0	21,536,837	
Reserved for debt service	0	0	0	0	0	0	0	0	4,086,485	
Held in trust	0	0	0	0	0	0	0	0	1,982	
Nonexpendable	0	0	0	0	0	0	0	1,982	5,000	
Expendable	0	0	328,479	917,351	(2,126,961)	(2,253,270)	14,032,776	5,000	23,407,506	
Unreserved	10,822,217	6,344,960	328,479	917,351	(2,126,961)	(2,253,270)	14,032,776	0	49,037,820	
Total fund balances	16,138,042	7,550,813	328,479	917,351	191,602	(1,622,533)	23,503,754	6,982	71,785,748	
Total liabilities and fund balances	17,447,773	7,550,813	2,063,629	976,897	753,434	409,107	29,201,853	6,982	71,785,748	

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

	Special Revenue										Debt Service		
	Accommodation Hospitality Bond	Tourism Development Convention Center	Business Inclement District	Hospitality Tax	Confiscated Drug Program	Land Acquisition	Other Programs	Community Development	Justice Department Grants	Other Grants	Totals	G. O. Bonds	Special District Bonds
REVENUES										2,006			
Federal government	0	0	0	0	0	0	120,000	34,306	3,474,231	7,244,944	0	0	0
State government	1,243,569	201,450	0	0	0	0	0	0	0	1,446,019	0	0	0
County government	0	1,904,348	0	6,972,280	0	0	0	0	0	8,876,628	0	0	0
Confiscated funds	0	0	0	0	143,818	0	60,177	0	0	60,177	0	0	0
Current taxes	0	0	0	0	0	0	0	0	0	143,818	0	0	0
Interest	871,552	65,582	0	0	0	122,192	0	0	0	1,059,326	0	4,727,853	4,727,853
Other revenues	0	2,202,629	776,861	131,882	3,987	(29,010)	404,639	(17,867)	218,827	3,695,827	0	31,674	31,674
Total revenues	2,115,121	4,374,009	776,861	7,104,162	147,805	93,182	588,816	16,439	3,693,058	22,525,739	0	4,759,527	4,759,527
EXPENDITURES													
Current													
General government	3,427,733	2,744,319	787,259	9,013	24,468	1,426	1,050,237	100,196	6,065,307	17,031,746	0	0	0
Parks and recreation	0	0	0	0	0	0	0	0	0	0	0	0	0
Public services	0	0	0	0	0	0	0	0	0	0	0	0	0
Community promotion	1,495,397	1,378,635	0	4,575,563	0	0	0	0	0	7,449,595	0	0	0
Other charges	0	0	0	0	115,672	58,236	19,512	0	0	193,510	0	85,281	85,281
Debt Service	857,418	1,554,395	0	0	0	0	0	0	0	2,411,813	1,280,000	4,476,626	5,756,626
Principal payment on bonds	0	0	0	0	0	0	0	0	0	0	868,318	758,149	1,626,467
Interest on bonds	0	0	0	0	0	0	0	0	0	0	2,073	3,135	5,208
Fiscal agent charges	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	5,464,312	233,419	121,496	133,552	5,952,779	0	0	0
Total expenditures	5,780,548	5,677,349	787,259	4,584,576	140,140	5,524,064	1,303,168	221,692	6,198,859	33,039,443	2,150,391	5,323,191	7,473,582
Excess (deficiency) of revenues over (under) expenditures	(3,665,427)	(1,303,340)	(10,398)	2,519,586	7,665	(5,430,882)	(718,352)	(205,253)	(2,505,801)	(10,513,704)	(2,150,391)	(563,664)	(2,714,055)
OTHER FINANCING SOURCES (USES)													
Transfers in	0	2,202,629	0	0	0	0	0	10,465	0	2,215,372	1,821,477	0	1,821,477
Transfers (out)	(4,650,333)	(2,202,629)	0	(1,300,000)	0	0	(86,465)	0	(208,000)	(8,625,928)	0	0	0
Proceeds from disposal of capital assets	0	0	0	0	0	6,485,100	0	0	0	6,485,100	0	0	0
Proceeds from note payable issued	0	0	0	0	0	0	0	0	0	0	0	0	0
Total other financing sources (uses)	(4,650,333)	0	0	(1,300,000)	0	6,485,100	(86,465)	10,465	(208,000)	74,544	1,821,477	0	1,821,477
Net changes in fund balances	(8,315,760)	(1,303,340)	(10,398)	1,219,586	7,665	1,054,218	(804,817)	(194,788)	(2,713,801)	(10,439,160)	(328,914)	(563,664)	(892,578)
Beginning fund balances	853,250	3,255,747	109,344	5,302,786	172,074	1,657,263	586,001	0	0	11,937,065	493,866	4,485,207	4,979,073
Prior Period Adjustment	19,511,797	430,887	0	0	0	0	0	0	0	19,942,684	0	0	0
Beginning fund balances as restated	20,365,047	3,686,634	109,344	5,302,786	172,074	1,657,263	586,001	0	0	31,879,749	493,866	4,485,207	4,979,073
Fund balances, end of year	\$ 12,049,287	\$ 2,383,294	\$ 98,946	\$ 6,522,372	\$ 179,739	\$ 2,711,481	\$ (218,216)	\$ 622,275	\$ (2,713,801)	\$ 21,440,589	\$ 164,952	\$ 3,921,543	\$ 4,086,495

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

For the Year Ended June 30, 2006

	Capital Projects										Total Nonmajor Governmental Funds
	Tax Increment District	Street Scaping	Storm Drains	General Obligation Bonds 2002	Convention Center Infrastructure	General Capital Projects	Miscellaneous Projects	Total 2,006	Permanent Trust		
REVENUES											
Federal government	0	119,402	0	0	0	0	0	119,402	0	0	
State government	0	897,127	0	0	0	0	159,273	1,056,400	0	0	
County government	0	0	0	0	0	0	0	0	0	0	
Promotions	0	0	0	0	0	0	0	0	0	0	
Confiscated funds	0	0	0	0	0	0	0	0	0	0	
Current taxes	0	0	0	0	0	0	0	0	0	0	
Interest	472,951	110,176	0	76,386	17,762	(27,989)	(1,142)	648,144	1,297	1,297	
Other revenues	0	501,500	0	0	0	1,069,725	0	1,571,225	0	0	
Total revenues	472,951	1,628,205	0	76,386	17,762	1,041,736	158,131	3,395,170	1,297	30,681,733	
EXPENDITURES											
Current											
General government	3,318,933	0	0	0	358,304	6,062,633	22,736	9,762,606	0	26,794,352	
Parks and recreation	0	0	0	0	0	0	1,995	1,995	0	1,995	
Public services	0	893,748	0	0	0	3,692,077	460,125	5,045,950	0	5,045,950	
Community promotion	0	0	0	0	0	0	0	0	0	7,449,595	
Other charges	0	0	0	0	0	0	0	0	0	278,791	
Debt Service	0	0	0	0	0	0	0	0	0	8,168,439	
Principal payment on bonds	0	0	0	0	0	0	0	0	0	1,626,467	
Interest on bonds	0	0	0	0	0	0	0	0	0	5,208	
Fiscal agent charges	0	0	0	0	0	0	0	0	0	0	
Capital outlay	0	0	0	0	0	0	0	0	0	5,952,779	
Capital outlay	0	0	0	0	0	0	0	0	0	0	
Total expenditures	3,318,933	893,748	0	0	358,304	9,754,710	484,856	14,810,551	0	55,323,576	
Excess (deficiency) of revenues over (under) expenditures	(2,845,982)	734,457	0	76,386	(340,542)	(8,712,974)	(326,725)	(11,415,381)	1,297	(24,641,843)	
OTHER FINANCING SOURCES (USES)											
Transfers in	8,100,845	1,857,821	0	0	0	4,625,333	0	14,583,999	0	18,620,848	
Transfers (out)	0	(4,001,671)	0	(1,838,857)	0	0	(953,988)	(6,794,516)	0	(15,420,444)	
Proceeds from disposal of capital assets	0	0	0	0	0	0	0	0	0	6,485,100	
Proceeds from note payable issued	0	0	0	0	0	1,500,000	0	1,500,000	0	1,500,000	
Total other financing sources (uses)	8,100,845	(2,143,850)	0	(1,838,857)	0	6,125,333	(953,988)	9,289,483	0	11,185,504	
Net change in fund balances	5,254,863	(1,409,393)	0	(1,762,471)	(340,542)	(2,587,641)	(1,280,713)	(2,125,898)	1,297	(13,456,339)	
Beginning fund balances	10,883,179	8,960,206	0	2,090,950	1,257,893	2,779,243	(341,819)	25,629,652	5,685	42,551,475	
Prior Period Adjustment	0	0	0	0	0	0	0	0	0	19,942,684	
Beginning fund balances as restated	10,883,179	8,960,206	0	2,090,950	1,257,893	2,779,243	(341,819)	25,629,652	5,685	62,494,159	
Fund balances, end of year	16,138,042	7,550,813	0	328,479	917,351	191,602	(1,622,532)	23,503,754	6,982	49,037,820	

NONMAJOR PROPRIETARY FUNDS

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

Hydro-Electric Plant accounts for hydro electric plant activities.

Storm Water Fund accounts for storm water utility activities.

Transportation Operating Fund accounts for the operation of the Bus Transfer Station.

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

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

JUNE 30, 2006

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Transportation Operating Fund	Redevelopment Programs Fund	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 540,303	\$ 3,372,065	\$ 176,490	\$ 4,237,633	\$ 8,326,491
Investments	1,029,923	6,427,815	336,423	3,711,116	11,505,277
Accounts receivable, net	1,110,676	0	0	0	1,110,676
Mortgage notes receivable, net	0	0	0	2,810,486	2,810,486
Accrued interest receivable	99,605	87,216	3,123	118,405	308,349
Real estate held for resale	0	0	0	617,040	617,040
Total current assets	2,780,507	9,887,096	516,036	11,494,680	24,678,319
Capital assets:					
Land	326,700	0	0	0	326,700
Buildings, improvements and utility plant	16,173,300	2,767,679	743,966	0	19,684,945
Machinery and equipment	0	103,989	24,069	0	128,058
Less, accumulated depreciation	(1,212,998)	(172,599)	(294,000)	0	(1,679,597)
Construction in progress	0	3,036,817	0	0	3,036,817
Net capital assets	15,287,002	5,735,886	474,035	0	21,496,923
Mortgage notes receivable, net	0	0	0	18,851,087	18,851,087
Contract receivable	1,866,018	0	0	0	1,866,018
Total noncurrent assets	17,153,020	5,735,886	474,035	18,851,087	42,214,028
Total assets	\$ 19,933,527	\$ 15,622,982	\$ 990,071	\$ 30,345,767	\$ 66,892,347
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 0	\$ 311,359	\$ 0	\$ 53,287	\$ 364,646
Accrued salaries and benefits	0	22,464	0	0	22,464
Accrued vacation pay	0	39,597	0	0	39,597
Retainage payable	0	153,486	0	0	153,486
Note payable	0	0	0	80,000	80,000
Contract payable	830,585	0	0	0	830,585
Accrued interest payable	126,713	0	0	24,012	150,725
Total current liabilities	957,298	526,906	0	157,299	1,641,503
Noncurrent liabilities					
Note payable	0	0	0	1,060,000	1,060,000
Contract payable	2,736,055	0	0	0	2,736,055
Total long-term liabilities	2,736,055	0	0	1,060,000	3,796,055
Total liabilities	3,693,353	526,906	0	1,217,299	5,437,558
Net Assets:					
Investment in capital assets, net of related debt	15,287,002	5,735,886	474,035	0	21,496,923
Unrestricted	953,172	9,360,190	516,036	29,128,468	39,957,866
Total net assets	16,240,174	15,096,076	990,071	29,128,468	61,454,789
Total liabilities and net assets	\$ 19,933,527	\$ 15,622,982	\$ 990,071	\$ 30,345,767	\$ 66,892,347

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

For the Year Ended June 30, 2006

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Transportation Operating Fund	Redevelopment Programs Fund	Totals
Operating revenues:					
Charges for services	\$ 0	\$ 3,921,119	\$ 0	\$ 0	\$ 3,921,119
Other operating revenue	662,924	0	0	3,603,824	4,266,748
Total operating revenue	662,924	3,921,119	0	3,603,824	8,187,867
Operating expenses:					
Personal services	0	1,339,732	0	0	1,339,732
Materials and supplies	0	97,179	0	0	97,179
Other services and charges	0	25,360	0	52,909	78,269
Heat, light and power	508,108	0	0	0	508,108
Depreciation	323,466	61,512	31,363	0	416,341
Bad debt expense	0	0	0	731,076	731,076
Total operating expenses	831,574	1,523,783	31,363	783,985	3,170,705
Operating income (loss)	(168,650)	2,397,336	(31,363)	2,819,839	5,017,162
Nonoperating revenues (expenses):					
Investment income (loss)	148,556	305,003	9,227	564,336	1,027,122
Gain (loss) from sale of assets	0	0	0	22,080	22,080
Interest expense	(178,909)	0	0	(117,224)	(296,133)
Total nonoperating revenues (expenses)	(30,353)	305,003	9,227	469,192	753,069
Income (loss) before transfers	(199,003)	2,702,339	(22,136)	3,289,031	5,770,231
Transfers:					
Transfers in	0	900,000	0	143,319	1,043,319
Transfers (out)	0	0	0	(135,000)	(135,000)
Change in net assets	(199,003)	3,602,339	(22,136)	3,297,350	6,678,550
Beginning net assets	16,439,177	11,493,737	1,012,207	25,831,118	54,776,239
Ending net assets	\$ 16,240,174	\$ 15,096,076	\$ 990,071	\$ 29,128,468	\$ 61,454,789

CITY OF COLUMBIA
NONMAJOR PROPRIETARY FUND
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2006

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Transportation Operating Fund	Redevelopment Programs Fund	Total Nonmajor Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 675,681	\$ 3,921,119	\$ 0	\$ 3,603,824	\$ 8,200,624
Payments to suppliers	(508,108)	58,062	0	(158,014)	(608,060)
Payments to employees	0	(1,368,106)	0	0	(1,368,106)
Net Cash provided (used) by operating activities	167,573	2,611,075	0	3,445,810	6,224,458
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Due to (from) others	0	(7,850)	0	0	(7,850)
Transfers in	0	900,000	0	143,319	1,043,319
Transfers out	0	0	0	(135,000)	(135,000)
Net cash provided (used) by noncapital and related financing activities	0	892,150	0	8,319	900,469
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	0	(1,251,684)	(5,097)	0	(1,256,781)
Principal paid on bonds and notes/ new debt	(792,921)	0	0	(420,000)	(1,212,921)
Interest paid on debt	(207,079)	0	0	(114,731)	(321,810)
Net cash provided (used) by capital and related financing activities	(1,000,000)	(1,251,684)	(5,097)	(534,731)	(2,791,512)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	0	(6,427,815)	46,327	(326,200)	(6,707,688)
Proceeds from sale of investments	24,644	5,545,365	0	0	5,570,009
Principal received on debt	830,585	0	0	(86,926)	743,659
Interest received	183,030	244,186	13,866	592,427	1,033,509
Purchase of inventory for resale	0	0	0	(61,099)	(61,099)
Net cash provided (used) by investing activities	1,038,259	(638,264)	60,193	118,202	578,390
Net increase (decrease) in cash and cash equivalents	205,832	1,613,277	55,096	3,037,600	4,911,805
Cash and cash equivalents, July 1, 2005	334,471	1,758,788	121,394	1,200,033	3,414,686
Cash and cash equivalents, June 30, 2006	<u>\$ 540,303</u>	<u>\$ 3,372,065</u>	<u>\$ 176,490</u>	<u>\$ 4,237,633</u>	<u>\$ 8,326,491</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income	\$ (168,650)	\$ 2,397,336	\$ (31,363)	\$ 2,819,839	\$ 5,017,162
Adjustment to reconcile operating income to net cash provided (used) by operating activities					
Depreciation	323,466	61,512	31,363	0	416,341
Bad debt expense	0	0	0	731,076	731,076
Change in operating assets and liabilities					
Accounts receivable	12,757	0	0	0	12,757
Accounts payable	0	180,601	0	(105,105)	75,496
Accrued salaries	0	(35,406)	0	0	(35,406)
Accrued vacation	0	7,032	0	0	7,032
Total adjustments	336,223	213,739	31,363	625,971	1,207,296
Net cash provided (used) by operating activities	\$ 167,573	\$ 2,611,075	\$ 0	\$ 3,445,810	\$ 6,224,458

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 funds include:

Fleet Management accounts for the maintenance and repair of vehicles.

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

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

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

June 30, 2006

	Fleet Management	Support Services	Risk Management	Totals 2006
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,904,592	\$ 4,203,698	\$ 439,907	\$ 6,548,197
Investments	0	0	10,586,618	10,586,618
Accounts receivable	60,152	1,592	178,733	240,477
Accrued interest receivable	10,082	0	98,258	108,340
Deposits	0	0	340,135	340,135
Inventory	0	1,949,470	0	1,949,470
Total current assets	1,974,826	6,154,760	11,643,651	19,773,237
Noncurrent assets				
Capital assets				
Buildings	903,586	0	0	903,586
Machinery and equipment	7,212,425	554,532	18,428	7,785,385
Less, accumulated depreciation	(3,849,310)	(238,010)	(16,585)	(4,103,905)
Total capital assets (net of accumulated depreciation)	4,266,701	316,522	1,843	4,585,066
Total assets	\$ 6,241,527	\$ 6,471,282	\$ 11,645,494	\$ 24,358,303
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 217,947	\$ 321,520	\$ 82,582	\$ 622,049
Accrued salaries and benefits	36,112	15,644	6,786	58,542
Accrued vacation pay	137,789	76,173	41,034	254,996
Capital lease payable	0	709,240	0	709,240
Due to other funds	0	4,525,534	0	4,525,534
Accrued liability for claims	0	0	9,160,974	9,160,974
Total current liabilities	391,848	5,648,111	9,291,376	15,331,335
Long Term Liabilities:				
Capital Lease Payable	0	2,246,993	0	2,246,993
Total long term liabilities	0	2,246,993	0	2,246,993
Total liabilities	391,848	7,895,104	9,291,376	17,578,328
NET ASSETS				
Investment in capital assets	4,266,701	316,522	1,843	4,585,066
Unrestricted	1,582,978	(1,740,344)	2,352,275	2,194,909
Total net assets	5,849,679	(1,423,822)	2,354,118	6,779,975
Total liabilities and net assets	\$ 6,241,527	\$ 6,471,282	\$ 11,645,494	\$ 24,358,303

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

Year Ended June 30, 2006

	Fleet Management	Support Services	Risk Management	Total 2006
Operating revenues:				
Charges for services	\$ 8,789,530	\$ 238,147	\$ 12,171,928	\$ 21,199,605
Total operating revenues	8,789,530	238,147	12,171,928	21,199,605
Operating expenses:				
Personal services	1,836,043	831,071	382,865	3,049,979
Materials and supplies	5,526,233	1,735,785	11,327	7,273,345
Contractual services	381	101,001	1,812,617	1,913,999
Heat, light and power	74,476	0	0	74,476
Other charges and services	115,422	510,147	42,742	668,311
Claims and premiums	0	0	19,196,771	19,196,771
Depreciation	919,108	0	3,686	922,794
Total operating expenses	8,471,663	3,178,004	21,450,008	33,099,675
Operating income (loss)	317,867	(2,939,857)	(9,278,080)	(11,900,070)
Non-operating revenues:				
Interest income	24,352	104,063	275,944	404,359
Gain (loss) on sale of assets	14,296	0	0	14,296
Total non-operating revenues	38,648	104,063	275,944	418,655
Income (loss) before transfers	356,515	(2,835,794)	(9,002,136)	(11,481,415)
Transfers out	0	(37,082)	0	(37,082)
Change in net assets	356,515	(2,872,876)	(9,002,136)	(11,518,497)
Total net assets - beginning	5,493,164	1,449,055	11,356,254	18,298,473
Total net assets - ending	\$ 5,849,679	\$ (1,423,821)	\$ 2,354,118	\$ 6,779,976

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

Year Ended June 30, 2006

	Fleet Management	Support Services	Risk Management	Total 2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 8,765,905	\$ 238,147	\$ 11,824,841	\$ 20,828,893
Payments to suppliers	(5,768,438)	(92,525)	(21,413,546)	(27,274,509)
Payments to employees	(1,895,830)	(838,307)	(400,364)	(3,134,501)
Net cash provided(used) by operating activities	<u>1,101,637</u>	<u>(692,685)</u>	<u>(9,989,069)</u>	<u>(9,580,117)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to(from) others	(12,341)	830,747	361,180	1,179,586
Transfers out	0	(37,082)	0	(37,082)
Net cash provided(used) by noncapital and related financing activities	<u>(12,341)</u>	<u>793,665</u>	<u>361,180</u>	<u>1,142,504</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(1,050,437)	(17,898)	0	(1,068,335)
Proceeds from sale of capital assets	14,296	0	0	14,296
Principal paid on lease	0	(690,244)	0	(690,244)
Net cash provided (used) by capital and related financing activities	<u>(1,036,141)</u>	<u>(708,142)</u>	<u>0</u>	<u>(1,744,283)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	1,387,455	0	4,877,610	6,265,065
Interest received	24,029	104,063	285,490	413,582
Net cash provided(used) by investing activities	<u>1,411,484</u>	<u>104,063</u>	<u>5,163,100</u>	<u>6,678,647</u>
Net increase (decrease) in cash and cash equivalents	1,464,639	(503,099)	(4,464,789)	(3,503,249)
Cash and cash equivalents, July 1	<u>439,953</u>	<u>4,706,797</u>	<u>4,904,696</u>	<u>10,051,446</u>
Cash and cash equivalents, June 30	<u>\$ 1,904,592</u>	<u>\$ 4,203,698</u>	<u>\$ 439,907</u>	<u>\$ 6,548,197</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income	\$ 317,868	\$ (2,939,858)	\$ (9,278,080)	\$ (11,900,070)
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	919,108	0	3,686	922,794
Change in operating assets and liabilities				
Accounts receivable	(23,627)	0	(135,427)	(159,054)
Inventory	0	2,356,252	0	2,356,252
Accounts payable	(51,925)	(101,844)	(449,729)	(603,498)
Accrued salaries	(53,439)	(25,742)	(11,871)	(91,052)
Accrued vacation	(6,348)	18,507	(5,627)	6,532
Accrued liability for claims	0	0	99,639	99,639
Customer deposits	0	0	(211,660)	(211,660)
Total adjustments	<u>783,769</u>	<u>2,247,173</u>	<u>(710,989)</u>	<u>2,319,953</u>
Net cash provided (used) by operating activities	<u>\$ 1,101,637</u>	<u>\$ (692,685)</u>	<u>\$ (9,989,069)</u>	<u>\$ (9,580,117)</u>

AGENCY FUNDS

Agency Funds are used to account for assets held by the City as a custodial trustee, and do not involve measurement of results of operations.

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

For the Year Ended June 30, 2006

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
<u>ASSETS</u>				
Cash and cash equivalents	\$ <u>88,810</u>	\$ <u>104,140</u>	\$ <u>75,037</u>	\$ <u>117,913</u>
Total assets	\$ <u><u>88,810</u></u>	\$ <u><u>104,140</u></u>	\$ <u><u>75,037</u></u>	\$ <u><u>117,913</u></u>
<u>LIABILITIES</u>				
Accounts Payable	\$ <u>88,810</u>	\$ <u>104,140</u>	\$ <u>75,037</u>	\$ <u>117,913</u>
Total liabilities	\$ <u><u>88,810</u></u>	\$ <u><u>104,140</u></u>	\$ <u><u>75,037</u></u>	\$ <u><u>117,913</u></u>

STATISTICAL SECTION

CITY OF COLUMBIA, SOUTH CAROLINA

General Governmental Expenditures by Function (1)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Government (including Judicial)	Finance Department	Public Safety	Public Services	Parks and Recreation	General Services	(2) Non-Departmental	Debt Service	Total
1997	\$ 17,941,408	\$ 624,404	27,509,557	13,101,466	3,983,639	2,060,968	4,415,368	3,058,587	\$ 72,695,397
1998	17,911,512	637,919	27,978,282	14,048,222	4,548,342	2,003,885	4,403,575	3,013,103	74,544,840
1999	18,254,231	670,699	29,007,448	14,504,870	4,780,980	1,827,872	4,854,289	2,765,682	76,666,071
2000	20,637,407	660,500	31,254,495	14,814,481	5,166,101	2,011,780	6,533,274	2,820,608	83,898,646
2001	24,191,112	754,291	31,023,855	14,653,490	5,320,632	2,830,930	13,799,625	3,135,293	95,709,228
2002	41,835,074	794,471	33,818,006	15,081,382	6,397,916	2,256,629	6,737,131	4,633,150	111,553,759
2003	50,192,834	889,279	37,735,589	17,609,130	8,319,793	2,489,298	8,068,918	4,969,839	130,274,680
2004	49,734,715	1,022,332	38,176,476	22,669,683	7,753,513	2,467,729	7,915,399	7,138,852	136,878,699
2005	47,678,771	1,192,351	37,548,549	25,087,460	13,063,008	2,366,418	7,122,359	6,765,479	140,824,395
2006	48,566,519	1,252,432	37,555,878	21,433,541	6,857,319	5,181,242	18,208,113	9,800,114	148,855,158

(1) Includes total governmental funds.

(2) Includes non-departmental, community promotions, community development, capital outlay of special revenue and paid to component units.

CITY OF COLUMBIA, SOUTH CAROLINA

General Governmental Revenues by Source (1)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Property Taxes (2)	Licenses and Permits	Fines and Forfeitures (3)	Revenues From Use of Money and Property	Inter-governmental Revenues	Charges for Services (4)	Grants and Other Revenues (5)	Total
1997	\$ 30,279,742	\$ 16,561,509	\$ 815,544	\$ 639,250	\$ 18,628,817	\$ 8,358,129	\$ 3,497,768	\$ 78,780,759
1998	28,546,763	17,222,175	1,217,634	854,790	20,899,052	8,615,795	3,175,917	80,532,126
1999	29,994,261	18,581,361	1,264,924	765,599	19,858,343	8,957,722	3,501,962	82,924,172
2000	31,156,007	19,473,839	1,138,140	954,736	24,464,558	9,012,986	3,936,122	90,136,388
2001	33,545,198	21,331,968	957,822	1,465,644	31,889,662	9,177,057	4,275,664	102,643,015
2002	34,670,479	22,576,535	986,247	1,371,073	30,318,580	9,351,199	6,687,714	105,961,827
2003	36,233,504	23,487,750	881,319	853,450	26,535,765	9,420,593	17,949,043	115,361,424
2004	36,099,720	25,431,285	792,154	52,231	34,697,772	9,517,515	11,723,684	118,314,361
2005	36,529,356	26,666,050	903,730	1,114,238	29,144,146	6,059,904	8,574,582	108,992,006
2006	41,546,505	27,911,017	788,374	1,869,260	39,299,499	7,708,719	10,403,418	129,526,792

(1) Includes total governmental funds. Transfers from enterprise funds are excluded.

(2) This represents General property taxes of \$22,577,520, LOST revenue of \$1,241,132, and \$4,727,853 of Current taxes.

(3) Certain parking fees and fines were earmarked for the parking enterprise fund.

(4) Includes indirect cost reimbursement from water and sewer facilities fund.

(5) Includes sale of property.

CITY OF COLUMBIA, SOUTH CAROLINA

Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Tax Levy (1)	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections (2)	Total Tax Collections (3)	Ratio of	
						Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes
1997	\$ 24,940,729	\$ 22,993,665	92.20	\$ 1,243,605	\$ 24,237,270	97.19	\$ 915,917
1998	25,653,727	23,841,043	92.93	1,078,117	24,919,160	97.14	961,349
1999	26,157,433	25,102,033	95.97	794,092	25,896,125	99.00	860,375
2000	27,960,908	26,694,938	95.47	949,237	27,644,175	98.87	972,640
2001	30,342,007	27,581,071	90.90	1,448,732	29,029,803	95.68	1,025,138
2002	30,747,522	27,930,552	90.84	1,542,794	29,473,346	95.86	1,136,150
2003	30,717,596	28,041,551	91.29	1,663,305	29,704,856	96.70	1,155,090
2004	30,246,516	28,162,482	93.11	1,574,590	29,737,072	98.32	770,230
2005	30,483,195	27,959,678	91.72	1,632,522	29,592,200	97.08	797,804
2006	36,175,090	34,021,898	94.05	1,216,010	35,237,908	97.41	482,045

(1) The City levied and collected real and personal property taxes in some areas of Lexington County due to annexation.

(2) This represents delinquent taxes collected within the fiscal year. A breakdown of delinquent tax collections by year of tax is not available. Therefore, the ratio of total tax collections to total tax levy may exceed 100%.

(3) Does not include payment in lieu of taxes from Columbia Housing Authority.

(4) This represents Current tax collection of \$19,780,766 and \$14,241,132 of LOST revenue.

CITY OF COLUMBIA, SOUTH CAROLINA

Assessed and Estimated Actual Value of Property (1)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Real Property (2)		Personal Property (4)		Total		Ratio of Total Assessed Value To Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value (3)	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1997	\$ 163,548,600	\$ 3,228,165,967	\$ 88,377,996	\$ 842,082,200	\$ 251,926,526	\$ 4,070,248,167	6.19
1998	168,068,840	3,313,810,127	91,059,760	895,068,506	259,128,600	4,208,878,633	6.16
1999	168,096,480	3,346,262,917	96,120,012	944,391,074	264,216,492	4,290,653,992	6.16
2000	201,775,490	4,041,222,908	108,901,269	1,037,154,941	310,676,759	5,078,377,849	6.12
2001	208,432,649	4,148,697,733	121,371,772	716,246,505	329,804,421	4,864,944,238	6.78
2002	213,751,250	4,306,304,426	120,460,950	1,172,654,757	334,212,200	5,478,959,183	6.10
2003	218,320,320	4,397,310,301	115,566,596	1,150,448,599	333,886,916	5,547,758,900	6.02
2004	225,199,267	4,527,472,624	103,567,184	1,063,887,735	328,766,451	5,591,360,359	5.88
2005	228,375,270	4,591,392,500	102,543,149	1,069,412,879	330,918,419	5,660,805,379	5.85
2006	286,201,640	5,920,364,697	102,642,841	1,128,091,643	388,844,481	7,048,456,339	5.52

(1) Total assessed value based upon assessment ratios set by state statutes.

(2) Does not include real property assessment under appeal.

(3) Merchants inventory tax was eliminated in 1987. Funds are appropriated by the state to make up the loss of revenues from the phase-out a higher minimum assessed value was also established for autos.

(4) Personal Property includes all Manufacturing Property, Utilities and Railroads in Richland County.

Note: The Act, which provides for statewide uniform assessment ratios, established assessment rates of 10.5% for manufacturers' equipment, furniture, and fixtures; autos, 6% for inventory; and either 6% or 4% for real estate.

CITY OF COLUMBIA, SOUTH CAROLINA

Property Tax Rates - Direct and Overlapping Governments
 (Per \$1,000 of Assessed Value)
 Last Ten Fiscal Years
 (Unaudited)

Tax Year	City Millage	County Purposes Millage	Richland County			Richland County			Richland / Lexington		
			School District No. 1 (1)		Total	School District No. 2		Total	School District No. 5 (2)		Total
			School Millage	Overlapping District 1CC		School Millage	Overlapping District 2CC		School Millage	Overlapping District 6CC	
1996	99	80	175.8	354.7	354.7	207.8	386.7	386.7	209.4	388.3	
1997	99	77	186.6	362.5	362.5	206.8	382.7	382.7	209.4	385.3	
1998	99	82	192.8	373.9	373.9	212.4	393.5	393.5	214.6	395.7	
1999	90	81	183.9	354.5	354.5	197.5	368.1	368.1	197.2	367.8	
2000	92	79	193.0	363.5	363.5	208.8	379.3	379.3	212.9	383.4	
2001	92	66	215.1	372.8	372.8	230.0	387.7	387.7	235.4	393.1	
2002	92	71	238.9	401.7	401.7	258.1	420.9	420.9	255.6	418.4	
2003	92	76	280.4	448.8	448.8	281.8	450.2	450.2	267.5	435.9	
2004	92	80	289.1	461.1	461.1	289.5	461.5	461.5	266.4	438.4	
2005	84	78	266.0	427.6	427.6	279.0	440.6	440.6	234.6	396.2	

(1) The City of Columbia is primarily situated in School District No. 1 of Richland County.

(2) Annexation first occurred in School District No. 5 in tax year 1991.

CITY OF COLUMBIA, SOUTH CAROLINA

Principal Taxpayers
(Unaudited)

Year Ended June 30, 2006

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
South Carolina Electric & Gas	Utility	\$ 12,211,150	3.14%
BellSouth Telecom, Inc.	Communications	9,022,470	2.32%
GGP Columbiana Trust	Investment	3,025,400	0.78%
Cingular Wireless	Communications	2,752,400	0.71%
Main Street Associates	Real Estate	2,334,900	0.60%
Colonial Life & Accident	Insurance	2,067,976	0.53%
Baker & Baker	Insurance	2,001,830	0.51%
Time Warner Ent. - Advance	Cable	1,741,620	0.45%
Parkway Properties LP	Real Estate	1,726,610	0.44%
DDR MDT Harbison Court LLC	Real Estate	1,070,880	0.28%
		\$ 37,955,236	9.76%

CITY OF COLUMBIA, SOUTH CAROLINA

Computation of Legal Debt Margin
(Unaudited)

Year Ended June 30, 2006

Assessed value as of Fiscal year 2006	
City limits Richland County	\$ 368,570,111
City limits Lexington County	<u>20,274,370</u>
Total	<u>388,844,481</u>
Business inventory 1987 assessed value	<u>6,667,290</u>
Total assessed value (see note)	<u>\$ 395,511,771</u>
Debt limit - Eight (8%) percent of assessed value, without voters' approval	\$ 31,640,942
Amount of debt applicable to debt limit:	
Total general bonded debt	<u>18,830,000</u>
Legal debt margin without a referendum	<u>\$ 12,810,942</u>

Note: The City's borrowing power is restricted by amended Article X, Section 14, of the State Constitution which became effective November 30, 1977. This Section provides that a local government unit cannot at any time have total debt outstanding in any amount that exceeds eight percent (8%) of its assessed property value. Excluded from the limitation are: bonded indebtedness approved by the voters and issued within five years of the date of such referendum; special bonded indebtedness levies assessed on properties located in an area receiving special benefits from the taxes collected; and bonded indebtedness existing on November 30, 1977.

CITY OF COLUMBIA, SOUTH CAROLINA

Ratio of Net General Obligation Bonded Debt per Capita
To Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt		Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
				Payable From Enterprise Revenues (4)	Net Bonded Debt			
1997	126,754	\$ 251,926,596	\$ 11,205,000	\$ 0	\$ 9,200,000	3.66	72.58	
1998	126,800	259,128,600	11,400,000	1,160,000	9,540,000	3.68	75.24	
1999	126,828	264,216,492	10,760,000	1,160,000	9,140,000	3.46	75.24	
2000	126,828	310,676,759	10,125,000	1,160,000	8,740,000	2.81	68.91	
2001	116,278	329,804,421	9,400,000	1,160,000	8,240,000	2.50	64.97	
2002	116,278	334,212,200	8,560,000	915,000	7,645,000	2.29	65.75	
2003	117,394	333,886,916	23,220,000	670,000	22,550,000	6.75	192.09	
2004	117,394	328,766,451	21,815,000	435,000	21,380,000	6.50	182.12	
2005	117,394	331,339,053	20,320,000	210,000	20,110,000	6.07	171.30	
2006	117,394	388,844,481	18,830,000	0	18,830,000	4.84	160.40	

(1) Source: Bureau of the Census and current Planning Department of the City of Columbia, South Carolina.

(2) From assessed value of property as furnished by Richland & Lexington counties.

(3) Amount does not include revenue bonds.

(4) This amount represents the general obligation refunding bond that is being repaid from the parking operating fund.

CITY OF COLUMBIA, SOUTH CAROLINA

**Ratio of Annual Debt Service Expenditures
General Obligation Bonded Debt (1)
Total General Governmental Expenditures (3)
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Principal (1)	Interest (2)	Total		Ratio of Debt Service to General Governmental Expenditures
			Debt Service	General Expenditures (3)	
1997	400,000	631,775	1,031,775	72,695,397	1.4
1998	400,000	600,175	1,000,175	74,544,840	1.3
1999	400,000	368,448	768,448	76,666,071	1.0
2000	400,000	440,797	840,797	83,898,646	1.0
2001	500,000	416,398	916,398	95,709,228	1.0
2002	595,000	385,398	980,398	95,858,067	1.0
2003	595,000	174,849	769,849	105,298,901	0.7
2004	595,000	320,245	915,245	113,119,371	0.8
2005	595,000	294,660	979,660	119,787,994	0.8
2006	680,000	264,520	944,520	148,855,158	0.6

(1) General obligation bonds reported in the enterprise funds have been excluded.

(2) Excludes bond issuance and other costs.

(3) Includes total governmental funds.

CITY OF COLUMBIA, SOUTH CAROLINA

**Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
(Unaudited)
Year Ended June 30, 2006**

Jurisdiction	City of Columbia		Overlapping General		Total Direct and Overlapping Bonded Debt Outstanding
	Direct General Obligation Bonded Debt Outstanding		Obligation Bonded Debt Outstanding		
Direct:					
City of Columbia	\$ 18,830,000	\$	0	\$	18,830,000
Overlapping:					
Richland County School District No. 1	221,226,098		164,003,902		385,230,000
General purposes- Richland County	16,327,327		34,177,703		50,505,030
Riverbanks Park District	3,178,054		12,266,946		15,445,000
Total Overlapping	<u>240,731,479</u>		<u>210,448,551</u>		<u>451,180,030</u>
Total	<u>\$ 259,561,479</u>	<u>\$</u>	<u>210,448,551</u>	<u>\$</u>	<u>470,010,030</u>

(1) Source: Richland County Auditor's Office

CITY OF COLUMBIA, SOUTH CAROLINA

Revenue Bond Coverage
Water and Sewer Bonds

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
1997	\$ 56,355,385	\$ 22,947,595	\$ 33,407,790	\$ 8,620,000	\$ 6,538,633	\$ 15,158,633	2.20
1998	57,353,677	23,243,021	34,110,656	9,085,000	6,073,683	15,158,683	2.25
1999	65,554,713	24,357,987	41,196,726	9,595,000	5,572,408	15,167,408	2.72
2000	71,342,820	27,326,824	44,015,996	10,640,000	6,121,644	16,761,644	2.63
2001	79,051,017	29,725,288	49,325,729	12,700,000	7,701,563	20,401,563	2.42
2002	77,671,344	29,891,043	47,780,301	13,420,000	6,347,488	19,767,488	2.42
2003	78,738,660	34,344,036	44,394,624	9,033,368	11,062,110	20,095,478	2.21
2004	77,856,380	41,513,901	36,342,479	8,969,249	11,124,590	20,093,839	1.81
2005	78,864,065	44,812,297	34,051,768	8,965,071	11,122,212	20,087,283	1.70
2006	92,726,369	53,347,947	39,378,422	14,915,000	7,052,737	21,967,737	1.79

The next highest annual debt service requirement is \$17,296,703 for fiscal year ending June 30, 2010

CITY OF COLUMBIA, SOUTH CAROLINA

Revenue Bond Coverage
Parking Bonds

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
1997	\$ 4,787,809	\$ 1,368,225	\$ 3,419,584	\$ 285,000	\$ 432,005	\$ 717,005	4.77
1998	4,685,036	1,541,722	3,143,314	300,000	418,906	718,906	4.37
1999	4,687,149	1,315,610	3,371,539	310,000	404,644	714,644	4.72
2000	4,724,509	1,385,585	3,338,924	325,000	389,319	714,319	4.67
2001	5,461,908	1,474,996	3,986,912	345,000	372,904	717,904	5.55
2002	5,462,605	1,555,459	3,907,146	360,000	355,451	715,451	5.46
2003	5,755,703	1,709,237	4,046,466	380,000	336,761	716,761	5.65
2004	5,630,996	1,892,203	3,738,793	395,000	316,703	711,703	5.25
2005	6,213,474	1,914,254	4,299,220	415,000	295,336	710,336	6.05
2006	6,867,719	3,864,972	3,002,747	440,000	640,638	1,080,638	2.78

CITY OF COLUMBIA, SOUTH CAROLINA

Demographic Statistics

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
1997	126,754	22,920	27,264	4.8%
1998	126,800	24,423	27,079	3.0%
1999	126,828	25,367	26,664	3.8%
2000	126,828	26,855	27,120	3.0%
2001	116,278	27,255	25,753	3.1%
2002	116,278	27,879	25,732	5.4%
2003	117,394	28,577	25,304	4.2%
2004	117,394	28,577	25,770	6.9%
2005	117,394	28,577	24,589	5.7%
2006	117,394	28,577	24,060	6.2%

Sources: (1) Bureau of the Census and Current Planning Department of the City of Columbia.

(2) Office of Research and Statistical Services, State of South Carolina Budget and Control Board, represents Columbia MSA.

(3) Richland County School District One.

(4) South Carolina Employment Security Commission. (Labor market information).

(5) Per Capita Income last update 2003

CITY OF COLUMBIA, SOUTH CAROLINA

Property Value, Construction and Bank Deposits

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Property Value (Estimated Actual Value)	Commercial Construction (1)		Residential Construction (2)		Bank Deposits (2)
		Total	No. of Units	Total	No. of Units	
1997	\$ 1,721,097,833	\$ 1,506,850,250	40	\$ 54,054,300	1,104	\$ 3,224,203
1998	1,768,668,000	1,548,501,000	92	66,851,996	821	4,887,000
1999	1,712,281,500	1,633,754,250	52	54,695,000	1,019	5,020,000
2000	2,006,126,167	2,034,674,250	44	32,910,736	413	4,594,167
2001	2,124,236,983	2,023,482,500	40	99,802,533	481	4,920,952
2002	2,075,747,467	2,229,672,050	56	36,417,036	448	5,224,624
2003	4,077,296,267	2,243,842,000	18	32,943,996	352	5,247,678
2004	2,142,707,533	2,360,137,200	83	98,682,615	538	5,676,259
2005	2,285,978,500	2,355,197,750	24	34,381,801	522	7,090,704
2006	2,680,175,167	3,134,568,250	78	95,097,082	847	7,832,236

(1) Inspection Division of the City of Columbia.

(2) Federal Reserve Bank of Richmond, Virginia FY1995-2002. Data represents Columbia MSA as of June 30. Beginning 2003 source: (FDIC) Federal Deposit Insurance Corp. Represented to the (\$000) thousand power.

CITY OF COLUMBIA

**Net Assets by Component
Last Two Fiscal Years
(Unaudited)**

	2006	2005
Governmental activities		
Invested in capital assets, net of related debt	\$ 97,571,357	\$ 45,224,118
Restricted	6,982	54,858,328
Unrestricted	75,615,450	83,515,738
Total governmental activities net assets	\$ 173,193,789	\$ 183,598,184
Business-type activities		
Invested in capital assets, net of related debt	\$ 412,723,624	\$ 323,319,938
Restricted for debt service	0	18,553,749
Unrestricted	95,972,456	153,207,685
Total business-type activities net assets	\$ 508,696,080	\$ 495,081,372
Primary Government		
Invested in capital assets, net of related debt	\$ 510,294,981	\$ 368,544,056
Restricted	6,982	73,412,077
Unrestricted	171,587,906	236,723,423
Total primary government net assets	\$ 681,889,869	\$ 678,679,556

CITY OF COLUMBIA

Changes in Net Assets
Last Two Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2006	2005
Expenses		
Governmental activities:		
General government	\$ 51,296,220	\$ 6,912,887
Judicial	2,044,037	1,967,326
Finance department	1,360,869	1,194,909
Community development	3,396,497	3,082,389
Public safety	41,619,178	38,027,339
Parks and recreation	7,853,425	13,169,502
Public services	22,868,279	25,910,346
General services	5,791,988	2,630,296
Community promotions	7,946,764	781,376
Interest on bonds	2,275,464	3,131,666
Non departmental	1,147,254	3,956,106
Total governmental activities expenses	147,599,975	100,764,142
Business-type activities:		
Water/sewer facilities	80,189,801	67,586,282
Hydro-electric plant	1,010,483	903,114
Storm water operating	1,683,476	1,518,394
Parking facilities	6,149,446	2,745,011
Transportation operating	31,363	121,363
Redevelopment programs	901,209	238,547
Total business-type expenses	89,965,778	73,112,711
Total primary government expenses	\$ 237,565,753	\$ 173,876,853
Program revenues		
Governmental activities:		
Charges for services	\$ 51,943,738	\$ 62,989,276
Operating grants and contributions	30,208,259	25,839,940
Capital grants and contributions	2,165,766	0
Total governmental program revenues	84,317,763	88,829,216
Business-type activities:		
Charges for services	103,272,992	96,099,207
Capital grants and contributions	13,738,679	0
Total business-type program revenues:	117,011,671	96,099,207
Total primary government revenues	\$ 201,329,434	\$ 184,928,423
Net (Expense)/Revenue		
Governmental activities	\$ (63,282,213)	\$ (11,934,926)
Business-type activities	27,045,893	22,986,496
Total primary government net revenue	\$ (36,236,320)	\$ 11,051,570
General Revenues		
Governmental activities:		
Taxes	\$ 27,134,829	\$ 36,597,464
Lost revenue	14,241,132	0
Alcoholic beverages taxes	3,204,139	3,131,607
Motor fuel taxes	9,241	14,239
Miscellaneous state taxes	10,383	9,953
Fines and forfeitures	0	903,730
Unrestricted investment earnings	2,478,194	2,625,477
Amortization of premium	0	91,788
Gain/Loss from disposal of capital assets	(2,950,480)	138,844
Transfers	5,832,436	243,168
Total general government revenues/transfers	\$ 49,959,874	\$ 43,756,270
Business-type activities:		
Unrestricted investment earnings	5,536,084	3,368,514
Gain/Loss from disposal of capital assets	22,080	58,153
Transfers	(5,832,436)	(243,168)
Total business-type activities:	(274,272)	3,183,499
Total primary government general revenues	\$ 49,685,602	\$ 46,939,769
Change in Net Assets		
Governmental activities	\$ (13,322,339)	\$ 31,821,344
Business-type activities	26,771,621	26,169,995
Total primary government	\$ 13,449,282	\$ 57,991,339

CITY OF COLUMBIA

Fund Balances Governmental Funds
Last Two Fiscal Years
(Unaudited)

	2006		2005
General Fund			
Reserved	\$ 1,126,443	\$	1,647,466
Unreserved	22,394,019		15,196,044
Total General Fund	<u>\$ 23,520,462</u>	<u>\$</u>	<u>16,843,510</u>
All Other Governmental Funds			
Reserved	\$ 22,428,329	\$	18,762,820
Reserve for held in trust			
Nonexpandable	1,982		723
Expandable	5,000		5,000
Unreserved, reported in:			
Special revenue funds	9,751,796		8,152,704
Debt service funds	4,086,495		0
Capital projects funds	14,032,774		12,599,006
Total all other governmental funds	<u>\$ 50,306,377</u>	<u>\$</u>	<u>39,520,253</u>

CITY OF COLUMBIA

Changes in Fund Balances, Governmental Funds
Last Two Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2006	2005
Revenues		
General property taxes	\$ 22,577,520	\$ 31,285,819
Lost revenue	14,241,132	0
Licenses and permits	27,911,017	26,666,050
Intergovernmental revenue	8,884,739	8,728,588
Charges for services	7,708,719	6,059,904
Fines and forfeitures	788,374	903,730
Federal government	7,364,346	5,053,074
State government	2,501,419	3,378,397
County government	20,548,995	16,772,187
Promotions	60,177	264,974
Confiscated drugs	143,818	40,488
Current taxes	4,727,853	5,243,537
Interest	1,869,260	0
Investment income	0	1,114,238
Other revenues	6,999,423	19,698,285
Revenue from component units	0	82,107
Cost recovery fees	3,200,000	3,208,450
Total revenues	129,526,792	128,499,828
Expenses		
Current		
General government	46,732,884	45,790,642
Judicial	1,833,635	1,888,129
Finance department	1,252,432	1,192,351
Community development	3,093,611	3,161,595
Public safety	37,555,878	37,548,549
Parks and recreation	6,857,319	13,063,008
Public services	21,433,541	25,087,460
General services	5,181,242	2,366,418
Community promotions	7,946,764	781,376
Non departmental	656,597	1,823,582
Paid to component units	0	847,697
Other charges	483,367	0
Debt service		
Principle retirement	8,168,439	4,914,429
Interest on bonds	1,626,467	1,847,366
Fiscal agent charges	5,208	3,684
Capital outlay		
Capital outlay	6,027,774	508,109
Total expenditures	148,855,158	140,824,395
Excess (deficiency) of revenues over (under) expenses	(19,328,366)	(12,324,567)
OTHER FINANCING SOURCES (USES)		
Transfers in	25,167,313	17,298,701
Transfers (out)	(19,334,877)	(16,306,393)
Proceeds from disposal of capital assets	6,485,100	0
Proceeds from note payable issued	1,500,000	0
Total other financing sources (uses)	13,817,536	992,308
Net change in fund balances	\$ (5,510,830)	\$ (11,332,259)

Debt service as a percentage of noncapital expenses

7%

5%

CITY OF COLUMBIA, SOUTH CAROLINA

Miscellaneous Statistics

(UNAUDITED)

Year Ended June 30, 2006

<hr/>			
Date of Incorporation			
Town			December 21, 1805
City			December 21, 1854
Form of Government			Council-Manager
Area - Square Miles			134.50
Miles of Streets and Sidewalks			
Streets (1)			469.63
Sidewalks (1)			299.43
Miles of Sanitary Sewers			992.7
Building Permits			
Permits issued			6,023
Estimated Cost - taxable property			449,971,080
Estimated Cost - nontaxable property			4,299,000
Fire Protection			
Number of stations			11
Number of employees			267
Police Protection			
Number of Stations			24
Authorized strength:			
Full-time sworn			340
Part-time civilians			4
Full-time civilians			63
Recreation			
Parks and playgrounds - acres			584.7
City owned parks and playgrounds			53
Municipal Water Plants			2
	<u>Inside</u>	<u>Outside</u>	<u>Total</u>
	<u>City Limits</u>	<u>City Limits</u>	
Number of Meters Billed			
Water	37,916	87,880	125,796
Sewer	31,482	33,529	65,011
Daily Average			
consumption billed			69,592,002
Plant Capacity			126,000,000
Miles of water mains			1,837.70
Number of fire hydrants (in-City)			6,189

(1) Reflect 04-05. Current FY response pending.

CITY OF COLUMBIA, SOUTH CAROLINA

Miscellaneous Statistics

(UNAUDITED)

Year Ended June 30, 2006

Election Data	
Registered voters in the City (District 1C)	61,004
Number of votes cast last election	13,122
Percentage of registered voters voting	21.51%
Traffic Signals and Street Lights	
Controlled traffic signal intersections	260
Four-way flashing signals at intersections	29
School flashing signals	57
Number of street lights	9,030
Education (Public School System Only)	
City school system(Richland County School District 1)	
Number of school buildings	47
Number of teachers	2,691
Number of students registerd	24,060
Average daily attendance:	
Elementary schools	10,602
Middle schools	5,563
High schools	6,915
Special schools	138
Universities and Colleges	
Number of locations	8
Number of students registered	36,176
City of Columbia Permanent Employees	
Full-time	1,913
Part-time	67