

# THE CITY OF COLUMBIA SOUTH CAROLINA

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A COMPREHENSIVE ANNUAL  
FINANCIAL REPORT FOR  
THE FISCAL YEAR ENDING  
JUNE 30, 2007



**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**CITY OF COLUMBIA, SOUTH CAROLINA**

**FISCAL YEAR ENDED JUNE 30, 2007**

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

**Interim Finance Director  
Melisa Caughman**

**Prepared by the  
Finance Department**



**CITY OF COLUMBIA, SOUTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**Year Ended June 30, 2007**

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## INTRODUCTORY SECTION

City of Columbia, South Carolina



**CITY OF COLUMBIA  
SOUTH CAROLINA**

December 8, 2008

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007 is presented herein with the senior leadership team's admiration and sincere thankfulness to the 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, LLP, a firm of licensed certified public accountants. WebsterRogers, LLP concluded, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended June 30, 2007, 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 assumes 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; a list of the City of Columbia's elected officials and organizational charts of City staff and the Accounting 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 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 as a comfortable drive to most other southeastern metropolitan areas. There are 135.13 square miles of land within the corporate boundaries of the City. The City's estimated population is 119,961 with 716,030 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 273,458 to 290,023. 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 graduations activities. These visitors have a solid impact on the local economy, supporting local hotels, restaurants and the retail shopping industry. Ft. Jackson's new \$150 million infrastructure project is under way and is a significant benefit to the local economy.

Another City strategic business partner is the University of South Carolina. In connection with the City of Columbia and Richland County, USC has recently launched a 56-acre research facility named the Innovista Campus. The research to be conducted at the Innovista Campus will concentrate on nanotechnology, hydrogen fuel cell research, bio-medical and environmental sciences. The economic impact of all this new construction, creation of new companies and new jobs is being felt currently and will positively impact the local and state business climate, adding 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. The CanalSide project, redevelopment of the S.C. Mental Health property, North Columbia projects and The Congaree Vista District (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 previously reported, the City of Columbia is ready to embark on a variety of multi-year infrastructure projects. The 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 Convention Center Hotel opened in 2007.

## **RELEVANT FINANCIAL POLICIES**

### **Internal Controls**

Internal controls are procedures that are 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.

### **Cash management practices**

The \$183 million investment portfolio is split between four asset managers. All investments are in compliance with State laws and Federal arbitrage rules.

### **Budgetary control**

The City maintains budgetary controls, which are designed to ensure compliance with legal provisions of the annual budget 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.

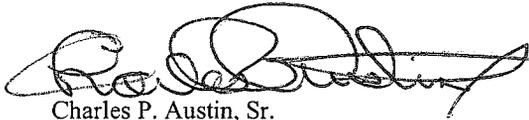
## **ACKNOWLEDGEMENTS**

The preparation of this report could not be accomplished without the dedicated staff of the entire Accounting Division of the finance Department. We would also like to express our appreciation to all members of other departments who contributed to its preparation and dedicated considerable resources to ensure our successful completion of this report.

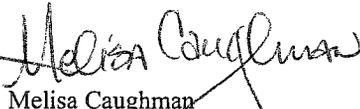
Special thanks is given to the team of accountants working with us through the Municipal Association of South Carolina on this project. We are grateful for their dedication, expertise and many hours of preparation of this report.

In closing, we are thankful for the leadership and support of Columbia City Council in the work that they do for the Citizens and Customers of the City of Columbia.

Respectfully submitted,



Charles P. Austin, Sr.  
City Manager



Melisa Caughman  
Interim Finance Director

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

**As of June 2008**

**Mayor**

Robert D. Coble

**Council Members**

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

**City Manager**

Charles P. Austin, Sr.

**Assistant City Managers**

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 Directors**

City Attorney	Ken Gaines
Community Development	Tony Lawton
Court Administrator	Gladys Brown
Development Services/Zoning	Marc S. Mylott
Economic Development	James B. Gambrell
Emergency Communications	Michael King
Interim Finance Director	Melisa A. Caughman
Fire	Wm. Bradley Anderson
General Services	David Knoche
Governmental Affairs & Community Relations	Teresa Florence
Homeland Security & Emergency Operations	Harold Reaves
Human Resources	Jacques A. Gilliam
Information Technology	Vincent Simonowicz
Office of Business Opportunities	Tony Lawton
Parks and Recreation	S. Allison Baker
Planning	Nathaniel B. Land
Police	Tandy Carter
Public Relations	Leshia Utsey
Public Works	Melissa Smith Gentry, P.E.
Utilities & Engineering	John J. Dooley, Jr., P.E.

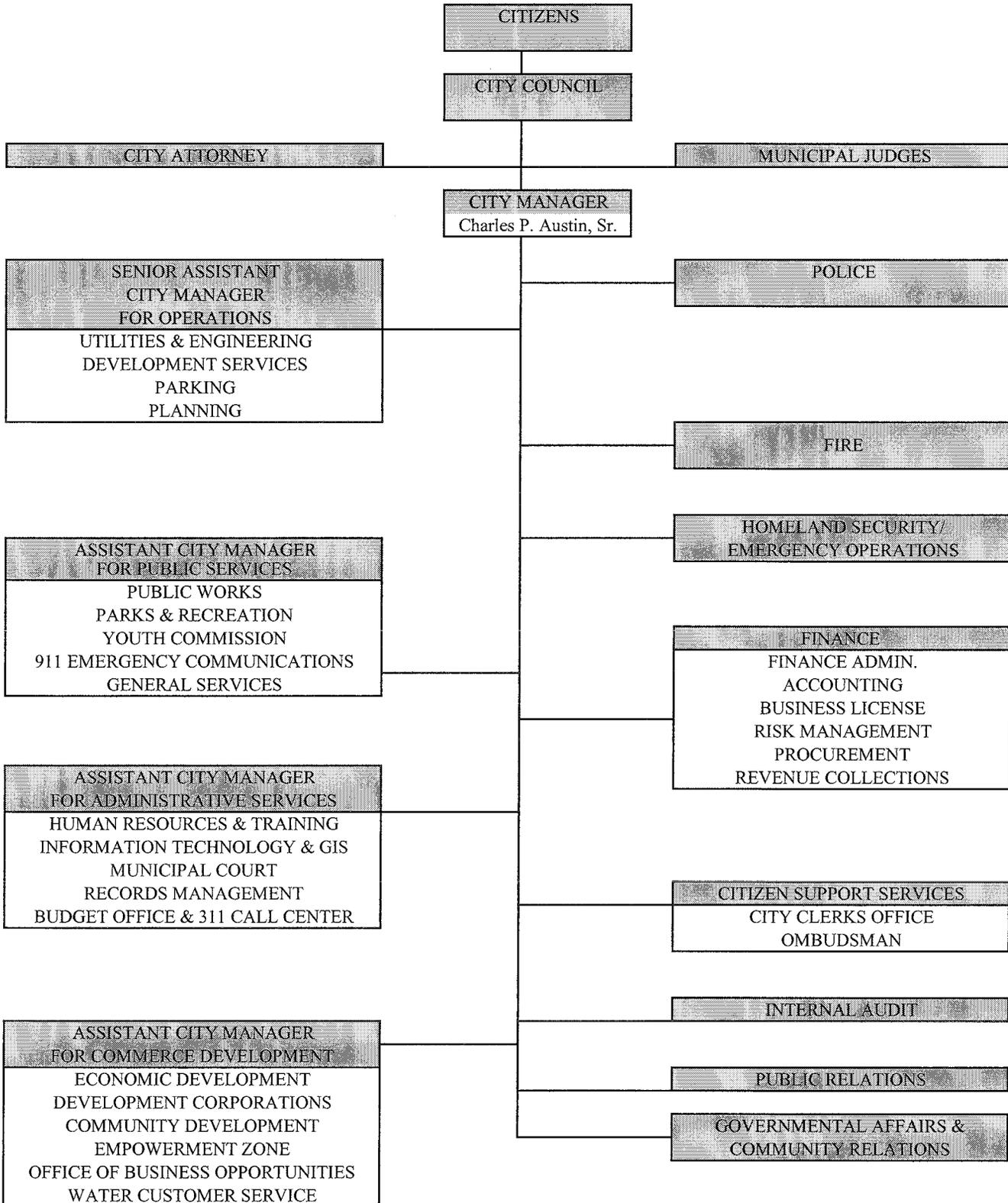
**Development Corporation Directors**

Columbia Development Corp	Fred Delk
Columbia Housing/TN Development Corp	Deborah Livingston
Eau Claire Development Corp	Michael Manis
Midlands Convention Center Authority	Ric Luber

CITY OF COLUMBIA, SOUTH CAROLINA

ORGANIZATION CHART

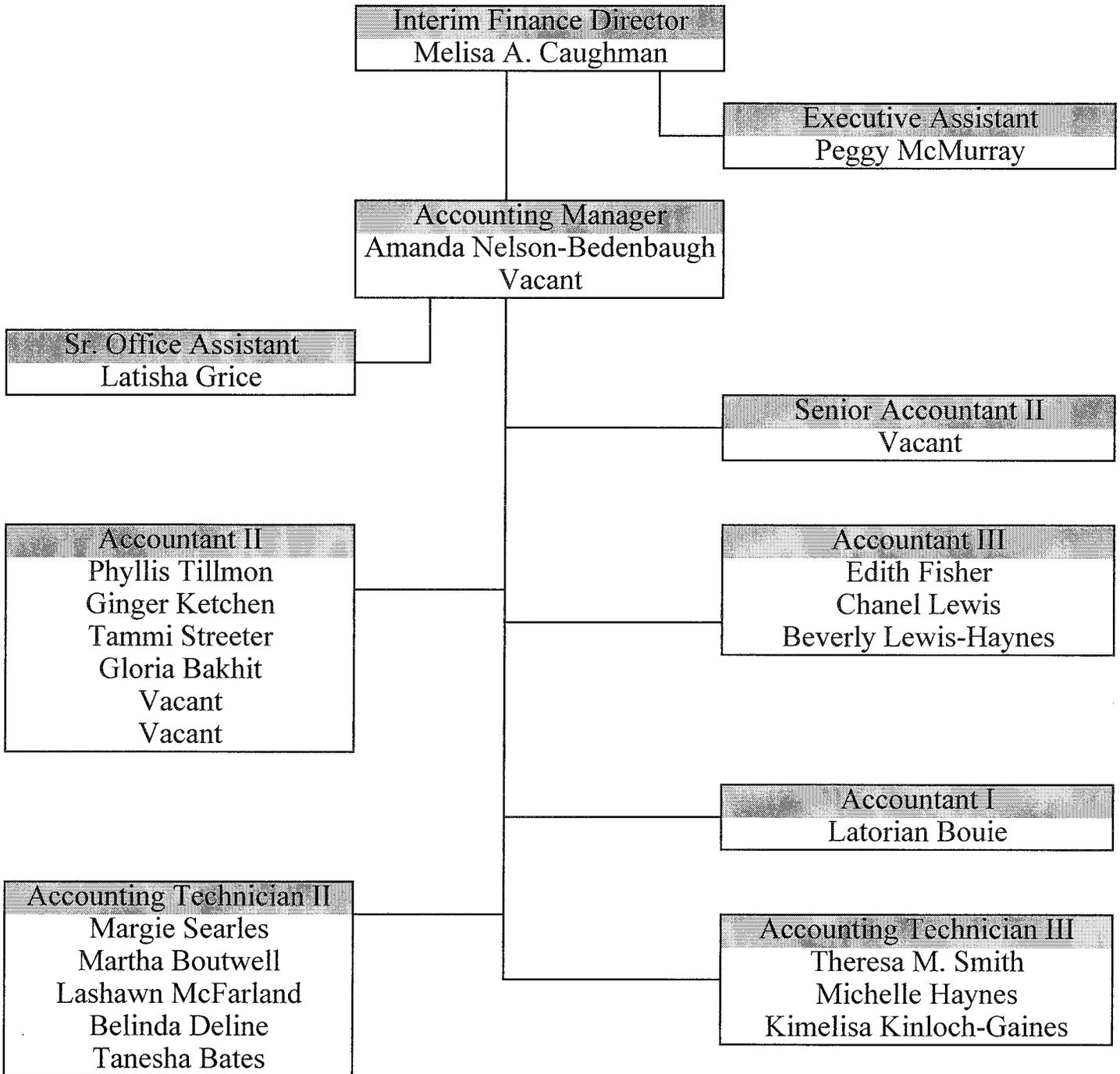
As of June 2008



CITY OF COLUMBIA, SOUTH CAROLINA

ACCOUNTING DIVISION ORGANIZATIONAL CHART

AS OF JUNE 2008



## FINANCIAL SECTION



Florence • Columbia • Georgetown • Charleston • Myrtle Beach • Sumter • Litchfield • Summerville

## 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, 2007, 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, 2007, 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 December 8, 2008, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and supplementary information to the financial statements, and the statistical section, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules, and supplementary information 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.

*Webster Rogers LLP*

Columbia, South Carolina  
December 8, 2008

**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 ("City") 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 which starts on page 1 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 four" 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 \$725.7 million (net assets), including \$612.2 million invested in capital assets, net of related debt.
- The government's total net assets increased by \$27.4 million when compared to the restated net assets on June 30, 2006.
- The Local Option Sales Tax was implemented in the prior year. This alternative funding method provided \$15 million in revenue during the year ended June 30, 2007 as an "offset" to property taxes.
- The Columbia Parking Facilities Corporation Fund was established and accounts for certain obligations related to the City's partnership with University of South Carolina (the University) to build two parking garages. These garages are part of the University's new research campus, Innovista.

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, Proprietary, and Fiduciary.

**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 statements to distinguish functions of the City's operations that are principally supported by taxes and government related revenues, which are **governmental activities**, and from the functions of the City's operations that are supported primarily by fees and charges for service rendered, which are **business-type activities**. The following are examples of each:

**Governmental Activities** – police and fire department, public works, and parks & recreation

**Business-type Activities** – water and sewer facilities, parking facilities, and storm water 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 resulting Net Assets of the company (Assets minus Liabilities) is called the Balance Sheet. The government-wide 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 beginning on page 20 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.

**City of Columbia  
Statement of Net Assets  
June 30, 2007 and 2006**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006 *</u>	<u>2007</u>	<u>2006 *</u>	<u>2007</u>	<u>2006 *</u>
<b>Assets</b>						
Current and other assets	\$ 124,488,493	\$ 114,139,007	\$ 193,825,616	\$ 214,000,986	\$ 318,314,109	\$ 328,139,993
Capital assets	<u>227,000,010</u>	<u>210,100,020</u>	<u>554,000,052</u>	<u>521,000,040</u>	<u>782,007,505</u>	<u>732,070,274</u>
<b>Total assets</b>	<u><b>351,857,106</b></u>	<u><b>324,247,335</b></u>	<u><b>748,514,568</b></u>	<u><b>735,970,932</b></u>	<u><b>1,100,371,674</b></u>	<u><b>1,060,218,267</b></u>
<b>Liabilities</b>						
Non-current liabilities	96,570,597	97,243,381	190,161,767	211,866,932	286,732,364	309,110,313
Current liabilities	<u>59,005,491</u>	<u>29,848,817</u>	<u>28,921,115</u>	<u>19,952,096</u>	<u>87,926,606</u>	<u>49,800,913</u>
<b>Total liabilities</b>	<u><b>155,576,088</b></u>	<u><b>127,092,198</b></u>	<u><b>219,082,882</b></u>	<u><b>231,819,028</b></u>	<u><b>374,658,970</b></u>	<u><b>358,911,226</b></u>
<b>Net assets</b>						
Invested in capital assets, net of related debt	170,666,468	118,540,682	441,526,920	408,139,448	612,193,388	526,680,130
Restricted	7,270	6,982	0	0	7,270	6,982
Unrestricted	<u>25,607,280</u>	<u>75,615,451</u>	<u>87,904,766</u>	<u>95,972,456</u>	<u>113,512,046</u>	<u>171,587,907</u>
<b>Total net assets</b>	<u><b>\$ 196,281,018</b></u>	<u><b>\$ 194,163,115</b></u>	<u><b>\$ 529,431,686</b></u>	<u><b>\$ 504,111,904</b></u>	<u><b>\$ 725,712,704</b></u>	<u><b>\$ 698,275,019</b></u>

\* The 2006 numbers have been restated due to the City performing a physical inventory of its capital assets during the year ended June 30, 2007, and writing off certain amounts that were recorded as due from Federal government at June 30, 2006, that were not actually receivable by the City. See footnote IV.

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, 2007 and 2006**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006 *</u>	<u>2007</u>	<u>2006 *</u>	<u>2007</u>	<u>2006 *</u>
Revenues						
Program revenues						
Charges for services	\$ 56,583,922	\$ 51,943,738	\$ 109,493,479	\$ 103,272,992	\$ 166,077,401	\$ 155,216,730
Operating grants & contributions	30,413,604	30,208,260	-	-	30,413,604	30,208,260
Capital grants & Contributions	8,291,673	2,165,766	12,161,089	13,738,679	20,452,762	15,904,445
General revenues						
Property taxes	32,028,856	27,134,829	-	-	32,028,856	27,134,829
Other taxes	18,431,536	17,464,895	-	-	18,431,536	17,464,895
Unrestricted investment income	4,670,483	2,478,194	6,715,293	5,536,084	11,385,776	8,014,278
Gain (loss) on disposal	<u>(7,426,558)</u>	<u>(2,950,480)</u>	<u>(116,006)</u>	<u>(4,562,096)</u>	<u>(7,542,564)</u>	<u>(7,512,576)</u>
Total revenues	<u>142,993,515</u>	<u>128,445,202</u>	<u>128,253,855</u>	<u>117,985,659</u>	<u>271,247,370</u>	<u>246,430,861</u>
Expenses						
General government	35,358,581	29,380,319	-	-	35,358,581	29,380,319
Judicial	2,167,922	2,044,037	-	-	2,167,922	2,044,037
Finance department	1,982,964	1,360,869	-	-	1,982,964	1,360,869
Community development	3,904,174	3,396,497	-	-	3,904,174	3,396,497
Public safety	50,306,708	43,322,024	-	-	50,306,708	43,322,024
Parks & recreation	11,053,830	7,853,425	-	-	11,053,830	7,853,425
Public services	24,014,241	21,165,433	-	-	24,014,241	21,165,433
General services	3,382,092	5,791,988	-	-	3,382,092	5,791,988
Community promotion	9,926,673	7,946,764	-	-	9,926,673	7,946,764
Interest on bonds	4,081,910	2,275,464	-	-	4,081,910	2,275,464
Non departmental	3,433,419	2,093,830	-	-	3,433,419	2,093,830
Water/sewer facilities	-	-	83,849,936	80,189,801	83,849,936	80,189,801
Hydro electric plant	-	-	1,020,132	1,010,483	1,020,132	1,010,483
Storm water operating	-	-	3,382,264	1,683,476	3,382,264	1,683,476
Parking facilities	-	-	5,139,583	6,149,446	5,139,583	6,149,446
Transportation operations	-	-	30,320	31,363	30,320	31,363
Redevelopment programs	-	-	<u>774,935</u>	<u>901,209</u>	<u>774,935</u>	<u>901,209</u>
Total expenses	<u>149,612,513</u>	<u>126,630,650</u>	<u>94,197,170</u>	<u>89,965,778</u>	<u>243,809,683</u>	<u>216,596,428</u>
Increase (decrease) in net assets before transfers	(6,618,998)	1,814,552	34,056,685	28,019,881	27,437,687	29,834,433
Transfers	<u>8,736,903</u>	<u>5,832,436</u>	<u>(8,736,903)</u>	<u>(5,832,436)</u>	<u>-</u>	<u>-</u>
Change in net assets	2,117,905	7,646,988	25,319,782	22,187,445	27,437,687	29,834,433
Net assets 7/1/06	194,163,113	182,607,120	504,111,904	481,924,459	698,275,017	664,531,579
Blending of Public Facilities Corp. into governmental funds	<u>-</u>	<u>3,909,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,909,007</u>
Net assets 7/1/06 as restated	<u>194,163,113</u>	<u>186,516,127</u>	<u>504,111,904</u>	<u>481,924,459</u>	<u>698,275,017</u>	<u>668,440,586</u>
Net assets 6/30/07	<u>\$ 196,281,018</u>	<u>\$ 194,163,115</u>	<u>\$ 529,431,686</u>	<u>\$ 504,111,904</u>	<u>\$ 725,712,704</u>	<u>\$ 698,275,019</u>

\* The 2006 numbers have been restated due to the City performing a physical inventory of its capital assets during the year ended June 30, 2007, and writing off certain amounts that were recorded as due from Federal government at June 30, 2006, that were not actually receivable by the City. See footnote IV.

## MANAGEMENT'S DISCUSSION & ANALYSIS (Continued)

In comparison to the restated net assets, the City's net assets increased \$2.1 million in governmental activities and increased \$25.3 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, 2007.

Our discussion and analysis will include a discussion of the governmental activities, and 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, 2007	\$ 196,281
Less: Net Assets June 30, 2006, as restated	<u>194,163</u>
Change in Assets	<u>\$ 2,118</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)

	<u>Revenues</u>	<u>Expenses</u>	<u>Net Change</u>
Program Revenues	\$95,289		
General Revenues	55,131		
Other Revenues/Transfers	1,310		
General Government		\$35,358	
Judicial		2,168	
Finance		1,983	
Community Development		3,904	
Public Safety		50,307	
Parks and Recreation		11,054	
Public Services		24,014	
General Services		3,382	
Community Promotions		9,927	
Interest on Bonds		4,082	
Other/Transfers		3,433	
Net Revenues	<u>\$151,730</u>		
Less: Expenses		<u>\$149,612</u>	
Total Net Change in Assets			<u>\$ 2,118</u>

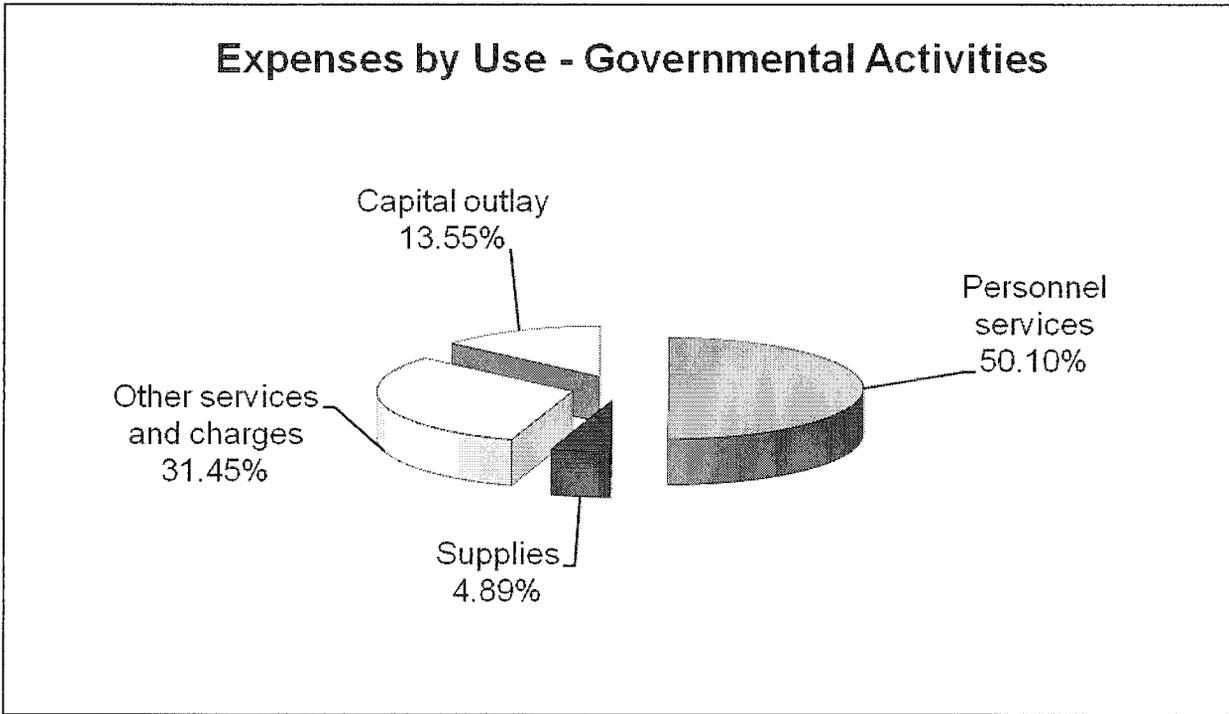
Our discussion will continue as we look more closely at the revenues and expenses. From the above schedule the reader can see where the revenues were generated and which department was charged for the expenses. Our next table will show the classification of both the revenues and expenses.

**MANAGEMENT'S DISCUSSION & ANALYSIS (Continued)**

<b>Revenues by Source – Governmental Activities</b>	
(in thousands)	
Charges for services	\$ 55,844
Operating and capital grants and contributions	39,446
General property taxes	32,029
Other taxes	18,431
Unrestricted investment income	4,670
Other/Transfer	<u>1,310</u>
<b>Total</b>	<b>\$ <u>151,730</u></b>

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.

<b>Expenses by Use - Governmental Activities</b>	
(in thousands)	
Personnel services	\$ 75,329
Supplies	7,357
Other services and charges	46,552
Capital outlay	<u>20,374</u>
<b>Total</b>	<b>\$ <u>149,612</u></b>



Our review will now move to the business-type activities, in much the same manner as we explored the governmental activities.

**MANAGEMENT'S DISCUSSION & ANALYSIS (Continued)**

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

Net Assets June 30, 2007	\$ 529,432
Less: Restated Net Assets June 30, 2006	<u>504,112</u>
Change in Assets	<u><b>\$ 25,320</b></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-Business-type Activities**  
**(in thousands)**

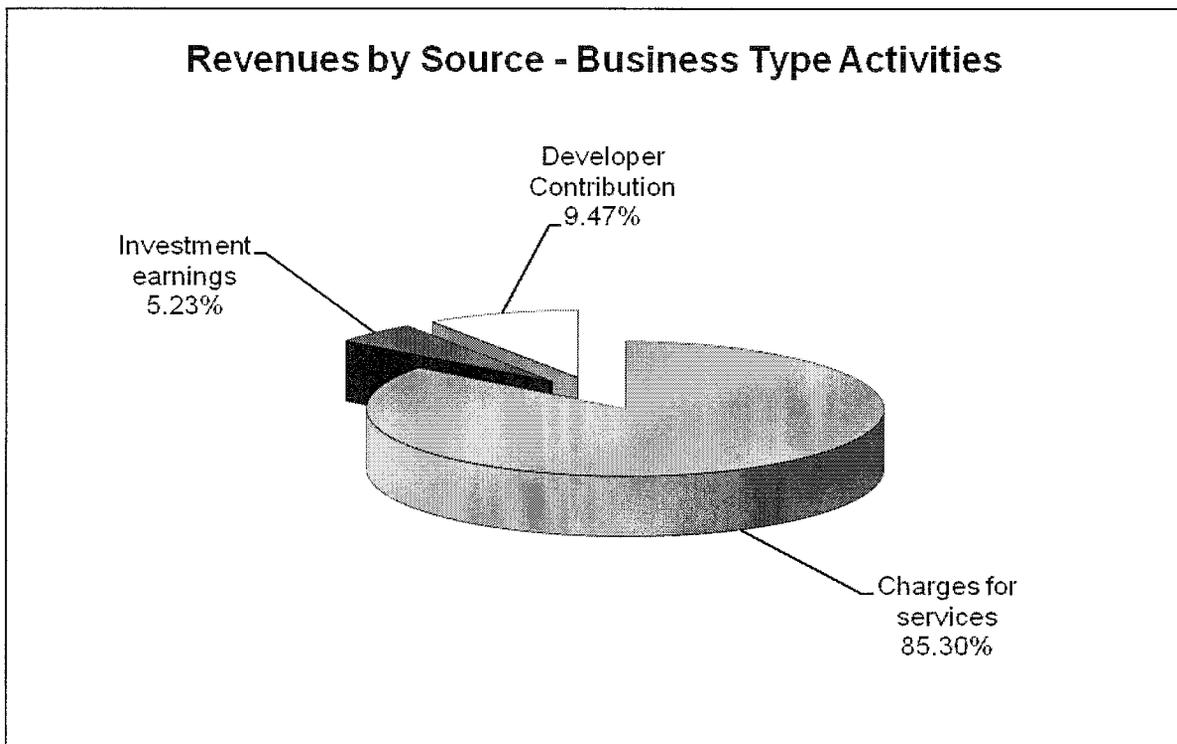
	<u>Revenues</u>	<u>Expenses</u>	<u>Net Change</u>
Charge for Services	\$109,494		
Developer Contributions	12,161		
Investment Income	6,715		
Water & Sewer		\$83,850	
Hydro-Electric Plant		1,020	
Storm Water		3,382	
Parking Facilities		5,140	
Transportation		30	
Redevelopment		775	
Other/Transfers		8,853	
Net Revenues	<u>\$128,370</u>		
Less: Expenses		<u>\$103,050</u>	
Total Net Change in Assets			<u><b>\$25,320</b></u>

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	\$ 109,494
Investment earnings	6,715
Developer Contribution	<u>12,161</u>
Total	<u><b>\$ 128,370</b></u>



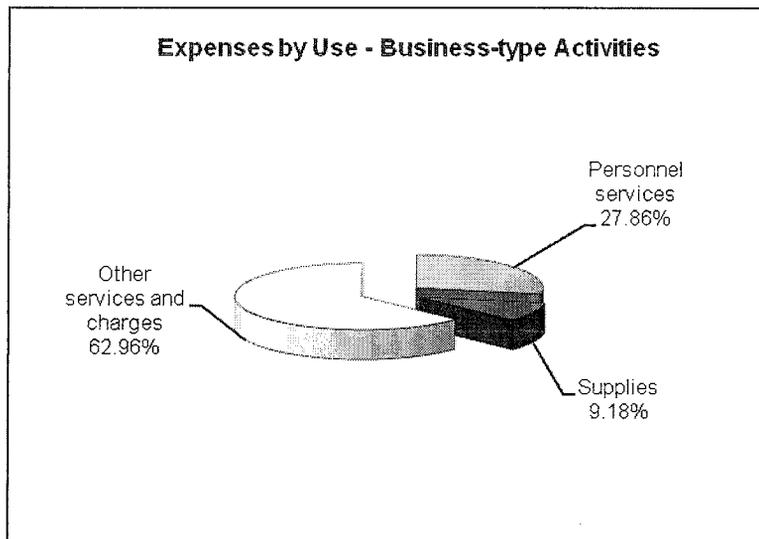
The previously displayed information shows that operating revenues are considerable and that the Water and Sewer department are the main contributors of total revenue for charges for services.

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	\$ 26,244
Supplies	8,650
Other services and charges	<u>59,303</u>
Total	<u>\$ 94,197</u>



## **MANAGEMENT'S DISCUSSION & ANALYSIS (Continued)**

### **Original Compared to Final Budget**

The Fire Department reflects a decrease in original to final budget for a transfer of \$1,457,705 to fund the purchase of fire equipment. This transfer also accounts for most of the variance in the Original Budget to the Final Budget for Operating Transfers Out. Parks and Recreation's original budget reflects \$358,000 in allocations to various agencies that receive funding through the City's Community Promotion grants. During the year, these funds were transferred to the Community Promotion line item which is reflected in the Final Budget. Finally, the Non-Departmental Final Budget reflects \$344,602 that was carried over from the previous year as funding for various projects of the City Manager's office.

### **Current Conditions That Are Expected to Have a Significant Effect on the City's Financial Position**

Rising health care cost and the issuance of GASB (Governmental Accounting Standards Board) Statement 45 will result in the City making changes to health care benefits for employees and retiree benefits in order to adequately fund its health care program and reduce the amount of the liability required for reporting GASB 45. Adding to the costs associated with risk management is rising workers compensation claims which is also impacted by the rising cost of health care.

While the City's primary revenue sources are not as sensitive to changes in the economy, the cost to operate is impacted by the rising cost of goods and services such as gasoline, electricity, and construction materials. Special revenue sources such as hospitality tax and accommodations tax remain stable due to the growth in entertainment and tourism sectors of the area, and the opening of the Central Midlands Convention Center; however the impacts of any downturn in the economy are reflected in these collections.

The most significant impact on the City's primary source of general fund revenue is property tax reform passed by the South Carolina Legislation caps millage increases to CPI and population growth. These caps will have a major impact on the City's ability to adjust property taxes accordingly to fund the services provided to citizens.

We have concluded our discussion of the government-wide statements but as noted earlier in this analysis, 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.

At the end of the current fiscal year, the City's governmental funds report a combined decrease in fund balance of \$55 thousand in comparison with the prior year. A portion of the total fund balance amount of \$70.2 million constitutes unreserved fund balance, which is available for allocation at the government's discretion. However, a significant part 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.

The general fund is the main 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 \$529 thousand during the current fiscal year. At the close of the same year the fund balance of the non-major special revenue funds decreased by \$2.85 million, indicating that the funds are being used for their designated and special purposes. Also of note is the non-major Capital project fund that decreased by \$1.67 million, which is evidence that the City's construction projects are properly funded.

## MANAGEMENT'S DISCUSSION & ANALYSIS (Continued)

**Proprietary Funds.** Proprietary funds are established and utilized to report the business functions 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 \$605 million and operating revenues of \$98.3 million. Both of these measures are increases over last year and reflect well upon the long-term management practices of the department.

### 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, 2007 amounts to \$782 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, and infrastructure. To fairly report an estimated current value, much like a business entity would, the City employs a depreciation allocation method, which reduces the cost 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".
- \$38.5 million of improvements to the water and sewer projects were completed and added to capital assets.
- Additional capital was contributed to the capital assets fund during this fiscal year
- Major streetscaping projects were undertaken
- In establishing the Columbia Parking Facilities Corporation Fund, the City partnered with the University of South Carolina (the University) to build two parking garages. These garages are part of the University's new research campus, Innovista.

### City's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2007	2006 *	2007	2006 *	2007	2006 *
Land	\$ 37,600,886	\$ 37,601,000	\$ 21,433,336	\$ 21,433,000	\$ 59,034,222	\$ 59,034,000
Construction work-in-progress	40,677,634	14,019,000	63,095,215	64,136,000	103,772,849	78,155,000
Infrastructure	8,433,965	7,091,356	0	0	8,433,965	7,091,356
Buildings	127,774,987	138,150,972	456,619,087	421,262,946	584,394,074	559,413,918
Machinery and Equipment	12,881,142	13,246,000	13,541,314	15,138,000	26,422,456	28,384,000
<b>Total</b>	<b>\$ 227,368,614</b>	<b>\$ 210,108,328</b>	<b>\$ 554,688,952</b>	<b>\$ 521,969,946</b>	<b>\$ 782,057,566</b>	<b>\$ 732,078,274</b>

\* The 2006 numbers have been restated due to the City performing a physical inventory of its capital assets during the year ended June 30, 2007. See footnote IV.

Additional information on the City's capital assets can be found in note III. G. on pages 50 and 51 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 discussion 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 \$3.5 million during the current fiscal year. This increase in debt is attributed mostly to the 2007 Parking Facilities Corporation Bonds (\$13 M) offset by principal payments made.

At the end of the current fiscal year, the City had total debt outstanding of \$313.8 million. Of this amount, \$17.4 million comprises debt backed by the full faith and credit of the government and \$10.2 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, and other items such as compensated absences and capital leases.

The City maintains an "AAA" rating from Standard & Poor's and an "Aaa" rating from Moody's for general obligation debt. The revenue bonds of the City have been rated "AA" Standard & Poor's and a "Aa2" by Moody's.

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 below this limit.

Additional information on the City's long-term debt can be found in note III. J. on pages 53-60 of this report.

### **Requests for Information**

This portion of the financial report is designed to provide a general overview of the City's financial position. 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 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.

Melisa A. Caughman  
Interim Finance Director

## **BASIC FINANCIAL STATEMENTS**

CITY OF COLUMBIA, SOUTH CAROLINA  
STATEMENT OF NET ASSETS

June 30, 2007

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 31,867,851	\$ 38,225,053	\$ 70,092,904	\$ 2,983,230
Investments	39,313,263	11,329,737	50,643,000	8,812,599
Receivables				
Property taxes	6,491,496	0	6,491,496	0
Federal government	3,049,003	0	3,049,003	0
State government	1,394,358	0	1,394,358	0
Accounts	7,717,548	8,284,137	16,001,685	1,092,926
Accrued interest	372,906	1,526,768	1,899,674	9,812
Notes, net of allowance	0	3,299,455	3,299,455	677,087
Deposits	78,745	0	78,745	0
Inventory	1,218,553	2,276,681	3,495,234	1,697
Due from component units	2,009	962,400	964,409	0
Internal balances	2,484,333	(2,484,333)	0	0
Due from primary government	0	0	0	100,000
Prepaid expenses	53,428	250,360	303,788	97,447
Real estate held for resale	0	336,425	336,425	1,916,085
<b>Total current assets</b>	<b>94,043,493</b>	<b>64,006,683</b>	<b>158,050,176</b>	<b>15,690,883</b>
<b>Noncurrent assets</b>				
Investments	28,457,634	104,268,389	132,726,023	0
Mortgage notes receivable, net	0	21,348,341	21,348,341	0
Notes receivable	0	62,153	62,153	0
Other Assets				
Unamortized bond issue costs	1,987,366	3,185,396	5,172,762	22,272
Contracts receivable	0	954,654	954,654	962,023
Other	0	0	0	11,430
Capital assets not being depreciated:				
Land	37,600,886	21,433,336	59,034,222	2,070,246
Construction in progress	40,677,634	63,095,215	103,772,849	0
Capital assets net of accumulated depreciation:				
Buildings, improvements and utility plant	127,774,987	456,619,087	584,394,074	4,516,788
Office furniture and fixtures	0	0	0	806,088
Infrastructure	8,433,965	0	8,433,965	0
Machinery and equipment	12,881,142	13,541,314	26,422,456	0
Other capital assets	0	0	0	24,093
<b>Total noncurrent assets</b>	<b>257,813,613</b>	<b>684,507,885</b>	<b>942,321,498</b>	<b>8,412,940</b>
<b>Total assets</b>	<b>\$ 351,857,106</b>	<b>\$ 748,514,568</b>	<b>\$ 1,100,371,674</b>	<b>\$ 24,103,823</b>

(Continued)

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

June 30, 2007

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 19,245,064	\$ 7,981,705	\$ 27,226,769	\$ 683,467
Accrued salaries and benefits	2,249,061	477,424	2,726,485	0
Accrued liability for claims	15,901,813	0	15,901,813	0
Accrued interest	1,029,734	2,883,305	3,913,039	0
Retainage payable	3,200,675	5,710,860	8,911,535	0
Deferred revenue	2,020,163	0	2,020,163	239,002
Due to component unit	100,000	0	100,000	0
Due to primary government	0	0	0	964,409
Compensated absences	1,258,320	346,786	1,605,106	121,430
Current notes payable	75,000	45,000	120,000	0
Current contracts payable	0	870,039	870,039	0
Capital lease payable (due in one year)	728,758	0	728,758	0
Bonds and notes (due in one year)	11,021,903	0	11,021,903	3,209,935
Revenue bonds payable	2,175,000	10,605,000	12,780,000	0
Customer deposits	0	996	996	0
<b>Total current liabilities</b>	<b>59,005,491</b>	<b>28,921,115</b>	<b>87,926,606</b>	<b>5,218,243</b>
<b>Noncurrent liabilities</b>				
Noncurrent notes payable	3,663,526	475,000	4,138,526	0
Compensated absences	5,288,548	1,387,144	6,675,692	0
Capital lease payable	1,518,235	0	1,518,235	0
Bonds and notes (due after one year)	86,100,288	186,433,605	272,533,893	7,429,336
Contracts payable	0	1,866,018	1,866,018	0
<b>Total non-current liabilities</b>	<b>96,570,597</b>	<b>190,161,767</b>	<b>286,732,364</b>	<b>7,429,336</b>
<b>Total liabilities</b>	<b>155,576,088</b>	<b>219,082,882</b>	<b>374,658,970</b>	<b>12,647,579</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	170,666,468	441,526,920	612,193,388	572,331
Restricted				
Nonexpendable	1,983	0	1,983	0
Expendable	5,287	0	5,287	0
Unrestricted	25,607,280	87,904,766	113,512,046	10,883,913
<b>Total net assets</b>	<b>196,281,018</b>	<b>529,431,686</b>	<b>725,712,704</b>	<b>11,456,244</b>
<b>Total liabilities and net assets</b>	<b>\$ 351,857,106</b>	<b>\$ 748,514,568</b>	<b>\$ 1,100,371,674</b>	<b>\$ 24,103,823</b>

*See accompanying notes to the basic financial statements*

CITY OF COLUMBIA, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2007

FUNCTIONS/PROGRAMS Primary government	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Assets			
					Governmental Activities	Business-type Activities	Total	
General government	\$ 35,358,581	\$ 8,853,475	\$ 30,092,674	\$ 7,560,733	\$ 11,148,300	\$ 0	\$ 11,148,300	0
Judicial	2,167,922	0	0	0	(2,167,922)	0	(2,167,922)	0
Finance department	1,982,964	29,319,287	0	0	27,336,323	0	27,336,323	0
Community development	3,904,174	2,138,058	0	0	(1,766,116)	0	(1,766,116)	0
Public safety	50,306,710	12,874,328	0	0	(37,432,382)	0	(37,432,382)	0
Parks and recreation	11,053,830	608,728	0	0	(10,445,102)	0	(10,445,102)	0
Public services	24,014,241	297,809	320,930	730,940	(22,664,562)	0	(22,664,562)	0
General services	3,382,092	0	0	0	(3,382,092)	0	(3,382,092)	0
Community promotion	9,926,673	0	0	0	(9,926,673)	0	(9,926,673)	0
Interest on bonds	4,081,910	0	0	0	(4,081,910)	0	(4,081,910)	0
Non departmental	3,433,419	2,492,238	0	0	(941,181)	0	(941,181)	0
<b>Total governmental activities</b>	<b>149,612,515</b>	<b>56,583,922</b>	<b>30,413,604</b>	<b>8,291,673</b>	<b>(54,323,315)</b>	<b>0</b>	<b>(54,323,315)</b>	<b>0</b>
<b>Business-type activities</b>	<b>83,849,936</b>	<b>98,386,267</b>	<b>0</b>	<b>12,161,089</b>	<b>0</b>	<b>26,697,420</b>	<b>26,697,420</b>	<b>0</b>
Water/sewer facilities	1,020,132	493,290	0	0	(526,842)	0	(526,842)	0
Hydro-electric plant	3,382,264	3,983,590	0	0	601,326	0	601,326	0
Storm water operating	5,139,583	6,135,182	0	0	995,599	0	995,599	0
Parking facilities	30,320	0	0	0	(30,320)	0	(30,320)	0
Transportation operating	774,935	495,150	0	0	(279,785)	0	(279,785)	0
Redevelopment programs	94,197,170	109,493,479	0	12,161,089	0	27,457,398	27,457,398	0
<b>Total business-type activities</b>	<b>243,809,685</b>	<b>166,077,401</b>	<b>30,413,604</b>	<b>20,452,762</b>	<b>(54,323,315)</b>	<b>27,457,398</b>	<b>(26,865,917)</b>	<b>0</b>
<b>COMPONENT UNITS</b>	<b>8,912,650</b>	<b>5,954,325</b>	<b>2,696,058</b>	<b>62,588</b>	<b>0</b>	<b>0</b>	<b>(199,679)</b>	<b>0</b>
General revenues	32,028,856	14,988,418	3,435,403	7,715	6,715,293	(116,006)	(7,542,564)	614,277
General property taxes	14,988,418	3,435,403	7,715	0	6,715,293	(116,006)	(7,542,564)	0
Local Option Sales Tax	3,435,403	7,715	0	0	8,736,903	(8,736,903)	0	0
Alcoholic beverage taxes	7,715	0	0	0	(2,137,616)	54,303,604	54,303,604	414,598
Motor fuel taxes	0	0	0	0	25,319,782	27,437,687	27,437,687	414,598
Unrestricted investment earnings	4,670,483	0	0	0	508,696,080	681,889,869	681,889,869	16,134,675
Loss from disposal of capital assets	(7,426,558)	0	0	0	(4,584,176)	16,385,148	(5,093,029)	(5,093,029)
Transfers	8,736,903	0	0	0	194,163,113	504,111,904	698,275,017	11,041,646
<b>Total general revenues and transfers</b>	<b>56,441,220</b>	<b>2,117,905</b>	<b>25,319,782</b>	<b>508,696,080</b>	<b>196,281,018</b>	<b>529,431,686</b>	<b>725,712,704</b>	<b>11,456,244</b>
<b>Change in net assets</b>	<b>2,117,905</b>	<b>2,117,905</b>	<b>25,319,782</b>	<b>508,696,080</b>	<b>173,193,789</b>	<b>20,969,324</b>	<b>16,385,148</b>	<b>(5,093,029)</b>
<b>Net assets - beginning</b>	<b>173,193,789</b>	<b>20,969,324</b>	<b>194,163,113</b>	<b>196,281,018</b>	<b>194,163,113</b>	<b>504,111,904</b>	<b>698,275,017</b>	<b>11,041,646</b>
<b>Prior Period Adjustment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net assets - beginning, as restated</b>	<b>173,193,789</b>	<b>20,969,324</b>	<b>194,163,113</b>	<b>196,281,018</b>	<b>194,163,113</b>	<b>504,111,904</b>	<b>698,275,017</b>	<b>11,041,646</b>
<b>Net assets - ending</b>	<b>175,311,694</b>	<b>23,087,229</b>	<b>219,476,896</b>	<b>196,281,018</b>	<b>196,281,018</b>	<b>529,431,686</b>	<b>725,712,704</b>	<b>11,456,244</b>

See accompanying notes to the basic financial statements

CITY OF COLUMBIA, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2007

ASSETS	General	County Services	Columbia Parking Facilities Corporation	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 131,749	\$ 161,595	\$ 14,185,545	\$ 14,673,260	\$ 29,152,149
Investments	15,104,649	0	0	38,191,926	53,296,575
Receivables					
Property taxes	957,929	0	0	5,533,568	6,491,497
Federal government	0	0	0	3,049,003	3,049,003
State government	933,001	0	0	461,357	1,394,358
Accounts	1,613,127	0	5,613,779	457,252	7,684,158
Accrued interest receivable	119,342	0	0	118,132	237,474
Due from other funds	9,976,216	0	0	0	9,976,216
Due from component units	0	0	0	2,009	2,009
Prepaid charges	0	0	0	10,341	10,341
<b>Total assets</b>	<b>\$ 28,836,012</b>	<b>\$ 161,595</b>	<b>\$ 19,799,324</b>	<b>\$ 62,496,848</b>	<b>\$ 111,293,780</b>

LIABILITIES AND FUND BALANCES

<b>Liabilities</b>					
Accounts payable	\$ 2,371,188	\$ 405,611	\$ 14,293,762	\$ 1,211,057	\$ 18,281,618
Accrued salaries and benefits	1,801,359	349,787	0	39,430	2,190,576
Retainage payable	0	0	721,449	2,479,226	3,200,675
Due to component unit	100,000	0	0	0	100,000
Deferred revenue	838,366	0	0	1,371,202	2,209,568
Due to other funds	0	0	0	15,172,538	15,172,538
<b>Total liabilities</b>	<b>5,110,913</b>	<b>755,398</b>	<b>15,015,211</b>	<b>20,273,453</b>	<b>41,154,975</b>
<b>Fund balances</b>					
Reserved for encumbrances	2,037,950	445,261	0	17,527,588	20,010,799
Reserved					
Nonexpendable	0	0	0	1,983	1,983
Expendable	0	0	0	5,287	5,287
Unreserved, undesignated, reported in					
General fund	21,687,149	0	0	0	21,687,149
Special revenue funds	0	(1,039,064)	0	13,618,962	12,579,898
Debt service funds	0	0	0	4,885,298	4,885,298
Capital projects funds	0	0	4,784,113	6,184,277	10,968,390
<b>Total fund balances</b>	<b>23,725,099</b>	<b>(593,803)</b>	<b>4,784,113</b>	<b>42,223,395</b>	<b>70,138,804</b>
<b>Total liabilities and fund balances</b>	<b>\$ 28,836,012</b>	<b>\$ 161,595</b>	<b>\$ 19,799,324</b>	<b>\$ 62,496,848</b>	

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	9,456,142
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	227,368,613
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	189,405
Unamortized bond costs	1,987,366
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	(6,546,868)
Accrued interest	(1,029,734)
Accrued bonds and notes payable	(102,442,104)
Unamortized premium	(2,840,606)
<b>Net assets of governmental activities</b>	<b>\$ 196,281,018</b>

See accompanying notes to the basic financial statements

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

For the Year Ended June 30, 2007

	General	County Services	Columbia Parking Facilities Corporation	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
General property taxes	\$ 41,223,855	\$ 0	\$ 0	\$ 5,460,858	\$ 46,684,713
License and permits	31,162,106	0	0	0	31,162,106
Intergovernmental revenue	9,879,961	0	0	0	9,879,961
Charges for services	6,859,711	1,553,016	0	0	8,412,727
Fines and forfeitures	786,187	0	0	0	786,187
Federal government	0	0	0	6,296,982	6,296,982
State government	0	0	0	1,630,152	1,630,152
County government	0	12,354,649	5,613,779	9,578,271	27,546,699
Promotions	0	0	0	188,563	188,563
Confiscated funds	0	0	0	44,057	44,057
Interest	833,745	0	417,201	2,261,184	3,512,130
Other revenues	557,992	0	0	4,433,209	4,991,201
Cost recovery fees	3,200,000	0	0	0	3,200,000
<b>Total revenues</b>	<b>94,503,557</b>	<b>13,907,665</b>	<b>6,030,980</b>	<b>29,893,276</b>	<b>144,335,478</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General government	4,857,162	12,830,004	551,226	11,898,167	30,136,559
Judicial	1,874,399	0	0	0	1,874,399
Finance department	1,747,050	0	0	0	1,747,050
Planning and development	3,249,126	0	0	0	3,249,126
Public safety	42,204,031	0	0	0	42,204,031
Parks and recreation	8,943,182	0	0	15,953	8,959,135
Public services	17,068,283	0	0	3,839,140	20,907,423
General services	3,221,626	0	0	0	3,221,626
Community promotion	542,106	0	0	7,486,286	8,028,392
Non departmental	1,994,232	0	0	0	1,994,232
Other Charges	0	0	0	1,567,941	1,567,941
<b>Debt service</b>					
Principal retirement/ payment on bonds	75,000	0	0	7,484,169	7,559,169
Interest on bonds	0	0	0	3,804,084	3,804,084
Fiscal agent charges	0	0	0	87,360	87,360
<b>Capital outlay</b>					
Capital outlay	0	1,498,786	22,709,899	1,200,907	25,409,592
<b>Total expenditures</b>	<b>85,776,197</b>	<b>14,328,790</b>	<b>23,261,125</b>	<b>37,384,007</b>	<b>160,750,119</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>8,727,360</b>	<b>(421,125)</b>	<b>(17,230,145)</b>	<b>(7,490,731)</b>	<b>(16,414,641)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	6,744,189	46,870	0	16,461,068	23,252,127
Transfers (out)	(14,942,142)	(1,265,896)	0	(15,224,656)	(31,432,694)
Proceeds from sale of capital assets	0	0	0	2,526,053	2,526,053
Proceeds from note payable issued	0	0	22,014,258	0	22,014,258
<b>Total other financing sources (uses)</b>	<b>(8,197,953)</b>	<b>(1,219,026)</b>	<b>22,014,258</b>	<b>3,762,465</b>	<b>16,359,744</b>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>529,407</b>	<b>(1,640,151)</b>	<b>4,784,113</b>	<b>(3,728,266)</b>	<b>(54,897)</b>
Beginning fund balance	23,520,462	1,268,557	0	49,037,820	73,826,839
Prior period adjustment	(324,770)	(222,209)	0	(3,086,159)	(3,633,138)
Beginning fund balance, as restated	23,195,692	1,046,348	0	45,951,661	70,193,701
<b>Fund balance, end of year</b>	<b>\$ 23,725,099</b>	<b>\$ (593,803)</b>	<b>\$ 4,784,113</b>	<b>\$ 42,223,395</b>	<b>\$ 70,138,804</b>

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, 2007

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

Net change in fund balance - total governmental funds	\$	(54,897)
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		1,358,267
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		31,926,276
Depreciation expense		(8,835,232)
Capital asset sold-loss		(7,426,558)
Proceeds from sale of captial assets		(2,526,053)
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		(1,006,179)
Accrued interest		(277,826)
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		1,946,954
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		332,567
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.		<u>(13,319,414)</u>
Net change in net assets - governmental activities	\$	<u>2,117,905</u>

*See accompanying notes to the basic financial statements*

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

June 30, 2007

	Business-type Activities				Governmental Activities Internal Service Funds
	Water/Sewer Facilities Fund	Parking Facilities Fund	Other Proprietary Funds	Total	
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 18,339,154	\$ 7,082,365	\$ 12,803,534	\$ 38,225,053	\$ 2,715,702
Investments	8,637,448	2,692,289	0	11,329,737	14,474,322
Accounts receivable, net	7,265,979	27,688	990,470	8,284,137	33,390
Mortgage notes receivable, net	0	0	2,835,398	2,835,398	0
Accrued interest receivable	1,156,172	77,872	292,724	1,526,768	135,432
Deposits	0	0	0	0	78,745
Due from other funds	8,041,275	0	0	8,041,275	0
Due from component unit	962,400	0	0	962,400	0
Inventory	2,061,861	214,820	0	2,276,681	1,218,553
Prepaid expenses	250,360	0	0	250,360	43,087
Real estate held for resale	0	0	336,425	336,425	0
Notes receivable	464,057	0	0	464,057	0
<b>Total current assets</b>	<u>47,178,706</u>	<u>10,095,034</u>	<u>17,258,551</u>	<u>74,532,291</u>	<u>18,699,231</u>
<b>Noncurrent assets</b>					
Investments	62,263,665	30,585,238	11,419,486	104,268,389	0
Mortgage notes receivable, net	0	0	21,348,341	21,348,341	0
Notes receivable	62,153	0	0	62,153	0
Contracts receivable	0	0	954,654	954,654	0
Unamortized bond discounts and costs	1,849,803	1,335,593	0	3,185,396	0
<b>Capital assets:</b>					
Land	7,519,280	13,587,356	326,700	21,433,336	0
Construction in progress	42,031,933	17,344,727	3,718,555	63,095,215	0
Buildings, improvements and utility plant	657,181,994	13,742,255	19,496,244	690,420,493	903,586
Machinery and equipment	25,573,182	1,228,106	123,227	26,924,515	8,932,170
Less, accumulated depreciation	(238,416,800)	(6,625,720)	(2,142,087)	(247,184,607)	(4,689,497)
Net capital assets	<u>493,889,589</u>	<u>39,276,724</u>	<u>21,522,639</u>	<u>554,688,952</u>	<u>5,146,259</u>
<b>Total noncurrent assets</b>	<u>558,065,210</u>	<u>71,197,555</u>	<u>55,245,120</u>	<u>684,507,885</u>	<u>5,146,259</u>
<b>Total assets</b>	<u>\$ 605,243,916</u>	<u>\$ 81,292,589</u>	<u>\$ 72,503,671</u>	<u>\$ 759,040,176</u>	<u>\$ 23,845,490</u>

(Continued)

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

June 30, 2007

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water/Sewer Facilities Fund	Parking Facilities Fund	Other Proprietary Funds	Total	
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ 6,306,289	\$ 172,807	\$ 1,502,609	\$ 7,981,705	\$ 963,446
Accrued salaries and benefits	427,829	26,575	23,020	477,424	58,485
Compensated absences	326,078	15,912	4,796	346,786	255,269
Retainage	4,238,457	1,064,525	407,878	5,710,860	0
Due to other funds	0	0	1,366,195	1,366,195	1,478,759
Accrued liability for claims	0	0	0	0	15,901,813
Notes payable	0	0	45,000	45,000	0
Contracts payable	0	0	870,039	870,039	0
Capital lease payable short term	0	0	0	0	728,758
Accrued interest payable	1,841,530	939,379	102,396	2,883,305	0
Revenue bonds payable	9,865,000	740,000	0	10,605,000	0
Customer deposits	0	996	0	996	0
Cash Overdraft	0	0	0	0	0
<b>Total current liabilities payable from current assets</b>	<b>23,005,183</b>	<b>2,960,194</b>	<b>4,321,933</b>	<b>30,287,310</b>	<b>19,386,530</b>
<b>Long-term liabilities:</b>					
Notes payable	0	0	475,000	475,000	0
Capital lease payable	0	0	0	0	1,518,235
Contracts payable	0	0	1,866,018	1,866,018	0
Compensated absences	1,304,311	63,650	19,183	1,387,144	0
Revenue bonds payable, net	138,005,983	48,427,622	0	186,433,605	0
<b>Total long-term liabilities</b>	<b>139,310,294</b>	<b>48,491,272</b>	<b>2,360,201</b>	<b>190,161,767</b>	<b>1,518,235</b>
<b>Total liabilities</b>	<b>162,315,477</b>	<b>51,451,466</b>	<b>6,682,134</b>	<b>220,449,077</b>	<b>20,904,765</b>
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	404,206,617	15,797,664	21,522,639	441,526,920	5,146,259
Restricted	11,706,530	1,679,379	102,396	13,488,305	0
Unrestricted	27,015,292	12,364,080	44,196,502	83,575,874	(2,205,534)
<b>Total net assets</b>	<b>442,928,439</b>	<b>29,841,123</b>	<b>65,821,537</b>	<b>538,591,099</b>	<b>2,940,725</b>
<b>Total liabilities and net assets</b>	<b>\$ 605,243,916</b>	<b>\$ 81,292,589</b>	<b>\$ 72,503,671</b>	<b>\$ 759,040,176</b>	<b>\$ 23,845,490</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund				(9,159,413)	
<b>Net assets of business type activities</b>				<b>\$ 529,431,686</b>	

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, 2007

	Business-type Activities				Governmental Activities Internal Service Funds
	Water/Sewer Facilities Fund	Parking Facilities Fund	Other Proprietary Funds	Total	
<b>Operating revenues:</b>					
Charges for services	\$ 97,987,282	\$ 4,366,797	\$ 3,982,156	\$ 106,336,235	\$ 20,825,294
Other operating revenue	317,396	1,693,579	974,583	2,985,558	0
<b>Total operating revenues</b>	<u>98,304,678</u>	<u>6,060,376</u>	<u>4,956,739</u>	<u>109,321,793</u>	<u>20,825,294</u>
<b>Operating expenses:</b>					
Personnel services	23,394,971	1,597,334	1,251,915	26,244,220	3,212,097
Materials and supplies	7,186,667	265,346	106,432	7,558,445	6,582,992
Contractual services	0	0	0	0	4,660
Other services and charges	12,800,643	457,957	228,599	13,487,199	2,704,262
Heat, light and power	5,465,446	181,776	556,759	6,203,981	68,180
Claims and premiums	0	0	0	0	28,169,809
Indirect costs	3,200,000	0	0	3,200,000	0
Depreciation	18,169,069	461,781	469,981	19,100,831	1,184,628
Bad debt expense	1,389,048	0	658,188	2,047,236	0
Capital outlay	0	0	0	0	426,844
Debt service	0	0	0	0	101,235
<b>Total operating expenses</b>	<u>71,605,844</u>	<u>2,964,194</u>	<u>3,271,874</u>	<u>77,841,912</u>	<u>42,454,707</u>
<b>Operating income (loss)</b>	<u>26,698,834</u>	<u>3,096,182</u>	<u>1,684,865</u>	<u>31,479,881</u>	<u>(21,629,413)</u>
<b>Nonoperating revenues (expenses):</b>					
Investment income	3,397,872	1,956,743	1,360,680	6,715,295	1,158,353
Other nonoperating revenue	81,588	74,806	15,297	171,691	0
Gain (loss) from sale of assets	(126,728)	(30,701)	41,423	(116,006)	(266,344)
Community promotions	(125,000)	0	0	(125,000)	0
Interest expense	(7,040,903)	(1,733,684)	(173,486)	(8,948,073)	0
Intergovernmental expenses	(368,078)	0	(1,472,311)	(1,840,389)	0
Amortization of bond costs	(159,280)	(104,320)	0	(263,600)	0
<b>Total nonoperating revenues (expenses)</b>	<u>(4,340,529)</u>	<u>162,844</u>	<u>(228,397)</u>	<u>(4,406,082)</u>	<u>892,009</u>
<b>Income (loss) before contributions and transfers</b>	<u>22,358,305</u>	<u>3,259,026</u>	<u>1,456,468</u>	<u>27,073,799</u>	<u>(20,737,404)</u>
Transfers in	0	0	3,433,367	3,433,367	16,917,468
Transfers out	(10,402,889)	(1,530,387)	(236,994)	(12,170,270)	0
Water & Sewer development contributions	12,161,089	0	0	12,161,089	0
<b>Change in net assets</b>	<u>24,116,505</u>	<u>1,728,639</u>	<u>4,652,841</u>	<u>30,497,985</u>	<u>(3,819,936)</u>
<b>Total net assets - beginning net assets</b>	<u>427,477,204</u>	<u>23,745,299</u>	<u>61,454,787</u>		<u>6,779,976</u>
<b>Prior period adjustment</b>	<u>(8,665,270)</u>	<u>4,367,185</u>	<u>(286,091)</u>		<u>(19,315)</u>
<b>Beginning net assets, as restated</b>	<u>418,811,934</u>	<u>28,112,484</u>	<u>61,168,646</u>		<u>6,760,661</u>
<b>Total net assets- ending net assets</b>	<u>\$ 442,928,439</u>	<u>\$ 29,841,123</u>	<u>\$ 65,821,537</u>		<u>\$ 2,940,725</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund				<u>(5,178,203)</u>	
<b>Change in net assets of business-type activities</b>				<u>\$ 25,319,782</u>	

See accompanying notes to the basic financial statements

CITY OF COLUMBIA, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2007

	Water/Sewer Facilities Fund	Parking Facilities Fund	Total Nonmajor Proprietary Funds	Total	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 97,995,521	\$ 6,045,289	\$ 5,076,939	\$ 109,117,749	\$ 21,293,770
Payments to suppliers	(31,530,706)	(1,801,354)	(1,226,138)	(34,558,198)	(29,861,072)
Payments to employees	(23,273,884)	(965,160)	(1,012,578)	(25,251,622)	(3,211,881)
Net cash provided (used) by operating activities	<u>43,190,931</u>	<u>3,278,775</u>	<u>2,838,223</u>	<u>49,307,929</u>	<u>(11,779,183)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Due to (from) others	236,393	0	1,366,195	1,602,588	(3,046,775)
Transfers in	0	0	3,433,367	3,433,367	16,917,468
Transfers out	(10,402,889)	(1,530,387)	(236,994)	(12,170,270)	0
Net cash provided (used) by noncapital and related financing activities	<u>(10,166,496)</u>	<u>(1,530,387)</u>	<u>4,562,568</u>	<u>(7,134,315)</u>	<u>13,870,693</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	(27,370,907)	(11,920,106)	(1,053,627)	(40,344,640)	(2,458,321)
Principal paid on capital lease	0	0	0	0	(709,240)
Principal paid on bonds and notes	(9,561,022)	(37,154)	(1,450,583)	(11,048,759)	0
Interest paid on debt	(8,486,700)	(2,158,641)	(221,815)	(10,867,156)	0
Net cash provided (used) by capital and related financing activities	<u>(45,418,629)</u>	<u>(14,115,901)</u>	<u>(2,726,025)</u>	<u>(62,260,555)</u>	<u>(3,167,561)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	0	0	(397,654)	(397,654)	(3,887,705)
Proceeds from sale of investments	22,061,704	12,242,000	524,867	34,828,571	0
Decrease in contract receivable, net	0	0	911,364	911,364	0
Increase in mortgage receivable, net	(163,094)	0	(2,908,517)	(3,071,611)	0
Interest received	2,580,611	1,981,047	1,376,305	5,937,963	1,131,261
Rent received	81,588	74,806	15,297	171,691	0
Sale of inventory for resale	0	42,311	280,615	322,926	0
Net cash provided (used) by investing activities	<u>24,560,809</u>	<u>14,340,164</u>	<u>(197,723)</u>	<u>38,703,250</u>	<u>(2,756,444)</u>
Net increase (decrease) in cash and cash equivalents	12,166,615	1,972,651	4,477,043	18,616,309	(3,832,495)
Cash and cash equivalents, July 1, 2006	6,172,539	5,109,714	8,326,491	19,608,744	6,548,197
Cash and cash equivalents, June 30, 2007	<u>\$ 18,339,154</u>	<u>\$ 7,082,365</u>	<u>\$ 12,803,534</u>	<u>\$ 38,225,053</u>	<u>\$ 2,715,702</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 26,698,833	\$ 3,096,182	\$ 1,684,866	\$ 31,479,881	\$ (21,629,413)
Adjustment to reconcile operating income to net cash provided (used) by operating activities					
Depreciation	18,169,069	461,781	469,981	19,100,831	1,184,628
Bad debt expense	1,389,048	0	658,188	2,047,236	0
Change in operating assets and liabilities				0	
Accounts Receivable	(1,660,518)	(15,087)	120,207	(1,555,398)	207,086
Prepaid Expenses	(250,360)	0	0	(250,360)	(43,087)
Accounts Payable	(1,238,543)	(224,595)	(79,957)	(1,543,095)	341,397
Accrued salaries	(8,536)	1,033	556	(6,947)	(57)
Accrued vacation	129,624	1,772	(15,618)	115,778	273
Accrued liability for claims	0	0	0	0	6,740,840
Inventory	(37,686)	(42,311)	0	(79,997)	1,157,761
Customer Deposits	0	0	0	0	261,390
Total adjustments	<u>16,492,098</u>	<u>182,593</u>	<u>1,153,357</u>	<u>17,828,048</u>	<u>9,850,231</u>
Net cash provided (used) by operating activities:	<u>\$ 43,190,931</u>	<u>\$ 3,278,775</u>	<u>\$ 2,838,223</u>	<u>\$ 49,307,929</u>	<u>\$ (11,779,182)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Water and Sewer development contributions	\$ 12,161,089	\$ -	\$ -	\$ 12,161,089	\$ -
Amortization of bond cost	\$ (159,280)	\$ (104,320)	\$ -	\$ (367,920)	\$ -

See accompanying notes to the basic financial statements

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

June 30, 2007

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	<b>Agency Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>128,163</u>
<b>Total assets</b>	<b>\$ <u><u>128,163</u></u></b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Liabilities:</b>	
Accounts payable	\$ <u>128,163</u>
<b>Total liabilities</b>	<u>128,163</u>
<b>Net Assets</b>	<u>0</u>
<b>Total net assets</b>	<u>0</u>
<b>Total liabilities and net assets</b>	<b>\$ <u><u>128,163</u></u></b>

*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.

**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.

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

**Midlands Authority for Conventions, Sports, and Tourism** directs and manages activities and missions of the Columbia Metropolitan Convention Center and Visitor's Bureau.

**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.

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

CITY OF COLUMBIA, SOUTH CAROLINA  
 COMBINING STATEMENT OF NET ASSETS  
 DISCRETELY PRESENTED COMPONENT UNITS  
 June 30, 2007

	Columbia Action Council	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	South Columbia Development Corporation	TN Development Corporation	Total
<b>ASSETS</b>								
<b>Current assets:</b>								
Cash and cash equivalents	\$ 21,134	\$ 451,387	\$ 302,001	\$ 190,906	\$ 804,111	\$ 116,995	\$ 489,540	\$ 2,376,074
Certificates of deposit	107,156	100,000	100,000	100,000	0	100,000	100,000	607,156
Investments	19,403	445,099	91,896	4,892	8,135,944	115,365	0	8,812,599
Accounts receivable	182	166,995	3,132	45,728	781,179	0	95,710	1,092,926
Accrued interest receivable	0	4,164	860	46	3,663	1,079	0	9,812
Mortgage notes receivable, current portion	0	611,819	33,173	0	0	32,095	0	677,087
Inventory	0	0	0	0	1,697	0	0	1,697
Prepaid expenses	2,000	0	4,073	3,337	56,173	0	31,864	97,447
Due from primary government	0	100,000	0	0	0	0	0	100,000
Real estate held for sale and development	0	320,758	931,685	663,642	0	0	0	1,916,085
<b>Total current assets</b>	<b>149,875</b>	<b>2,200,222</b>	<b>1,466,820</b>	<b>1,008,551</b>	<b>9,782,767</b>	<b>365,534</b>	<b>717,114</b>	<b>15,690,883</b>
<b>Capital assets:</b>								
Land	0	0	0	1,261,522	0	119,993	688,731	2,070,246
Buildings	0	0	0	2,057,145	0	152,021	4,177,128	6,386,294
Office furniture & fixtures	1,438	19,760	10,287	19,586	365,892	18,573	370,552	806,088
Other capital assets	0	0	0	0	0	0	24,093	24,093
Accumulated depreciation	(1,438)	(13,794)	(8,186)	(250,884)	(276,659)	(20,565)	(1,297,980)	(1,869,506)
<b>Net capital assets</b>	<b>0</b>	<b>5,966</b>	<b>2,101</b>	<b>3,087,369</b>	<b>89,233</b>	<b>270,022</b>	<b>3,962,524</b>	<b>7,417,215</b>
<b>Other assets:</b>								
Unamortized bond issue costs	0	0	0	22,272	0	0	0	22,272
Mortgage note receivable, net of allowance	0	0	962,023	0	0	0	0	962,023
Other	0	0	0	0	0	0	11,430	11,430
<b>Total other assets</b>	<b>0</b>	<b>0</b>	<b>962,023</b>	<b>22,272</b>	<b>0</b>	<b>0</b>	<b>11,430</b>	<b>995,725</b>
<b>Total assets</b>	<b>\$ 149,875</b>	<b>\$ 2,206,188</b>	<b>\$ 2,430,944</b>	<b>\$ 4,118,192</b>	<b>\$ 9,872,000</b>	<b>\$ 635,556</b>	<b>\$ 4,691,068</b>	<b>\$ 24,103,823</b>

(Continued)

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

June 30, 2007

	Columbia Action Council	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	South Columbia Development Corporation	TN Development Corporation	Total
<b>LIABILITIES</b>								
<b>Current liabilities:</b>								
Accounts payable and accrued expenses	\$ 11,088	\$ 43,249	\$ 58,636	\$ 86,857	\$ 432,367	\$ 2,634	\$ 48,636	\$ 683,467
Compensated absences	4,207	10,902	13,078	14,003	50,865	8,645	19,730	121,430
Due to primary government	100,000	100,000	100,000	409,999	0	100,000	154,410	964,409
Mortgage/bonds/notes payable - current portion	0	0	233,439	2,838,632	0	0	137,864	3,209,935
Deferred revenue	0	5,500	141,296	0	84,710	650	6,846	239,002
<b>Total current liabilities</b>	<b>115,295</b>	<b>159,651</b>	<b>546,449</b>	<b>3,349,491</b>	<b>567,942</b>	<b>111,929</b>	<b>367,486</b>	<b>5,218,243</b>
<b>Other liabilities:</b>								
Mortgage/bonds payable	0	600,000	427,052	1,610,826	0	66,000	4,725,458	7,429,336
Total other liabilities	0	600,000	427,052	1,610,826	0	66,000	4,725,458	7,429,336
<b>Total liabilities</b>	<b>115,295</b>	<b>759,651</b>	<b>973,501</b>	<b>4,960,317</b>	<b>567,942</b>	<b>177,929</b>	<b>5,092,944</b>	<b>12,647,579</b>
<b>NET ASSETS</b>								
Invested in capital assets, net of related debt	0	5,966	2,101	271,009	89,233	204,022	0	572,331
Unrestricted	34,580	1,440,571	1,455,342	(1,113,134)	9,214,825	253,605	(401,876)	10,883,913
<b>Total net assets</b>	<b>34,580</b>	<b>1,446,537</b>	<b>1,457,443</b>	<b>(842,125)</b>	<b>9,304,058</b>	<b>457,627</b>	<b>(401,876)</b>	<b>11,456,244</b>
<b>Total liabilities and net assets</b>	<b>\$ 149,875</b>	<b>\$ 2,206,188</b>	<b>\$ 2,430,944</b>	<b>\$ 4,118,192</b>	<b>\$ 9,872,000</b>	<b>\$ 635,556</b>	<b>\$ 4,691,068</b>	<b>\$ 24,103,823</b>

See accompanying notes to financial statements.



**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Index to Notes to Financial Statements**  
**Year Ended June 30, 2007**

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CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

**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 119,961 living within an area of 135.31 square miles. The Greater Columbia Metropolitan Area consists of Lexington and Richland Counties and has an estimated population of 716,030. 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 Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The more significant of these accounting policies are described below.

**A. REPORTING ENTITY**

The basic financial statements of the City present the reporting entity that consists of the primary government and those organizations for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion could cause the City's financial statements to be misleading or incomplete. 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 Units**

***Public Facilities Corporation***

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

***Columbia Parking Facilities Corporation***

Under the guidelines of GASB 34, the Columbia Parking Facilities Corporation (a capital projects fund) is considered a major fund for reporting purposes. This is a single purpose entity that was formed during fiscal year 2007 to undertake certain obligations related to the City's partnership with the University of South Carolina (the University) to build two parking garages. These garages are part of the University's new research campus, Innovista. The Board of Directors is comprised of five members of City Council. For further discussion of this component unit, 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. Partial funding is supplied by the City.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

**A. REPORTING ENTITY (Continued)**

***Columbia Development Corporation (CDC)***

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

***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 sale of properties and rents.

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

The MACST, originally incorporated as the Midlands Regional Convention Center in July 2001, was formed to oversee the development of a regional convention center and operate the convention center under a long-term management arrangement for the mutual benefit of the City and Richland and Lexington Counties of South Carolina (the Governmental Entities). The Governmental Entities have pledged their tourism development fees to support this project. However, outside of this pledge of revenues, the City 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 Interim Chief Financial Officer.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

**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. The City's internal service 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 fire services and 911 emergency communications 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  
June 30, 2007

**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, and bond anticipation notes.

*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.
- General Obligation Bonds 2002 -- accounts for funds designated from the General Obligation Bonds Series 2002.
- Parking Facilities Corporation -- accounts for funds designated for the Innovista parking garages.
- 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 \$287 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  
June 30, 2007

**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 presented separately in the statements. The City's fiduciary fund types are comprised of:

*Agency Fund*

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

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The County Services Fund accounts for fire services provided to citizens outside the City limits and the reimbursement for expenditures from Richland County.
- The Columbia Parking Facilities Corporation Fund accounts for certain obligations related to the City's partnership with University of South Carolina (the University) to build two parking garages. These garages are part of the University's new research campus, Innovista.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

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

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 effect of interfund activity has been eliminated from the government-wide financial statements, except for amounts due between the City'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  
June 30, 2007

**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. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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 unrestricted cash belonging to the City be placed in a "Pooled Cash" account to maintain the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes, and each fund has equity in the pooled 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  
June 30, 2007

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 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. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds during the same period.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

**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. 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  
June 30, 2007

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

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

***Sales Tax Revenue***

The City incorporated a Local Option Sales Tax during the year ended June 30, 2006 of 1% to offset a reduction in property taxes. The tax generated \$15.5 million and was capped in order to prevent a windfall effect of taxes collected. This "cap" created deferred revenue of \$.5 million in the General Fund. Deferred revenue of the Local Option Sales Tax will be utilized to offset any reduction of property tax revenue and/or adjust future property tax increases.

***Investment Income***

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

***Grant Revenue***

Revenues from Federal and State grants are recognized when qualifying expenditures are made and all grant requirements have been met. Cash received by the City prior to the City making qualifying expenditures is recorded as deferred revenue.

***Compensated Absences***

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

The liability for compensated absences in the financial statements is calculated based upon recorded balances of unused leave for which the City would compensate employees if employment ended June 30, 2007. The change in this calculated amount from the previous year is expensed in current operations.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water/sewer facilities fund, the parking facilities fund and the transportation operations fund are charges to customers for sales and services. Operating expenses for business-type funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

***Expenditures/Expenses***

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

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

Governmental Funds – By Characteristic:	Current (further classified by function)
	Debt Service
	Capital Outlay

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

**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.

**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, 2007

	Original Adopted Budget	Final Budget Amendments	Revised Budget
General Fund	\$ 94,851,113	\$ 5,867,225	\$ 100,718,338

**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.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

**C. DEFICIT FUND EQUITY**

Business Improvement District, Other Grants, County Services and Other Programs of the Special Revenue Fund had a combined deficit fund balance of \$1,367,517 at June 30, 2007. General Capital Projects and Miscellaneous Projects, which are capital projects funds, had a total deficit fund balance of \$2,321,142. Support Services and Risk Management of the Internal Service Funds have a combined deficit of \$3,935,781. Eau Claire Development Corporation, a component unit, has a total deficit fund balance of \$842,125. TN Development Corporation, a component unit, has a total deficit fund balance of \$401,876. Revenues and transfers from other funds in subsequent years will fund these deficits.

**D. RISK MANAGEMENT**

The City is self insured for medical and dental coverage. Health claims for individuals are limited to a lifetime amount of \$1,000,000 with a stop-loss provision of \$275,000 per year. The accrued liability for prior year claims represents estimates for medical and dental claims incurred as of June 30, 2007. Some of these claims were reported at June 30, 2007, while others may not be reported until a later date. The incurred but not reported (IBNR) is estimated by the City's independent insurance administrator based on historical results.

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

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

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

Fiscal Year	Beginning Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending Liability
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	9,061,335	21,391,141	(21,291,502)	9,160,974
2007	9,160,974	22,532,516	(15,791,677)	15,901,813

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

**D. RISK MANAGEMENT (Continued)**

Fiscal 2007 aggregate liability includes the following amounts for legal claims: \$1,667,464 beginning liability, \$7,175,528 current year claims and changes in estimates, and \$1,466,292 claims payments. The ending liability for legal claims is \$7,376,700.

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

**III. DETAIL NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

As of June 30, 2007, the City had the following investments (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-3</u>	<u>4-7</u>	<u>8-29</u>
Money market	\$29,709	\$29,709	\$0	\$0	\$0
U.S. Government Securities	81,495	19,970	35,686	25,839	0
Mortgage Backed Securities	48,665	964	0	0	47,701
Repurchase Agreement	23,500	0	23,500	0	0
<b>Total</b>	<b>\$183,369</b>	<b>\$50,643</b>	<b>\$59,186</b>	<b>\$25,839</b>	<b>\$47,701</b>

***Interest Rate Risk***

In accordance with its investment policy the City manages its exposure to declines in fair values typically by limiting the maturity of its portfolio to no more than seven years. However, during the year ended June 30, 2007, the City purchased Federal Home Loan Mortgage Corporation mortgage backed securities, that have maturities extending into 2036.

***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, 2007 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.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

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

***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. At June 30, 2007 the City was in full compliance with its collateral policy.

***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.

B. **RECEIVABLES**

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

<u>Governmental activities</u>	<u>General</u>	<u>Columbia Parking Facilities</u>	<u>Non- Major Total</u>	<u>Internal Service</u>	<u>Total</u>
Property taxes	\$ 958	\$ 0	\$ 5,534	\$ 0	\$ 6,492
Federal government	0	0	3,049	0	3,049
State government	933	0	461	0	1,394
Accounts	1,613	5,614	457	33	7,717
Accrued Interest Receivable	119	0	118	135	372
Net total receivables	<u>\$ 3,623</u>	<u>\$ 5,614</u>	<u>\$ 9,619</u>	<u>\$ 168</u>	<u>\$ 19,024</u>
	<u>Water/ Sewer Facilities</u>	<u>Parking Facilities</u>	<u>Non- Major Total</u>	<u>Total</u>	
<u>Business-type activities</u>					
Accounts	\$ 7,266	\$ 28	\$ 990	\$ 8,284	
Contracts	0	0	955	955	
Interest receivable	1,156	78	293	1,527	
Notes receivable	526	0	0	526	
Mortgage notes	0	0	24,184	24,184	
Net total receivables	<u>\$ 8,948</u>	<u>\$ 106</u>	<u>\$ 26,422</u>	<u>\$ 35,476</u>	

The above receivables are shown net of allowance for uncollectible accounts. Management's estimates of uncollectible accounts at June 30, 2007 are as follows:

General Fund	\$ 800,157
Water/Sewer Facilities	\$ 1,392,588
Parking Facilities	\$ 1,514,690
Non Major Business-type activities	\$ 1,602,095

Receivables for the Component Units consist of items totaling \$1,092,926 at June 30, 2007. As of June 30, 2007, the allowance for doubtful accounts was approximately \$119,000.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

**B. RECEIVABLES (Continued)**

*Contractual rights and related obligations:*

During the year ended June 30, 2004 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).

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

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

*Primary government:*

Mortgage notes receivable in the various Community Development Revolving Loan programs are evaluated annually and loan loss allowances are applied where appropriate. All mortgages are secured by the property and delinquent mortgages receivable are estimated to be \$1,602,095 as of June 30, 2007.

*Component units:*

The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of \$995,196. Mortgage notes receivable consist of loans to individuals under various federal housing lending programs and have various interest rates and maturity dates. The Columbia Housing Development Corporation is considered a real estate development corporation and revenue recognition is applied under the cost recovery method.

The Columbia Development Corporation (CDC) has mortgage notes receivable consisting of \$611,819. Mortgage notes receivable consist of two loans to corporations for the purpose of community development and have various interest rates and maturity dates. The Columbia Development Corporation is considered a community development corporation and revenue recognition is applied under the cost recovery method.

**D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The interfund receivables and payables at June 30, 2007 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Funds:		
General	\$ 9,976,216	\$ 0
Water/Sewer Facilities Fund	8,041,275	0
Other Governmental Funds	0	15,172,538
Other Proprietary Funds	0	1,366,195
Internal Service Fund	0	1,478,758
Total	\$ 18,017,491	\$ 18,017,491

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.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

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

The interfund transfers at June 30, 2007 are as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General	\$ 14,942,142	\$ 6,744,189
County Services	1,265,896	46,871
Non major governmental funds	15,224,656	16,461,068
Water/Sewer	10,402,889	0
Parking	1,530,387	0
Internal service funds	0	16,917,469
Non major proprietary fund	<u>236,994</u>	<u>3,433,367</u>
	<u>\$ 43,602,964</u>	<u>\$ 43,602,964</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.

**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, 2007, were \$729,432. Future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2008	\$ 729,308
2009	562,305
2010	562,936
2011	517,496
2012	<u>525,156</u>
Total	<u>\$ 2,897,201</u>

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

**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, 2007, the purchase of this equipment has been completed. The cost and net book value of the assets acquired to date is \$4,362,805 and \$2,469,993, respectively. 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, 2007, is as follows:

<u>Various Funds:</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Balance Outstanding</u>
Computer Equipment	2010	2.75%	\$ 2,246,993
			<u>2,246,993</u>

Minimum lease payments at June 30, 2007 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2008	\$ 790,595
2009	790,595
2010	790,595
Total	<u>2,371,785</u>
Less: amount representing interest	<u>124,792</u>
Present value of future minimum lease payments	<u>\$ 2,246,993</u>

**G. CAPITAL ASSETS**

Capital assets for the year ended June 30, 2007, are as follows (in thousands):

	<u>Balance June 30, 2006, as restated (Note VI)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2007</u>
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 37,601	\$ 0	\$ 0	\$ 37,601
Construction in progress	14,019	30,067	(3,409)	40,677
Total capital assets, not being depreciated:	<u>51,620</u>	<u>30,067</u>	<u>(3,409)</u>	<u>78,278</u>
Capital assets, being depreciated:				
Buildings and improvements	157,765	217	(6,087)	151,895
Machinery and equipment	37,912	3,802	(6,906)	34,808
Infrastructure	11,766	1,947	0	13,713
Total capital assets, being depreciated:	<u>207,443</u>	<u>5,966</u>	<u>(12,993)</u>	<u>200,416</u>
Less accumulated depreciation:				
Buildings and improvements	(19,615)	(4,689)	184	(24,120)
Machinery and equipment	(24,666)	(3,646)	6,385	(21,927)
Infrastructure	(4,674)	(604)	0	(5,278)
Total accumulated depreciation	<u>(48,955)</u>	<u>(8,839)</u>	<u>6,569</u>	<u>(51,325)</u>
Total capital assets, being depreciated, net	<u>158,488</u>	<u>(2,973)</u>	<u>(6,424)</u>	<u>149,091</u>
Governmental activities capital assets, net	<u>\$ 210,108</u>	<u>\$ 27,094</u>	<u>\$ (9,833)</u>	<u>\$ 227,369</u>

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

III. DETAIL NOTES ON ALL FUNDS (Continued)

G. CAPITAL ASSETS (Continued)

	Balance June 30, 2006, as restated (Note VI)	Increases	Decreases	Balance June 30, 2007
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 21,433	\$ 0	\$ 0	\$ 21,433
Construction in progress	64,136	37,851	(38,892)	63,095
Total capital assets, not being depreciated:	<u>85,569</u>	<u>37,851</u>	<u>(38,892)</u>	<u>84,528</u>
Capital assets, being depreciated:				
Buildings and improvements	639,418	51,003	0	690,421
Machinery and equipment	27,517	1,394	(1,986)	26,925
Total capital assets, being depreciated:	<u>666,935</u>	<u>52,397</u>	<u>(1,986)</u>	<u>717,346</u>
Less accumulated depreciation:				
Buildings and improvements	(217,502)	(16,300)	0	(233,802)
Machinery and equipment	(13,032)	(2,801)	2,450	(13,383)
Total accumulated depreciation	<u>(230,534)</u>	<u>(19,101)</u>	<u>2,450</u>	<u>(247,185)</u>
Total capital assets, being depreciated, net	<u>436,401</u>	<u>33,296</u>	<u>464</u>	<u>470,161</u>
Business-type activities capital assets, net	<u>\$ 521,970</u>	<u>\$ 71,147</u>	<u>\$ (38,428)</u>	<u>\$ 554,689</u>

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

Governmental activities:	
Total depreciation expense – governmental activities	<u>\$ 8,839,232</u>
Business-type activities:	
Water/Sewer facilities	\$ 18,169,069
Storm Water facilities	116,195
Parking facilities	461,781
Transportation operations	30,320
Hydro electric plant	323,466
Total depreciation expense – business-type activities	<u>\$ 19,100,831</u>

Construction commitments as of June 30, 2007 totaled \$54,002,757.

Under the provisions of GASB 34, the City switched from the modified method to the straight line depreciation method of reporting infrastructure during the year ended June 30, 2006. To determine the historical value of the infrastructure, the City used the information provided by the Department of Utilities and Engineering on streets acquired during fiscal years 2003 through 2006. This information provided the street name and the cost or estimated cost of the street at acquisition. These amounts also included sidewalks, curbs, and gutters adjacent to the street acquired. The City determined the life of the streets to be 20 years using the "Capital Assets of Local Governments Suggested Useful Lives". Infrastructure assets acquired prior to 1986 would have been fully depreciated and were not considered in this calculation. For those assets acquired between fiscal years 1986 and 2006, the acquisition date is assumed to have been on the last day of the fiscal year. Infrastructure assets acquired during fiscal year 2007 were depreciated from the date of acquisition.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

**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.

**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, 610 retirees meet those requirements. The City pays all premiums for all qualifying retirees. For the year ended June 30, 2007 premiums totaled \$277,506. Retirees paid dependent coverage of \$412,220. 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, 2007				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Participants:					
Active	2,162	2,069	1,999	2,007	1,927
Retired	610	514	512	503	487
Total Employer Claims					
Active	\$10,754,287	\$8,699,735	\$8,430,837	\$7,265,549	\$5,714,607
Retired	4,909,064	4,683,189	3,400,508	3,168,890	2,516,346
% of Active Payroll:					
Active	12.73%	10.91%	10.91%	9.71%	8.21%
Retired	<u>5.81%</u>	<u>5.87%</u>	<u>4.40%</u>	<u>4.24%</u>	<u>3.61%</u>
Total	<u>18.54%</u>	<u>16.78%</u>	<u>15.31%</u>	<u>13.95%</u>	<u>11.82%</u>

In June 2004, the Governmental Accounting Standards Board (GASB) adopted Statements No. 43 and No. 45 which are new accounting and reporting standards for other post-employment benefits (OPEB). OPEB include post-employment benefits such as medical, prescription drug, and dental insurance benefits provided for retired City government employees. Currently, the City funds these benefits on a pay-as-you-go basis. The new standards, which the City will adopt during the year ending June 30, 2008, will require the City to record the annual required cost (ARC) to fund these benefits and disclose in the notes to the basic financial statements the actuarially determined unfunded liability (an estimate of accumulated benefits expected to be paid in future years) along with current costs associated with these benefits. The City currently estimates that the ARC will be from \$10 to \$20 million for the fiscal year ending June 30, 2008 and the unfunded liability will be \$50 to \$150 million, depending on interest rate assumption, method of amortization, and any plan changes that the City may decide to make.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

**J. LONG-TERM DEBT**

	Balance 6/30/2006	Additions	Deletions	Balance 6/30/2007	Amount Due in 2008
<b>Governmental activities:</b>					
Notes payable	\$ 1,500,000	\$ 2,313,526	\$ (75,000)	\$ 3,738,526	\$ 75,000
Bond anticipation notes	0	6,600,000	0	6,600,000	6,600,000
General obligation bonds	18,830,000	0	(1,400,000)	17,430,000	1,410,000
Revenue bonds	51,195,000	13,070,000	(2,080,000)	62,185,000	2,175,000
Tax increment bonds	14,245,754	0	(4,004,169)	10,241,585	3,011,903
Unamortized bond premiums	2,975,705	0	(135,099)	2,840,606	0
Capital lease payable	2,956,233	0	(709,240)	2,246,993	728,758
Compensated absences	<u>5,540,689</u>	<u>6,546,868</u>	<u>(5,540,689)</u>	<u>6,546,868</u>	<u>1,258,320</u>
Total governmental activities	<u>97,243,381</u>	<u>28,530,394</u>	<u>(13,944,197)</u>	<u>111,829,578</u>	<u>15,258,981</u>
<b>Business-type activities:</b>					
Notes payable	1,140,000	0	(620,000)	520,000	45,000
Revenue bonds	204,380,000	0	(9,735,000)	194,645,000	10,605,000
Contracts payable	3,566,640	0	(830,585)	2,736,055	870,039
Unamortized premium	2,396,414	0	(2,809)	2,393,605	0
Compensated absences	<u>1,618,153</u>	<u>1,733,930</u>	<u>(1,618,153)</u>	<u>1,733,930</u>	<u>346,786</u>
Total business-type activities	<u>213,101,207</u>	<u>1,733,930</u>	<u>(12,806,547)</u>	<u>202,028,590</u>	<u>11,866,825</u>
Total all long-term debt	<u>\$ 310,344,588</u>	<u>\$ 30,264,324</u>	<u>\$ (26,750,744)</u>	<u>\$ 313,858,168</u>	<u>\$ 27,125,806</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$255,269 of internal service funds compensated absences is included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund. The City has complied in all material respects with the bond covenants as outlined in each issue's indenture.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

**J. LONG-TERM DEBT (Continued)**

The annual requirements to amortize all outstanding debt of the City as of June 30, 2007, including interest payments of \$30,453,199, but excluding accrued vacation payable, are as follows:

**Governmental activities:**

Year Ending June 30,	General Obligation Bonds		Interest	Revenue Bonds	Interest	Tax Increment Bonds		Interest	Note Payable
	\$	\$				\$	\$		
2008	1,410,000	\$	757,258	\$	2,332,905	\$	3,011,903	\$	75,000
2009	1,520,000		701,008		2,244,205		3,350,354		145,000
2010	1,530,000		639,258		2,167,768		189,040		195,000
2011	1,650,000		569,148		2,090,205		198,144		195,000
2012	1,660,000		496,172		1,979,205		3,132,612		195,000
2013-2017	4,265,000		1,781,712		7,972,375		359,533		2,258,526
2018-2022	5,395,000		767,740		3,898,263		0		375,000
2023-2027	0		0		417,315		0		0
2028-2032	0		0		0		0		300,000
	<u>17,430,000</u>	\$	<u>5,712,296</u>	\$	<u>23,102,241</u>	\$	<u>10,241,585</u>	\$	<u>3,738,526</u>

**General  
Obligation  
Bond**

Year Ending June 30,	Note Payable Interest	Anticipation Notes	Interest	Capital Lease	Interest	Total			
						Principal	Total Interest		
2008	0	\$	6,600,000	\$	728,758	\$	14,000,661	\$	3,875,197
2009	0		0		748,814		8,264,168		3,237,891
2010	0		0		769,421		5,318,461		2,991,160
2011	0		0		0		4,773,144		2,813,209
2012	0		0		0		7,872,612		2,561,265
2013-2017	112,926		0		0		23,568,059		9,891,159
2018-2022	0		0		0		27,220,000		4,666,003
2023-2027	0		0		0		8,085,000		417,315
2028-2032	0		0		0		3,340,000		0
	<u>112,926</u>	\$	<u>6,600,000</u>	\$	<u>2,246,993</u>	\$	<u>102,442,105</u>	\$	<u>30,453,199</u>

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

III. DETAIL NOTES ON ALL FUNDS (Continued)

J. LONG-TERM DEBT (Continued)

Business-type activities

Year	Revenue Bonds	Revenue Bonds	Note Payable	Note Payable	Total	Total
Ending	Principal	Interest	Principal	Interest	Principal	Interest
June 30,						
2008	\$ 10,605,000	\$ 9,848,825	\$ 45,000	\$ 698	\$ 10,650,000	\$ 9,849,523
2009	11,190,000	9,269,305	25,000	356	11,215,000	9,269,661
2010	11,795,000	8,671,434	25,000	356	11,820,000	8,671,790
2011	12,450,000	8,009,798	425,000	6,037	12,875,000	8,015,835
2012	13,070,000	7,384,425	0	0	13,070,000	7,384,425
2013-2017	25,975,000	31,029,601	0	0	25,975,000	31,029,601
2018-2022	31,155,000	24,051,058	0	0	31,155,000	24,051,058
2023-2027	35,640,000	16,037,890	0	0	35,640,000	16,037,890
2028-2032	29,055,000	6,904,282	0	0	29,055,000	6,904,282
2033-2037	13,710,000	2,123,500	0	0	13,710,000	2,123,500
	<u>\$ 194,645,000</u>	<u>\$ 123,330,117</u>	<u>\$ 520,000</u>	<u>\$ 7,447</u>	<u>\$ 195,165,000</u>	<u>\$ 123,337,564</u>

*Notes Payable*

Governmental Activities :

\$1,500,000 note secured for development costs for Drew Wellness Center.

Annual principal installments of \$75,000

through August 14, 2026

Interest rate: 0.0%

\$ 1,425,000

\$2,313,526 note secured for the construction of a 1,450 parking space parking deck for Innovista

Annual principal installments of \$5,000 to \$15,000

through March 1, 2017

Interest rate: Adjusted LIBOR rate (5.4048%)

Maximum draw amount: \$5,185,000

2,313,526

*Total Governmental Activities Notes Payable*

\$ 3,738,526

Business-type Activities :

\$180,000 HUD 108 note, Series 1999-A

Annual principal installments of \$20,000

through August 1, 2007

Interest rate: 4.61%

\$ 20,000

\$180,000 HUD 108 note, Series 1999-A

Annual principal installments of \$25,000 to \$425,000

through August 1, 2010

Interest rate: 5.56%

500,000

*Total Business-type Activities Notes Payable*

\$ 520,000

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

**J. LONG-TERM DEBT (Continued)**

In February of 2007, the City created the Columbia Parking Facilities Corporation (the Corporation), a blended component unit, and entered into an agreement with Richland County and the University of South Carolina (the University), related to the construction and operations of two parking garages. These garages are part of the University's development of a research campus known as Innovista. Under this agreement, the City agreed to issue \$7,750,000 in bond anticipation notes (BANS), of which \$6,600,000 were issued, to fund a portion of the construction costs of the first garage. Richland County agreed to issue the same amount of bond anticipation notes to assist in the funding of the first garage, with the remainder of the costs coming from resources of the University. In December of 2007, the City issued general obligation bonds (see Subsequent Events footnote) and retired the bond anticipation notes.

Under this agreement, the City owns the garage and the cost of the garage is included on the governmental activities statement of net assets. Under the operating agreement, the University has agreed to operate the garage, and the revenues related to the garage are remitted to the City and Richland County for the retirement of the debt.

*Governmental Activities:*

<p>\$3,760,000 City of Columbia General Obligation Bond Anticipation Notes, Series Annual principal installment of \$3,760,000 through December 12, 2007 Interest rate: 4.375%</p>	<p>\$ 3,760,000</p>
<p>\$2,840,000 City of Columbia General Obligation Bond Anticipation Notes, Series 2006B Annual principal installment of \$2,840,000 through December 12, 2007 Interest rate: 5.5%</p>	<p style="border-top: 1px solid black;">2,840,000</p>
<p><i>Total General Obligation Bond Anticipation Notes</i></p>	<p style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 6,600,000</p>

**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 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.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

**J. LONG-TERM DEBT (Continued)**

General Obligation Bonds outstanding as of June 30, 2007, are as follows:

Governmental Activities :

\$9,400,000 City of Columbia General Obligation Bonds, Series 1998A Proceeds for: Refund Series 1991A General Obligation Bonds Annual Principal Installments of \$770,000 to \$930,000 through February 1, 2012 Interest Rate: 4.3 to 6.0 %	\$ 4,310,000
\$15,500,000 City of Columbia General Obligation Bonds, Series 2002 Proceeds for: Infrastructure improvements, acquisition of land, Annual Principal Installments of \$575,000 to \$1,190,000 through June 1, 2022 Interest Rate: 2.75 to 4.625 %	<u>13,120,000</u>
<i>Total Governmental Activities General Obligation Bonds</i>	<u><u>\$ 17,430,000</u></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.

Special District Debt Outstanding at June 30, 2007 is as follows:

Governmental Activities :

\$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%	\$ 1,306,585
\$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>8,935,000</u>
<i>Total Government Activities Special District Debt</i>	<u><u>\$ 10,241,585</u></u>

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

**J. LONG-TERM DEBT (Continued)**

*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.

The second Innovista garage is being funded by the issuance of \$13,070,000 tax-exempt South Carolina Jobs-Economic Development Authority Revenue Bonds, Series 2007. The City, through the Corporation, has ownership of the second garage. This garage is included on the governmental activities statement of net assets. This garage is operated by the University, and the revenues from the garage are remitted to the Corporation to retire the debt. Interest payments for these bonds began on April 1, 2007. The principal balances of these bonds are payable in monthly installments beginning September 1, 2008, together with interest on the unpaid balance, with a final payment of all principal and interest, due and payable in full on March 1, 2031. Interest is at a rate per annum equal to 95% of the LIBOR Rate, which was 5.4048% at June 30, 2007.

An additional \$5,185,000 taxable (based on percent of garage used for private purposes) construction and term loan was made to the Corporation by a bank for the second garage that enables the Corporation to draw down proceeds from the loan as needed during the construction of the second garage. The principal balance and any accrued interest are due in full on March 1, 2017. Interest is payable at an adjusted LIBOR rate, which is a rate of interest per annum equal to the One Month Libor plus 1.5% per year. This rate is adjusted monthly on the first day of each month for each LIBOR interest period (5.4048%, at June 30, 2007). At June 30, 2007, \$2,313,526 was outstanding on the term loan.

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

Revenue bonds outstanding as of June 30, 2007 are as follows:

Governmental Activities :

<p>\$19,365,000 Certificates of Participation Hospitality Bond 2004 Payable from revenues derived by the City from hospitality taxes Annual principal installments of \$680,000 to \$1,495,000 through February 1, 2025 Interest rate: 3.75 to 5.25%</p>	<p>\$ 18,265,000</p>
<p>\$36,570,000 Certificates of Participation Convention Center Bond 2002 Payable from revenues derived by the City from tourism development fees Annual principal installments of \$1,305,000 to \$2,810,000 through June 1, 2022 Interest rate: 2.0 to 5.25%</p>	<p>30,850,000</p>
<p>\$13,070,000 South Carolina Jobs-Economic Development Authority Bond 2007 Payable from revenues derived by the City from operation of the garage Annual principal installments of \$250,000 to \$920,000 through March 1, 2031 Interest rate: Rate per annum equal to 95% of LIBOR</p>	<p><u>13,070,000</u></p>
<p><i>Total Government Activities Revenue Bonds</i></p>	<p><u><u>\$ 62,185,000</u></u></p>

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

**J. LONG-TERM DEBT (Continued)**

Business-type Activities:

Parking Facilities Fund:

<p>\$8,605,000 Parking Facilities Revenue Bonds, Series 1994 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%</p>	\$ 4,050,000
<p>\$39,895,000 Parking Facilities Revenue Bonds, Series 2005A Payable from revenues derived by the City from operation of off-street and on-street parking facilities. Proceeds for: Expand City parking facilities. Annual principal installments of \$1,240,000 to \$3,015,000 through February 1, 2037 Interest rate: 4.375 to 5.0%</p>	39,895,000
<p>\$ 5,380,000 Parking Facilities Revenue Bonds, Series 2005B Payable from revenues derived by the City from operation of off-street and on-street parking facilities. Proceeds for: Expand City parking facilities. Annual principal installments of \$255,000 to \$1,120,000 through February 1, 2017 Interest rate: 4.88 to 5.2%</p>	5,380,000
<p><i>Total Parking Facilities Revenue Bonds</i></p>	49,325,000

Water and Sewer Fund:

<p>\$74,765,000 Waterworks and Sewer System Revenue Bonds, Series 1993 Payable from revenues derived from the City's water and sewer system. Proceeds for: Refunding all 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%</p>	38,710,000
<p>\$61,125,000 Waterworks and Sewer System Revenue Bonds, Series 1999 Payable from revenues derived from the City's water and sewer system. Proceeds for: Cost of improvements to the System Annual principal installments of \$255,000 to \$1,120,000 through February 1, 2010 Interest rate: 3.6 to 6.0%</p>	8,635,000

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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

**J. LONG-TERM DEBT (Continued)**

<p>\$41,500,000 Waterworks and Sewer System Revenue Bonds, Series 2001          Payable from revenues derived by the City's 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%</p>	<p>\$ 37,975,000</p>
<p>\$60,000,000 Waterworks and Sewer System Revenue Bonds, Series 2005          Payable from revenues derived by the City's 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, 2030          Interest rate: 3.6 to 5.0%</p>	<p><u>60,000,000</u></p>
<p><i>Total Water and Sewer Revenue Bonds</i></p>	<p><u>145,320,000</u></p>
<p><i>Total Business-type Activities Revenue Bonds</i></p>	<p><u><u>\$194,645,000</u></u></p>

***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, 2007, revenue bonds outstanding, considered defeased in previous years, are approximately \$45,000,000 in the Water and Sewer Facilities Fund.

***Conduit Debt:***

Resolution 2006-027 passed June 28, 2006 was issued in support of the issuance of not exceeding \$4,500,000 in revenue bonds by JEDA for the Palmetto Health Foundation Project. While the City is not obligated for the repayment of conduit type debt, disclosure is required in the notes to the financial statements. As of June 30, 2007, the balance of this conduit debt was \$4,150,850.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

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.

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 unrecovered contributions are payable upon death and cost of living adjustments are evaluated annually on an ad hoc basis. Full service or early retirees may elect other optional methods of benefit distributions, including lump sum distributions, benefit levels coordinated with the retiree's social security benefits and distributions to a named beneficiary. Benefits are fully vested on reaching 5 years of service. The SCRS and SCPORS also provide life insurance, survivor and disability benefits to all member employees.

***Funding Policy***

***South Carolina Retirement System (SCRS)***

From July 1, 1988 – June 30, 2005 employees participating in the SCRS were required to contribute 6 percent of eligible compensation. Effective July 1, 2006 the employee contribution rate increased to 6.50 percent of eligible compensation. Effective July 1, 2006, the employer contribution rate was 10.95 percent which includes a 3.25 percent surcharge to fund retiree health and dental insurance coverage. Contributions to SCRS for the years ending June 30, 2005, 2006 and 2007 were \$3,220,311, \$3,720,731 and \$4,151,122, respectively equal to the actuarially required contributions for each year.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

**IV. PENSION PLANS (Continued)**

***Funding Policy (continued)***

***Police Officers Retirement System (SCPORS)***

Since July 1, 1988, employees participating in the PORS have been required to contribute 6.5 percent of all compensation. Effective July 1, 2004, the employer contribution rate became 13.55 percent which, as for the SCRS, included a 3.25 percent surcharge. Contributions to SCPORS for the years ending June 30, 2005, 2006 and 2007 were \$3,135,162, \$3,246,568, and \$3,475,682, respectively, equal to the actuarially required contribution rates for each year.

***Recent Accounting Pronouncements***

The GASB has issued Statement No. 50, "Pension Disclosures." This statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2007.

**V. CONTINGENT LIABILITIES AND COMMITMENTS**

***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. The City is involved in unresolved legal actions concerning the procurement of construction contracts and other matters. The City believes its positions are meritorious and is vigorously defending its positions. In the event of an unfavorable outcome, the City's range of potential liability is \$780,097 to \$8,766,485. The City's estimate of ultimate loss has been recorded as a liability in the Risk Management Fund financial statements (Note II. D).

***Central Midlands Regional Transit Authority ("CMRTA")***

In 2002, the City entered into a conveyance agreement with South Carolina Electric & Gas Company ("SCE&G"). The basic premise of this agreement was to convey the operations of the CMRTA from SCE&G to the direction of the City. The CMRTA was established in October 2002, and is committed to providing safe, dependable and accessible public transit service to the heart of the Midlands, including Columbia, Cayce, West Columbia, Forest Acres, Arcadia Lakes, Springdale and the St. Andrews area. Under the conveyance agreement SCE&G agreed to transfer funds of \$15,000,000 and \$17,290,000, both under installment agreements, to the City. The City then entered into an agreement with CMRTA to transfer these SCE&G payments to the CMRTA. In addition to transferring the SCE&G funds to the CMRTA, the City also made the following commitments:

1. The City agreed to pay CMRTA the amount of \$1,000,000 annually on each October 1 beginning October 1, 2003; provided, however, that if a dedicated tax or dedicated source of revenue is approved to provide funds for the operation of transit services, the City's obligation under this Section shall cease on the first anniversary of the approval of the dedicated source of revenue. As of June 30, 2007, this has not occurred.
2. The City agreed to transfer to the CMRTA on the effective date all amounts budgeted by the City but unspent for all expenses related to the trolley service for fiscal year 2002/2003. Thereafter, the City shall pay the CMRTA the amount of \$90,000 as verified by the current budget for the fiscal year 2002/2003 annually for seven years on each October 1 beginning October 1, 2003; however, that if a dedicated tax or dedicated source of revenue is approved to provide funds for the operation of transit services, the City's obligation under this Section shall cease on the first anniversary of the approval of the dedicated source of revenue. As of June 30, 2007, this has not occurred.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

**V. CONTINGENT LIABILITIES AND COMMITMENTS (Continued)**

***Central Midlands Regional Transit Authority (“CMRTA”) (Continued)***

Also in connection with the conveyance of the CMRTA to the City, the City will receive approximately 5.8 acres of land associated with an old bus barn held by SCE&G. The City estimates that the value of the property is approximately \$4 million, although an appraisal has not been performed. The City plans to sell this land to developers once it is turned over.

***Agreement with Columbia Housing Authority (“CHA”)***

During the year ended June 30, 2007, the City entered into an agreement to provide approximately \$4.7 million to the CHA to construct infrastructure assets for the Rosewood Hills Subdivision. These funds are paid out of the City’s Water and Sewer and Storm Water Funds. As of June 30, 2007, the City had spent approximately \$1.8 million under the agreement. At the end of the project, the infrastructure assets will be donated back to the City for continuing maintenance.

**VI. PRIOR PERIOD ADJUSTMENTS**

During the year ended June 30, 2007, the City performed a physical inventory of its capital assets in all of its funds. In addition, during the year ended June 30, 2007, the City identified certain amounts that were recorded as due from Federal government at June 30, 2006, that should not have been recorded as receivables. As a result, the following adjustments are required to correct net assets at June 30, 2006:

	Restatement			
	Net Assets June 30, 2006	Capital Assets	Accounts Receivable	Restated Net Assets June 30, 2006
Governmental Activities	\$ 173,193,789	\$ 24,451,253	\$ (3,481,929)	\$ 194,163,113
Business-type activities	508,696,080	(4,584,176)	-	504,111,904
General Fund	23,520,462	-	(324,770)	23,195,692
County Services Fund	1,268,557	-	(222,209)	1,046,348
Non-major governmental funds	49,037,820	-	(3,086,159)	45,951,661
Component Units	16,134,675	(5,093,029)	-	11,041,646
Water and sewer fund	427,477,204	(8,665,270)	-	418,811,934
Parking fund	23,745,299	4,367,185	-	28,112,484
Non-major proprietary funds	61,454,787	(286,091)	-	61,168,696
Internal service funds	6,779,976	(19,315)	-	6,760,661

**VII. SUBSEQUENT EVENTS**

Subsequent to June 30, 2007 the City entered into the following transactions:

On September 19, 2007, the City passed an ordinance for the issuance and sale of City of Columbia, South Carolina, Waterworks and Sewer System Revenue Bonds (\$105,000,000), General Obligation Bonds, Series 2007A (\$9,085,000), and General Obligation Bonds, Taxable Series 2007B (\$3,050,000). Two forward starting swap agreements were also approved (\$13,070,000 and \$5,185,000).

On October 17, 2007, the City committed up to \$4.5 million to the Allen Benedict Court Hope VI Project for infrastructure cost.

On October 17, 2007, the City approved a project for the construction of a 2.0 MG elevated water storage tank on Rimer Pond Road in the amount of \$4,291,000.

On October 17, 2007, the City approved a construction project for the Lincoln Street Parking Garage in the amount of \$10,990,386.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

**VII. SUBSEQUENT EVENTS (Continued)**

On February 20, 2008, the City approved Project North Main Street Streetscape in the amount of \$12,973,447.

On March 5, 2008, the City approved Project Main Street Beautification Phase II in the amount of \$4,681,256.

The Tax Increment District Capital Projects Fund 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. This fund is the result of an agreement made in 1999 between the City and Richland County. During 2007, a dispute arose between the City and the Council regarding the agreement.

On November 12, 2007, the dispute was resolved and the parties entered into an agreement whereby the County agreed to continue to escrow all ad valorem tax revenues received in the Vista TIF District through the effective date of December 31, 2007, and thereafter, direct that all funds being held in escrow (including interest earnings) pursuant to the 2007 agreement by the Richland County Treasurer be released to the City. In addition, the County released the City from any and all liability for any claims arising from the original agreement. In January of 2008 the original TIF agreement was ended and the City paid off the TIF bonds balance of \$5.11 million. Thus, the Tax Increment District Capital Projects Fund ceased to exist, and the remaining fund balance was transferred to the general capital projects fund.

On December 4, 2008, the City of Columbia's Metro Wastewater Treatment Plant was served with a search warrant obtained by the South Carolina Department of Health and Environmental Control and the United States Environmental Protection Agency. Computer and hard copies of various records were seized by these agencies. The search warrant alleged that the City had, since 2005, discharged untreated wastewater into the Congaree River and that certain required testing had been manipulated to conceal the discharges. The allegations are currently being investigated and no criminal charges have been filed at this time. The matter is being investigated by management and legal counsel. It is too early in the investigation to determine whether or not the City will prevail, and the financial impact, if any, is not determinable.

The GASB has issued Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations," which provides guidance on how to calculate and report the costs and obligations with pollution cleanup efforts. The requirements of the new statement become effective for fiscal periods beginning after December 15, 2007.

**VIII. INTEREST RATE SWAP AGREEMENTS**

To hedge exposure to rising interest rates the Columbia Parking Facilities Corporation ("The Corporation") entered into two variable-to-fixed interest rate swap agreements related to \$13,070,000 and \$5,185,000 of Series 2007 South Carolina Jobs-Economic Development Authority Bonds. The agreements were entered into in February 2007 and were effective on February 23, 2007 and March 1, 2007, respectively. The purpose of the swaps was to effectively change the variable rate bonds to fixed rate bonds.

The Series 2007 bonds and related swap agreements mature on March 1, 2017. The notional amounts of the swaps equal the principal amounts of the associated bonds and decrease simultaneously with the reduction in the principal amounts of the associated bonds. As of June 30, 2007, the notional amounts were \$13,070,000 and \$5,185,000.

CITY OF COLUMBIA, SOUTH CAROLINA  
Notes to Financial Statements  
June 30, 2007

**VIII. INTEREST RATE SWAP AGREEMENTS (Continued)**

In order to mitigate credit risks, the Corporation diversified its exposure by entering into the swaps with high quality counterparties. The objective of the swaps is to enhance savings to the Corporation from the issuance of the Bonds and to offset changes on tax-exempt variable interest rates applicable to those bonds. The swaps provides for payment by the Corporation of a 5.085% and 6.815% fixed rate on a notional amount, having an amortization schedule equal to that of the bonds. In return, the respective swaps counterparties will pay the Corporation a variable rate equal to 95% of the one-month London Interbank Offered Rate (LIBOR) on such notional amount. At June 30, 2007, 95% of LIBOR was 5.054%. As a result of these hedge transactions, the payments received by the Corporation from the counterparties pursuant to the swaps are expected to approximate the interest payment on the bonds, which are based on an auction rate, resulting in net fixed rate debt service. Because the variable interest rates paid by the Corporation and paid to the Corporation are based on different indexes, the Corporation is exposed to basis risk. There can be no assurance that the actual payments received by the City from the counterparties will match the actual interest payments.

The obligation of the Corporation to make regularly scheduled payments under the swaps ranks on a parity basis with the Corporation's obligation to make debt service payments on its outstanding bonds. Under certain circumstances, the swaps are subject to termination prior to their respective scheduled expiration dates and prior to the maturity of the bonds to which each such swaps relates, in which event the Corporation may be obligated to make a substantial payment to the respective counterparty ("Termination Payments"). The obligation of the Corporation to make any termination payments under the swaps is junior and subordinate to the obligation to make debt service payments on bonds. Under the swaps, the counterparties have certain limited rights to consent to modifications to the master resolution, which modifications would affect the rights of the counterparties under the swaps. To minimize credit or repayment risk, the swap agreements contain varying collateral agreements with the counterparties. The swaps require collateralization of the fair value of the swaps should the counterparty's credit rating fall below the applicable thresholds. During fiscal year 2007, the Corporation made no variable bond interest payments and fixed rate payments on the swap. The Corporation also did not receive variable swap payments. The mark to market value of the swaps was \$114,904 and \$64,674 at June 30, 2007, respectively.

The Corporation paid a fee of \$47,500 when the swaps were initiated.

Debt service payments on the Bonds are disclosed in Note III. J.

## 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  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended June 30, 2007

	2007			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
General property taxes	\$ 38,499,400	\$ 41,223,854	\$ 41,223,854	\$ 0
License and permits	26,553,216	31,162,106	31,162,106	0
Intergovernmental revenue	8,710,820	9,879,961	9,879,961	0
Charges for services	6,492,877	6,859,711	6,859,711	0
Fines and forfeitures	981,000	786,187	786,187	0
Revenues from use of money and property	847,500	833,745	833,745	0
Other revenues	241,300	557,992	557,992	0
Cost recovery fees	3,200,000	3,200,000	3,200,000	0
<b>Total revenues</b>	<b>85,526,113</b>	<b>94,503,556</b>	<b>94,503,556</b>	<b>0</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	5,672,620	4,932,163	4,932,163	0
Judicial	2,092,715	1,874,399	1,874,399	0
Finance department	1,467,775	1,747,050	1,747,050	0
Community development	3,561,691	3,249,126	3,249,126	0
Public safety	45,477,662	42,204,028	42,204,028	0
Parks and recreation	9,364,721	8,943,182	8,943,182	0
Public services	17,634,403	17,068,283	17,068,283	0
General services	3,665,146	3,221,626	3,221,626	0
Community promotion	200,000	542,106	542,106	0
Nondepartmental	1,913,582	1,779,233	1,994,233	(215,000)
<b>Total expenditures</b>	<b>91,050,315</b>	<b>85,561,196</b>	<b>85,776,196</b>	<b>(215,000)</b>
Excess (deficiency) of revenues over (under) expenditures	(5,524,202)	8,942,360	8,727,360	(215,000)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	9,325,000	6,744,189	6,744,189	0
Operating transfers (out)	(3,800,798)	(15,157,142)	(14,942,142)	215,000
<b>Total other financing sources (uses)</b>	<b>5,524,202</b>	<b>(8,412,953)</b>	<b>(8,197,953)</b>	<b>215,000</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	0	529,407	529,407	0
Fund balance-beginning, as restated	23,195,692	23,195,692	23,195,692	0
Fund balance- ending	\$ 23,195,692	\$ 23,725,099	\$ 23,725,099	\$ 0

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**

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

For the Year Ended June 30, 2007

	2007			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
<b>General property taxes</b>				
General property taxes - current	\$ 33,872,500	\$ 36,184,042	\$ 36,184,042	\$ 0
General property taxes - prior	1,400,000	1,008,169	1,008,169	0
Real estate tax - Lexington County - current	1,500,000	2,201,888	2,201,888	0
Personal tax - Lexington County - current	25,000	12,760	12,760	0
Personal tax - Lexington County - prior	9,000	3,575	3,575	0
Homestead exemption	950,000	1,043,458	1,043,458	0
Payment in lieu of taxes	40,000	55,498	55,498	0
Merchants inventory tax	702,900	714,464	714,464	0
<b>Total general property taxes</b>	<b>38,499,400</b>	<b>41,223,854</b>	<b>41,223,854</b>	<b>0</b>
<b>License and permits</b>				
Business license	7,500,000	7,866,311	7,866,311	0
Business license - Telecommunications	1,750,000	1,404,498	1,404,498	0
Business license insurance	9,700,000	10,446,086	10,446,086	0
Delinquent business license	800,000	1,103,377	1,103,377	0
Delinquent business license - prior year	95,000	89,813	89,813	0
Business license franchise fees	4,900,000	8,025,753	8,025,753	0
Franchise fees - vendors	600	300	300	0
Audited license fees	40,000	57,177	57,177	0
Arts and craft permits	1,250	1,830	1,830	0
New business list sales	850	1,008	1,008	0
Business license ordinance sales	50	0	0	0
Business license contractor's decals	23,000	22,855	22,855	0
Group event license/permit	7,000	5,040	5,040	0
Building permits	1,200,000	1,448,698	1,448,698	0
Electrical permits	140,000	166,947	166,947	0
Plumbing permits	66,000	90,468	90,468	0
Gas permits	16,000	12,811	12,811	0
Sign permits	13,000	29,446	29,446	0
Heat permits	110,000	145,025	145,025	0
Zoning permits	65,000	60,317	60,317	0
Dog license	46,000	35,968	35,968	0
Chauffeur license	4,466	4,475	4,475	0
Other miscellaneous - business	75,000	141,823	141,823	0
Other miscellaneous - non business	0	2,080	2,080	0
<b>Total license and permits</b>	<b>26,553,216</b>	<b>31,162,106</b>	<b>31,162,106</b>	<b>0</b>
<b>Intergovernmental revenues</b>				
State shared	3,130,000	3,435,403	3,435,403	0
Miscellaneous tax collected	10,000	0	0	0
SC Motor fuel tax reimbursement	0	7,715	7,715	0
Highway signal maintenance	330,820	320,930	320,930	0
Donated funds recreation	0	1,055	1,055	0
Fire Rebate - Richland County	5,240,000	6,114,858	6,114,858	0
<b>Total intergovernmental revenues</b>	<b>8,710,820</b>	<b>9,879,961</b>	<b>9,879,961</b>	<b>0</b>

(Continued)

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

For the Year Ended June 30, 2007

	2007			
	Original Budget	Final Budget	Actual	Variance
Charges for services				
Trade publication renewals	\$ 8,000	\$ 8,302	\$ 8,302	\$ 0
Return check service charges	2,000	1,878	1,878	0
Regulation code books	1,000	340	340	0
Duplicated business licenses	300	385	385	0
Project work	5,000	5,930	5,930	0
Compost sales	5,000	9,371	9,371	0
Recycling sales	85,000	82,852	82,852	0
Solid waste disposal fees	18,000	15,780	15,780	0
Roll cart replacement fees	0	3,041	3,041	0
Commercial bulk container collection	2,000	0	0	0
Commercial bulk container disposal	400,000	377,175	377,175	0
Commercial roll cart disposal	59,000	47,369	47,369	0
Eleemosynary bulk container collection	46,000	45,054	45,054	0
Eleemosynary bulk container disposal	50,000	44,204	44,204	0
Eleemosynary roll cart collection	35,000	31,609	31,609	0
Eleemosynary roll cart disposal	10,000	7,833	7,833	0
Eleemosynary homeowner collection	10,000	8,800	8,800	0
Eleemosynary homeowner disposal	2,500	2,181	2,181	0
Six night service disposal	23,000	18,792	18,792	0
Tree and forestry lot clearance fees	0	45,520	45,520	0
Demolition charges	60,000	13,383	13,383	0
Animal shelter fees	285,000	275,019	275,019	0
Employee animal clinic fees	2,100	766	766	0
Hydrants fees	4,800,000	5,168,852	5,168,852	0
Police accident report copies	16,082	27,442	27,442	0
Reimbursement police services	0	1,960	1,960	0
False fire alarm charges	10,000	8,200	8,200	0
Maxcy Gregg admissions fees	23,000	22,958	22,958	0
Drew Park admissions fees	302,380	391,633	391,633	0
Greenview pool admissions fees	8,000	16,278	16,278	0
Recreation athletics	53,500	43,928	43,928	0
Tennis court fees	42,000	42,481	42,481	0
Golf Center	22,640	13,199	13,199	0
Other parks/recreation fees	106,375	77,196	77,196	0
<b>Total charges for services</b>	<b>6,492,877</b>	<b>6,859,711</b>	<b>6,859,711</b>	<b>0</b>

(Continued)

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

For the Year Ended June 30, 2007

	2007			
	Original Budget	Final Budget	Actual	Variance
<b>Fines and forfeitures</b>				
Criminal court fines	\$ 193,194	\$ 144,896	\$ 144,896	\$ 0
Traffic court fines	757,306	583,854	583,854	0
Bond forfeiture from county courts	15,000	0	0	0
Late Fees	0	672	672	0
Uniform ordinance inspections	0	14,343	14,343	0
Uniform ordinance animal control	0	15,998	15,998	0
Uniform ordinance business license	0	23,451	23,451	0
Uniform ordinance fire department	0	2,973	2,973	0
Fines - miscellaneous	15,500	0	0	0
<b>Total fines and forfeitures</b>	<b>981,000</b>	<b>786,187</b>	<b>786,187</b>	<b>0</b>
<b>Revenues from use of money and property</b>				
Interest on investments general	700,000	628,497	628,497	0
Interest gain/loss cost /market	100,000	194,063	194,063	0
Interest - Lexington County tax collections	5,000	8,685	8,685	0
Rents and Royalties	42,500	2,500	2,500	0
<b>Total revenues from use of money and property</b>	<b>847,500</b>	<b>833,745</b>	<b>833,745</b>	<b>0</b>
<b>Other revenues</b>				
Miscellaneous revenue	111,300	386,583	386,583	0
Reimbursement property damage	5,000	4,517	4,517	0
Collection agency	5,000	4,180	4,180	0
Police revolvers	5,000	0	0	0
Community Development Week	0	21,845	21,845	0
Auction sales	115,000	140,593	140,593	0
Donations	0	274	274	0
<b>Total other revenues</b>	<b>241,300</b>	<b>557,992</b>	<b>557,992</b>	<b>0</b>
<b>Cost recovery fees</b>	<b>3,200,000</b>	<b>3,200,000</b>	<b>3,200,000</b>	<b>0</b>
<b>OTHER FINANCING SOURCES</b>				
<b>Transfers from other funds</b>				
Water and sewer operating	4,500,000	4,500,000	4,500,000	0
Parking operating	1,000,000	1,000,000	1,000,000	0
Accommodations/Hospitality	825,000	1,244,189	1,244,189	0
Unappropriated surplus transfer	3,000,000	0	0	0
<b>Total transfers from other funds</b>	<b>9,325,000</b>	<b>6,744,189</b>	<b>6,744,189</b>	<b>0</b>
<b>Total revenues and other financing sources</b>	<b>\$ 94,851,113</b>	<b>\$ 101,247,745</b>	<b>\$ 101,247,745</b>	<b>\$ 0</b>

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

For the Year Ended June 30, 2007

	2007			
	Original Budget	Final Budget	Actual	Variance
<b>EXPENDITURES</b>				
General Government				
Legislative				
Personnel services	\$ 262,161	\$ 264,026	\$ 264,026	\$ 0
Supplies	22,250	15,269	15,269	0
Other services and charges	148,221	122,522	122,522	0
Total Legislative	<u>432,632</u>	<u>401,817</u>	<u>401,817</u>	<u>0</u>
Executive/Administration				
Personnel services	2,017,740	1,905,300	1,905,300	0
Supplies	144,509	58,560	58,560	0
Other services and charges	480,281	362,712	362,712	0
Capital outlay	48,000	28,064	28,064	0
Special events	0	36	36	0
Total Executive/Administration	<u>2,690,530</u>	<u>2,354,674</u>	<u>2,354,674</u>	<u>0</u>
Human Resources and Training				
Personnel services	648,151	654,026	654,026	0
Supplies	50,362	30,782	30,782	0
Other services and charges	76,494	53,833	53,833	0
Capital outlay	2,300	2,307	2,307	0
Total Human Resources and Training	<u>777,307</u>	<u>740,948</u>	<u>740,948</u>	<u>0</u>
Legal				
Personnel services	804,251	640,534	640,534	0
Supplies	60,625	47,376	47,376	0
Other services and charges	482,240	346,231	346,231	0
Capital outlay	27,000	48,675	48,675	0
Total Legal	<u>1,374,116</u>	<u>1,082,816</u>	<u>1,082,816</u>	<u>0</u>
Public Information				
Personnel services	242,855	238,346	238,346	0
Supplies	68,980	68,483	68,483	0
Other services and charges	86,200	40,271	40,271	0
Capital outlay	0	4,808	4,808	0
Total public information	<u>398,035</u>	<u>351,908</u>	<u>351,908</u>	<u>0</u>
Total General Government	<u>5,672,620</u>	<u>4,932,163</u>	<u>4,932,163</u>	<u>0</u>
Judicial				
Municipal Court				
Personnel services	1,854,824	1,741,169	1,741,169	0
Supplies	74,893	51,035	51,035	0
Other services and charges	142,998	77,865	77,865	0
Capital outlay	20,000	4,330	4,330	0
Total Municipal Court	<u>2,092,715</u>	<u>1,874,399</u>	<u>1,874,399</u>	<u>0</u>
Total Judicial	<u>2,092,715</u>	<u>1,874,399</u>	<u>1,874,399</u>	<u>0</u>
Finance Department:				
Administration				
Personnel services	256,814	235,180	235,180	0
Supplies	3,770	4,764	4,764	0
Other services and charges	2,985	137,521	137,521	0
Special events	0	55	55	0
Total Administration	<u>263,569</u>	<u>377,520</u>	<u>377,520</u>	<u>0</u>

(Continued)

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

For the Year Ended June 30, 2007

	2007			
	Original Budget	Final Budget	Actual	Variance
<b>Accounting</b>				
Personnel services	\$ 494,858	\$ 684,305	\$ 684,305	\$ 0
Supplies	19,850	37,507	37,507	0
Other services and charges	44,100	11,573	11,573	0
<b>Total Accounting</b>	<b>558,808</b>	<b>733,385</b>	<b>733,385</b>	<b>0</b>
<b>Business License</b>				
Personnel services	568,799	563,305	563,305	0
Supplies	24,288	22,107	22,107	0
Other services and charges	22,311	24,007	24,007	0
Capital outlay	30,000	26,726	26,726	0
<b>Total Business License</b>	<b>645,398</b>	<b>636,145</b>	<b>636,145</b>	<b>0</b>
<b>Total Finance Department</b>	<b>1,467,775</b>	<b>1,747,050</b>	<b>1,747,050</b>	<b>0</b>
<b>Development Services</b>				
Personnel services	2,569,301	2,355,333	2,355,333	0
Supplies	158,600	140,806	140,806	0
Other services and charges	97,700	100,993	100,993	0
Capital outlay	92,800	52,382	52,382	0
<b>Total Development Services</b>	<b>2,918,401</b>	<b>2,649,514</b>	<b>2,649,514</b>	<b>0</b>
<b>Planning</b>				
Personnel services	465,347	449,184	449,184	0
Supplies	38,550	27,299	27,299	0
Other services and charges	139,393	123,129	123,129	0
<b>Total Planning</b>	<b>643,290</b>	<b>599,612</b>	<b>599,612</b>	<b>0</b>
<b>Total Development Services and Planning</b>	<b>3,561,691</b>	<b>3,249,126</b>	<b>3,249,126</b>	<b>0</b>
<b>Public Safety</b>				
<b>Police Department</b>				
<b>Administrative Service</b>				
Personnel services	2,082,072	1,837,396	1,837,396	0
Supplies	663,327	1,122,356	1,122,356	0
Other services and charges	952,240	779,473	779,473	0
Capital outlay	406,122	0	0	0
<b>Total Administrative Service</b>	<b>4,103,761</b>	<b>3,739,225</b>	<b>3,739,225</b>	<b>0</b>
<b>Operations</b>				
Personnel services	13,286,062	13,006,494	13,006,494	0
Supplies	779,377	873,873	873,873	0
Other services and charges	848,148	745,020	745,020	0
Capital outlay	593,127	128,964	128,964	0
<b>Total Operations</b>	<b>15,506,714</b>	<b>14,754,351</b>	<b>14,754,351</b>	<b>0</b>
<b>Special Services</b>				
Personnel services	4,434,809	4,837,902	4,837,902	0
Supplies	120,716	97,188	97,188	0
Other services and charges	53,025	71,158	71,158	0
Capital outlay	103,232	82,526	82,526	0
<b>Total Special Services</b>	<b>4,711,782</b>	<b>5,088,774</b>	<b>5,088,774</b>	<b>0</b>
<b>Total Police Department</b>	<b>24,322,257</b>	<b>23,582,350</b>	<b>23,582,350</b>	<b>0</b>

(Continued)

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

For the Year Ended June 30, 2007

	2007			
	Original Budget	Final Budget	Actual	Variance
<b>Fire Department - City</b>				
<b>Administration</b>				
Personnel services	\$ 636,503	\$ 446,051	\$ 446,051	\$ 0
Supplies	24,666	16,888	16,888	0
Other services and charges	30,912	19,972	19,972	0
Capital outlay	14,100	1,374	1,374	0
<b>Total Fire Department - City</b>	<b>706,181</b>	<b>484,285</b>	<b>484,285</b>	<b>0</b>
<b>Fire Prevention</b>				
Personnel services	770,312	714,827	714,827	0
Supplies	44,240	44,674	44,674	0
Other services and charges	50,992	53,231	53,231	0
Capital outlay	75,900	65,708	65,708	0
<b>Total Fire Prevention</b>	<b>941,444</b>	<b>878,440</b>	<b>878,440</b>	<b>0</b>
<b>Fire Suppression</b>				
Personnel services	11,914,541	11,446,995	11,446,995	0
Supplies	552,116	835,647	835,647	0
Other services and charges	1,350,429	1,297,996	1,297,996	0
Capital outlay	1,770,275	197,969	197,969	0
<b>Total Fire Suppression</b>	<b>15,587,361</b>	<b>13,778,607</b>	<b>13,778,607</b>	<b>0</b>
<b>Fire Logistics</b>				
Personnel services	251,821	279,374	279,374	0
Supplies	114,709	60,179	60,179	0
Other services and charges	82,218	71,258	71,258	0
Capital outlay	21,900	12,002	12,002	0
<b>Total Fire Logistics</b>	<b>470,648</b>	<b>422,813</b>	<b>422,813</b>	<b>0</b>
<b>Total Fire Department</b>	<b>17,705,634</b>	<b>15,564,145</b>	<b>15,564,145</b>	<b>0</b>
<b>Homeland Security</b>				
Personnel services	1,268,437	1,188,958	1,188,958	0
Supplies	100,698	41,027	41,027	0
Other services and charges	67,108	71,118	71,118	0
Capital outlay	20,576	40,939	40,939	0
<b>Total Homeland Security</b>	<b>1,456,819</b>	<b>1,342,042</b>	<b>1,342,042</b>	<b>0</b>
<b>911 Emergency and 311 Center</b>				
Personnel services	1,827,055	1,590,236	1,590,236	0
Supplies	33,125	32,148	32,148	0
Other services and charges	129,272	91,046	91,046	0
Capital outlay	3,500	2,061	2,061	0
<b>Total 911 Emergency and 311 Center</b>	<b>1,992,952</b>	<b>1,715,491</b>	<b>1,715,491</b>	<b>0</b>
<b>Total Public Safety</b>	<b>45,477,662</b>	<b>42,204,028</b>	<b>42,204,028</b>	<b>0</b>

(Continued)

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

For the Year Ended June 30, 2007

	Original Budget	2007		Variance
		Final Budget	Actual	
<b>Parks and Recreation</b>				
<b>Recreation</b>				
Personnel services	\$ 4,832,963	\$ 4,839,732	\$ 4,839,732	\$ 0
Supplies	285,178	281,292	281,292	0
Other services and charges	1,148,609	1,431,826	1,431,826	0
Community promotions	358,000	0	0	0
Capital outlay	61,160	70,681	70,681	0
<b>Total Recreation</b>	<b>6,685,910</b>	<b>6,623,531</b>	<b>6,623,531</b>	<b>0</b>
<b>Parks</b>				
Personnel services	1,935,607	1,625,615	1,625,615	0
Supplies	154,729	122,609	122,609	0
Other services and charges	266,974	159,789	159,789	0
Capital outlay	55,960	90,510	90,510	0
<b>Total Parks</b>	<b>2,413,270</b>	<b>1,998,523</b>	<b>1,998,523</b>	<b>0</b>
<b>Swimming Pools</b>				
Personnel services	96,557	158,562	158,562	0
Supplies	4,487	4,495	4,495	0
Other services and charges	5,000	1,240	1,240	0
Capital outlay	6,300	5,615	5,615	0
<b>Total Swimming Pools</b>	<b>112,344</b>	<b>169,912</b>	<b>169,912</b>	<b>0</b>
<b>Tennis Courts</b>				
Personnel services	142,392	145,217	145,217	0
Supplies	3,425	3,962	3,962	0
Other services and charges	7,380	2,037	2,037	0
<b>Total Tennis Courts</b>	<b>153,197</b>	<b>151,216</b>	<b>151,216</b>	<b>0</b>
<b>Total Parks and Recreation</b>	<b>9,364,721</b>	<b>8,943,182</b>	<b>8,943,182</b>	<b>0</b>
<b>Public Services</b>				
<b>Administration</b>				
Personnel services	342,564	255,977	255,977	0
Supplies	12,870	10,892	10,892	0
Other services and charges	110,067	110,505	110,505	0
Capital outlay	8,000	7,570	7,570	0
<b>Total Administration</b>	<b>473,501</b>	<b>384,944</b>	<b>384,944</b>	<b>0</b>
<b>Solid Waste</b>				
Personnel services	5,003,614	4,772,094	4,772,094	0
Supplies	1,082,882	991,466	991,466	0
Other services and charges	3,485,412	3,504,736	3,504,736	0
Capital outlay	30,000	125,052	125,052	0
<b>Total Solid Waste</b>	<b>9,601,908</b>	<b>9,393,348</b>	<b>9,393,348</b>	<b>0</b>
<b>Streets and Storm Drains</b>				
Personnel services	1,116,300	975,458	975,458	0
Supplies	178,961	215,622	215,622	0
Other services and charges	132,394	168,888	168,888	0
<b>Total Street and Storm Drains</b>	<b>1,427,655</b>	<b>1,359,968</b>	<b>1,359,968</b>	<b>0</b>
<b>Animal Control:</b>				
Personnel services	829,267	781,494	781,494	0
Supplies	123,639	123,314	123,314	0
Other services and charges	137,595	275,631	275,631	0
<b>Total Animal Control</b>	<b>1,090,501</b>	<b>1,180,439</b>	<b>1,180,439</b>	<b>0</b>

(Continued)

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

For the Year Ended June 30, 2007

	Original Budget	2007		Variance
		Final Budget	Actual	
<b>Trees and Forestry</b>				
Personnel services	\$ 1,531,409	\$ 1,232,191	\$ 1,232,191	\$ 0
Supplies	241,527	188,866	188,866	0
Other services and charges	352,530	266,376	266,376	0
Capital outlay	28,000	6,296	6,296	0
<b>Total Trees and Forestry</b>	<b>2,153,466</b>	<b>1,693,729</b>	<b>1,693,729</b>	<b>0</b>
<b>Traffic Engineering</b>				
Personnel services	1,293,124	1,166,129	1,166,129	0
Supplies	182,479	167,651	167,651	0
Other services and charges	1,228,790	1,693,872	1,693,872	0
Capital outlay	182,979	28,203	28,203	0
<b>Total Traffic Engineering</b>	<b>2,887,372</b>	<b>3,055,855</b>	<b>3,055,855</b>	<b>0</b>
<b>Total Public Services</b>	<b>17,634,403</b>	<b>17,068,283</b>	<b>17,068,283</b>	<b>0</b>
<b>Information Technology</b>				
Personnel services	1,330,741	995,963	995,963	0
Supplies	39,680	70,445	70,445	0
Other services and charges	552,404	492,861	492,861	0
Capital outlay	553,658	462,286	462,286	0
<b>Total Information Technology</b>	<b>2,476,483</b>	<b>2,021,555</b>	<b>2,021,555</b>	<b>0</b>
<b>Public Buildings</b>				
Personnel services	230,025	228,416	228,416	0
Supplies	56,995	49,778	49,778	0
Other services and charges	832,643	872,095	872,095	0
Capital outlay	69,000	49,782	49,782	0
<b>Total Public Buildings</b>	<b>1,188,663</b>	<b>1,200,071</b>	<b>1,200,071</b>	<b>0</b>
<b>Total General Services</b>	<b>3,665,146</b>	<b>3,221,626</b>	<b>3,221,626</b>	<b>0</b>
<b>Community Promotion</b>				
Donated Funds	0	531	531	0
Other services and charges	200,000	90	90	0
Community Promotion	0	541,485	541,485	0
<b>Total Community Promotion</b>	<b>200,000</b>	<b>542,106</b>	<b>542,106</b>	<b>0</b>
<b>Nondepartmental Contingencies</b>				
Personnel services	12,071	0	0	0
Supplies	50,000	0	0	0
Other services and charges	498,460	230,647	445,647	(215,000)
Community Promotions	0	59,997	59,997	0
<b>Total Contingencies</b>	<b>560,531</b>	<b>290,644</b>	<b>505,644</b>	<b>(215,000)</b>
<b>General Insurance</b>				
Other services and charges	329,500	329,500	329,500	0
<b>Total General Insurance</b>	<b>329,500</b>	<b>329,500</b>	<b>329,500</b>	<b>0</b>
<b>Administration</b>				
Other services and charges	0	17,192	17,192	0
<b>Total Administration</b>	<b>0</b>	<b>17,192</b>	<b>17,192</b>	<b>0</b>

(Continued)

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

For the Year Ended June 30, 2007

	Original Budget	2007		Variance
		Final Budget	Actual	
<b>Bank Service Charges:</b>				
Other services and charges	\$ 0	\$ 5,376	\$ 5,376	\$ 0
<b>Total Bank Service Charges</b>	<u>0</u>	<u>5,376</u>	<u>5,376</u>	<u>0</u>
<b>Employee Holiday</b>				
Supplies	110,000	36,251	36,251	0
Other services and charges	0	88,029	88,029	0
<b>Total Employee Christmas Baskets</b>	<u>110,000</u>	<u>124,280</u>	<u>124,280</u>	<u>0</u>
<b>Retired Employee Benefits:</b>				
Other services and charges	913,551	1,012,241	1,012,241	0
<b>Total Retired Employee Benefits</b>	<u>913,551</u>	<u>1,012,241</u>	<u>1,012,241</u>	<u>0</u>
<b>Total Nondepartmental</b>	<u>1,913,582</u>	<u>1,779,233</u>	<u>1,994,233</u>	<u>(215,000)</u>
<b>OTHER FINANCING USES</b>				
<b>Transfers to Other Funds</b>				
Debt service	2,285,798	2,210,798	2,210,798	0
Transfers Interfund	1,300,000	12,746,344	12,531,344	215,000
Transfers Capital Fund Projects	215,000	200,000	200,000	0
<b>Total Transfers to Other Funds</b>	<u>3,800,798</u>	<u>15,157,142</u>	<u>14,942,142</u>	<u>215,000</u>
<b>Total Expenditures and Other financing Uses</b>	<u>\$ 94,851,113</u>	<u>\$ 100,718,338</u>	<u>\$ 100,718,338</u>	<u>\$ 0</u>

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

*Tourism Development Convention Center* accounts for the Tourism Development Fee imposed upon the rental of hotels, motels, and other lodging establishments in the City. This fee is dedicated to the attraction of and 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.

*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.

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

*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 used to purchase flowers for the parks.

CITY OF COLUMBIA, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2007

	Special Revenue										Debt Service			
	Accommodations Tax	Tourism Development Convention Center	Business Improvement District	Hospitality Tax	Confiscated Drug Program	Land Acquisition	Other Programs	Community Development	Justice Department Grants	Other Grants	Totals	G. O. Bonds	Special District Bonds	Total
<b>ASSETS</b>														
Cash and cash equivalents:	130,432	406,900	575	3,419,481	276,005	0	50	0	0	477,363	5,029,844	1,196,198	0	1,196,198
Investments:	2,257,036	2,112,950	567	3,371,847	59,836	1,191,926	43,349	0	0	0	20,037,511	0	0	0
Receivables, net:	0	0	68,507	0	0	0	0	0	0	0	68,507	0	5,465,061	5,465,061
Property taxes:	0	0	0	0	0	0	123,554	309,931	213,005	1,670,099	2,316,589	0	0	0
Federal government:	453,857	0	0	0	0	0	0	0	0	0	453,857	0	0	0
State government:	0	425,860	0	0	0	10,500	0	0	0	20,892	457,252	0	0	0
Accounts:	0	3,754	5	31,550	560	11,153	405	0	0	0	47,427	0	0	0
Accrued interest:	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid expenses:	0	0	0	0	0	0	10,341	2,009	0	0	10,341	0	0	0
Due from component unit:	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total assets</b>	<b>13,841,325</b>	<b>2,949,464</b>	<b>69,654</b>	<b>6,822,878</b>	<b>336,401</b>	<b>1,213,579</b>	<b>177,699</b>	<b>311,940</b>	<b>532,043</b>	<b>2,168,354</b>	<b>28,423,337</b>	<b>1,196,198</b>	<b>5,465,061</b>	<b>6,661,259</b>
<b>LIABILITIES AND FUND BALANCES</b>														
<b>Liabilities:</b>														
Accounts payable:	25,925	52,409	73,280	68,469	4,384	6,500	17,694	134,061	1,574	29,270	573,166	0	0	0
Accrued salaries and benefit:	0	0	0	0	0	0	17,692	20,762	0	976	39,430	0	0	0
Retainage payable:	0	0	0	0	0	0	0	0	0	849,465	849,465	0	0	0
Deferred revenue:	0	0	0	0	215,323	0	26,483	0	93,249	36,147	371,202	0	0	0
Due to other funds:	4,899,918	0	0	0	0	291,236	719,206	157,117	437,220	1,259,308	7,704,005	1,031,245	744,717	1,775,962
<b>Total liabilities</b>	<b>4,865,343</b>	<b>52,409</b>	<b>73,280</b>	<b>68,469</b>	<b>219,707</b>	<b>297,736</b>	<b>940,875</b>	<b>311,940</b>	<b>532,043</b>	<b>2,175,166</b>	<b>9,537,268</b>	<b>1,031,245</b>	<b>744,717</b>	<b>1,775,962</b>
<b>Fund balances:</b>														
Reserved for encumbrances:	71,328	0	128,761	132,112	15,080	0	141,759	1,942,403	40,211	2,795,483	5,267,107	0	0	0
Reserved for debt service:	0	0	0	0	0	0	0	0	0	0	0	164,953	4,720,344	4,885,297
Nonexpendable:	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expendable:	8,904,454	2,897,055	(132,387)	6,822,297	101,644	915,843	(905,035)	(1,942,403)	(40,211)	(2,802,295)	13,618,862	0	0	0
Unreserved:	8,975,782	2,897,055	(3,626)	6,754,409	116,694	915,843	(763,276)	0	0	(6,812)	18,886,069	164,953	4,720,344	4,885,297
<b>Total fund balances</b>	<b>13,841,325</b>	<b>2,949,464</b>	<b>69,654</b>	<b>6,822,878</b>	<b>336,401</b>	<b>1,213,579</b>	<b>177,699</b>	<b>311,940</b>	<b>532,043</b>	<b>2,168,354</b>	<b>28,423,337</b>	<b>1,196,198</b>	<b>5,465,061</b>	<b>6,661,259</b>

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
June 30, 2007

	Capital Projects						Total Nonmajor Governmental Funds
	Tax Increment District	Streetscaping	General Bonds 2002	General Capital Projects	Miscellaneous Projects	Total	
<b>ASSETS</b>							
Cash and cash equivalents:							
Investments	4,251,980	3,305,600	0	620,009	262,358	8,439,947	14,673,259
Receivables, net	11,860,943	3,259,552	2,160,456	611,312	262,092	18,154,415	38,191,926
Property taxes	0	0	0	0	0	0	5,533,568
Federal government	0	690,414	0	42,000	0	732,414	3,049,003
State government	0	0	0	7,500	0	7,500	461,357
Accounts	0	0	0	0	0	0	457,252
Accrued interest	23,327	30,499	8,706	5,720	2,453	70,705	118,132
Prepaid expenses	0	0	0	0	0	0	10,341
Due from component units	0	0	0	0	0	0	2,009
<b>Total assets</b>	<b>\$ 16,136,250</b>	<b>\$ 7,286,065</b>	<b>\$ 2,169,162</b>	<b>\$ 1,286,601</b>	<b>\$ 526,903</b>	<b>\$ 27,404,981</b>	<b>\$ 62,496,847</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable	216,684	4,554	0	416,653	0	637,891	1,211,057
Accrued salaries and benefit	0	0	0	0	0	0	19,430
Retainage payable	937,310	0	0	680,894	1,557	1,620,761	2,479,226
Deferred revenue	0	0	0	1,000,000	0	1,000,000	1,371,202
Due to other funds	1,931,679	0	1,735,350	0	2,025,542	5,692,571	15,172,538
<b>Total liabilities</b>	<b>3,085,673</b>	<b>4,554</b>	<b>1,735,350</b>	<b>2,107,547</b>	<b>2,027,099</b>	<b>8,960,223</b>	<b>20,273,453</b>
<b>Fund balances</b>							
Reserved for encumbrances	3,042,489	6,788,691	0	1,816,496	612,805	12,260,481	17,537,588
Reserved for debt service	0	0	0	0	0	0	4,885,297
Reserved	0	0	0	0	0	0	0
Nonexpendable	0	0	0	0	0	0	1,983
Expendable	0	0	0	0	0	0	5,287
Unreserved	10,008,088	492,820	433,812	(2,637,442)	(2,413,001)	6,184,277	19,803,239
<b>Total fund balances</b>	<b>13,050,577</b>	<b>7,281,511</b>	<b>433,812</b>	<b>(820,946)</b>	<b>(1,500,196)</b>	<b>18,444,758</b>	<b>42,223,394</b>
<b>Total liabilities and fund balances</b>	<b>\$ 16,136,250</b>	<b>\$ 7,286,065</b>	<b>\$ 2,169,162</b>	<b>\$ 1,286,601</b>	<b>\$ 526,903</b>	<b>\$ 27,404,981</b>	<b>\$ 62,496,847</b>

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

For the Year Ended June 30, 2007

	Special Revenue										Debt Service			
	Accommodation Tax	Tourism Development Convention Center	Business Improvement District	Hospitality Tax	Confiscated Drug Program	Land Acquisition	Other Programs	Community Development	Justice Department Grants	Other Grants	Totals	G. O. Bonds	Special District Bonds	Total
<b>REVENUES</b>														
Federal government	0	0	0	0	0	0	0	0	0	0	0	0	0	0
State government	1,318,945	300,633	0	0	0	0	0	0	0	0	0	0	0	0
County government	0	2,006,504	0	7,571,767	0	0	0	0	0	0	0	0	0	0
Promotions	0	0	0	0	0	0	188,563	0	0	0	0	0	0	0
Confiscated funds	0	0	0	0	44,057	0	0	0	0	0	0	0	0	0
Current taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	819,961	116,271	44	215,998	2,905	43,336	660	0	0	0	0	0	5,460,858	5,460,858
Other revenues	0	2,252,256	748,012	0	2,905	141,695	768,950	0	0	0	0	0	0	0
<b>Total revenues</b>	<b>2,138,906</b>	<b>4,978,664</b>	<b>748,056</b>	<b>7,787,765</b>	<b>46,962</b>	<b>185,031</b>	<b>958,173</b>	<b>3,457,784</b>	<b>437,261</b>	<b>2,147,849</b>	<b>22,586,451</b>	<b>0</b>	<b>5,460,858</b>	<b>5,460,858</b>
<b>EXPENDITURES</b>														
Current														
General government	84,184	650	850,628	7,484	35,461	0	1,117,146	2,835,600	361,978	3,408,357	8,711,528	0	0	0
Parks and recreation	0	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	0
Community promotion	1,111,817	1,326,225	0	5,046,244	0	0	0	0	0	0	7,486,286	0	0	0
Other charges	0	0	0	0	38,181	1,522,813	0	0	0	0	1,560,994	0	0	0
Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	6,947	6,947
Principal payment on bonds	650,000	1,430,000	0	0	0	0	0	0	0	0	2,080,000	1,400,000	4,004,169	5,404,169
Interest on bonds	915,493	1,514,213	0	0	0	0	0	0	0	0	810,787	810,787	563,581	1,374,378
Fiscal agent charges	0	0	0	0	0	0	0	0	0	0	0	0	87,360	87,360
Capital outlay	29,711	0	0	0	36,365	95,000	227,567	0	199,533	612,731	1,200,907	0	0	0
<b>Total expenditures</b>	<b>2,801,205</b>	<b>4,271,128</b>	<b>850,628</b>	<b>5,055,728</b>	<b>110,007</b>	<b>1,617,813</b>	<b>1,344,713</b>	<b>2,835,600</b>	<b>561,511</b>	<b>4,021,088</b>	<b>23,469,421</b>	<b>2,210,797</b>	<b>4,662,057</b>	<b>6,872,854</b>
Excess (deficiency) of revenues over (under) expenditures	(662,299)	407,536	(102,572)	2,732,037	(63,045)	(1,432,782)	(386,540)	622,184	(124,250)	(1,873,239)	(882,970)	(2,210,797)	798,801	(1,411,996)
<b>OTHER FINANCING SOURCES (USES)</b>														
Transfers in	1,700,000	2,372,591	0	0	0	0	210,656	0	319,038	4,581,096	9,183,381	0	0	2,210,798
Transfers (out)	(4,111,206)	(2,266,366)	0	(2,500,000)	0	(3,188,909)	(369,176)	(1,244,459)	0	(868)	(5,680,504)	0	0	0
Proceeds from disposal of capital assets	0	0	0	0	0	2,526,053	0	0	0	0	2,526,053	0	0	0
Total other financing sources (uses)	(2,411,206)	106,225	0	(2,500,000)	0	(662,856)	(158,520)	(1,244,459)	319,038	4,580,228	(1,971,550)	0	0	2,210,798
Net change in fund balances	(3,073,505)	513,761	(102,572)	232,037	(63,045)	(2,095,638)	(545,060)	(622,275)	194,788	2,706,989	(2,854,520)	1	798,801	798,802
Beginning fund balances(deficits)	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)	21,440,580	164,952	3,921,543	4,086,495
Prior period adjustment	0	0	0	0	0	300,000	0	0	0	0	300,000	0	0	0
Beginning fund balances as restated	12,049,287	2,383,294	98,946	6,522,372	179,739	3,011,481	(218,216)	622,275	(194,788)	(2,713,801)	21,740,580	164,952	3,921,543	4,086,495
Fund balances (deficits), end of year	\$ 8,975,782	\$ 2,897,055	\$ (3,626)	\$ 6,754,409	\$ 116,694	\$ 915,843	\$ (763,276)	\$ 0	\$ 0	\$ (6,812)	\$ 18,886,069	\$ 164,953	\$ 4,720,344	\$ 4,885,297

(Continued)

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, 2007

	Capital Projects						Total Nonmajor Governmental Funds
	Tax Increment District	Street Sweeping	General Obligation Bonds 2002	General Capital Projects	Miscellaneous Projects	Total 2007	
<b>REVENUES</b>							
Federal government	0	0	0	42,000	0	254,088	6,296,982
State government	0	212,088	0	7,500	0	10,574	1,630,152
County government	0	3,074	0	0	0	0	9,376,271
Promotions	0	0	0	0	0	0	186,563
Confiscated funds	0	0	0	0	0	0	4,957
Current taxes	0	0	0	0	0	0	5,460,856
Interest	686,701	211,204	102,069	46,887	14,860	1,051,721	2,261,184
Other revenues	15,282	500,750	3,264	0	0	919,296	4,433,209
<b>Total revenues</b>	<b>701,983</b>	<b>927,116</b>	<b>105,333</b>	<b>96,387</b>	<b>14,860</b>	<b>1,845,679</b>	<b>29,893,276</b>
<b>EXPENDITURES</b>							
Current							
General government	3,163,127	0	0	23,513	0	3,186,640	11,896,168
Parks and recreation	0	0	0	0	15,953	15,953	15,953
Public services	0	585,429	0	3,252,140	1,571	3,839,140	3,839,140
Community promotion	0	0	0	0	0	0	7,486,286
Other charges	0	0	0	0	0	0	1,567,941
Debt Service	0	0	0	0	0	0	0
Principal payment on bonds	0	0	0	0	0	0	7,484,169
Interest on bonds	0	0	0	0	0	0	3,804,084
Fiscal agent charges	0	0	0	0	0	0	87,350
Capital outlay	0	0	0	0	0	0	1,200,987
<b>Total expenditures</b>	<b>3,163,127</b>	<b>585,429</b>	<b>0</b>	<b>3,275,653</b>	<b>17,524</b>	<b>7,041,733</b>	<b>37,384,008</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,461,144)</b>	<b>341,687</b>	<b>105,333</b>	<b>(3,179,266)</b>	<b>(2,664)</b>	<b>(5,196,054)</b>	<b>(7,490,732)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	0	2,775,170	0	2,166,719	125,000	5,066,889	16,461,068
Transfers (out)	(626,321)	0	0	0	(917,351)	(1,543,672)	(15,224,656)
Proceeds from disposal of capital assets	0	0	0	0	0	0	2,526,053
Total other financing sources ( uses)	<b>(626,321)</b>	<b>2,775,170</b>	<b>0</b>	<b>2,166,719</b>	<b>(792,351)</b>	<b>3,523,217</b>	<b>3,762,465</b>
<b>Net change in fund balances</b>	<b>(3,087,465)</b>	<b>3,116,857</b>	<b>105,333</b>	<b>(1,012,547)</b>	<b>(795,015)</b>	<b>(1,672,837)</b>	<b>(3,728,267)</b>
<b>Beginning fund balances(deficits)</b>	<b>16,138,042</b>	<b>7,850,813</b>	<b>328,479</b>	<b>191,601</b>	<b>(705,181)</b>	<b>23,503,754</b>	<b>49,037,820</b>
<b>Prior period adjustment</b>	<b>0</b>	<b>(3,396,159)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,396,159)</b>	<b>(3,086,159)</b>
<b>Beginning fund balances as restated</b>	<b>16,138,042</b>	<b>4,164,654</b>	<b>328,479</b>	<b>191,601</b>	<b>(705,181)</b>	<b>20,117,595</b>	<b>45,951,661</b>
<b>Fund balances (deficits), end of year</b>	<b>\$ 13,050,577</b>	<b>\$ 7,281,511</b>	<b>\$ 433,812</b>	<b>\$ (820,946)</b>	<b>\$ (1,500,196)</b>	<b>\$ 18,444,758</b>	<b>\$ 42,223,394</b>

## NONMAJOR PROPRIETARY FUNDS

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

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

*Storm Water Facilities 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, 2007

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Transportation Operating Fund	Redevelopment Programs Fund	Totals
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 923,594	\$ 6,223,211	\$ 267,187	\$ 5,389,542	\$ 12,803,534
Investments	910,729	6,136,522	263,465	4,108,770	11,419,486
Accounts receivable, net	871,905	0	0	118,565	990,470
Mortgage notes receivable, net	0	0	0	2,835,398	2,835,398
Accrued interest receivable	74,816	57,418	2,467	158,023	292,724
Real estate held for resale	0	0	0	336,425	336,425
<b>Total current assets</b>	<u>2,781,044</u>	<u>12,417,151</u>	<u>533,119</u>	<u>12,946,723</u>	<u>28,678,037</u>
<b>Noncurrent assets:</b>					
<b>Capital assets:</b>					
Land	326,700	0	0	0	326,700
Buildings, improvements and utility plant	16,173,300	2,580,944	742,000	0	19,496,244
Machinery and equipment	0	113,627	9,600	0	123,227
Less, accumulated depreciation	(1,536,464)	(287,796)	(317,827)	0	(2,142,087)
Construction in progress	0	3,718,555	0	0	3,718,555
<b>Net capital assets</b>	<u>14,963,536</u>	<u>6,125,330</u>	<u>433,773</u>	<u>0</u>	<u>21,522,639</u>
Mortgage notes receivable, net	0	0	0	21,348,341	21,348,341
Contract receivable	954,654	0	0	0	954,654
<b>Total noncurrent assets</b>	<u>15,918,190</u>	<u>6,125,330</u>	<u>433,773</u>	<u>21,348,341</u>	<u>43,825,634</u>
<b>Total assets</b>	<u>\$ 18,699,234</u>	<u>\$ 18,542,481</u>	<u>\$ 966,892</u>	<u>\$ 34,295,064</u>	<u>\$ 72,503,671</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ 0	\$ 1,501,795	\$ 0	\$ 814	\$ 1,502,609
Accrued salaries and benefits	0	23,020	0	0	23,020
Compensated absences	0	4,796	0	0	4,796
Retainage payable	0	407,878	0	0	407,878
Due to other funds	0	0	0	1,366,195	1,366,195
Note payable	0	0	0	45,000	45,000
Contract payable	870,039	0	0	0	870,039
Accrued interest payable	97,205	0	0	5,191	102,396
<b>Total current liabilities</b>	<u>967,244</u>	<u>1,937,489</u>	<u>0</u>	<u>1,417,200</u>	<u>4,321,933</u>
<b>Noncurrent liabilities:</b>					
Note payable	0	0	0	475,000	475,000
Contract payable	1,866,018	0	0	0	1,866,018
Compensated absences	0	19,183	0	0	19,183
<b>Total non-current liabilities</b>	<u>1,866,018</u>	<u>19,183</u>	<u>0</u>	<u>475,000</u>	<u>2,360,201</u>
<b>Total liabilities</b>	<u>2,833,262</u>	<u>1,956,672</u>	<u>0</u>	<u>1,892,200</u>	<u>6,682,134</u>
<b>Net Assets:</b>					
Investment in capital assets, net of related debt	14,963,536	6,125,330	433,773	0	21,522,639
Restricted	97,205	0	0	5,191	102,396
Unrestricted	805,231	10,460,479	533,119	32,397,673	44,196,502
<b>Total net assets</b>	<u>15,865,972</u>	<u>16,585,809</u>	<u>966,892</u>	<u>32,402,864</u>	<u>65,821,537</u>
<b>Total liabilities and net assets</b>	<u>\$ 18,699,234</u>	<u>\$ 18,542,481</u>	<u>\$ 966,892</u>	<u>\$ 34,295,064</u>	<u>\$ 72,503,671</u>

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

Year Ended June 30, 2007

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Transportation Operating Fund	Redevelopment Programs Fund	Totals
<b>Operating revenues:</b>					
Charges for services	\$ 0	\$ 3,982,150	\$ 0	\$ 0	\$ 3,982,150
Other operating revenue	479,433	0	0	495,150	974,583
<b>Total operating revenue</b>	<u>479,433</u>	<u>3,982,150</u>	<u>0</u>	<u>495,150</u>	<u>4,956,733</u>
<b>Operating expenses:</b>					
Personnel services	0	1,251,908	0	0	1,251,908
Materials and supplies	0	106,432	0	0	106,432
Other services and charges	0	145,431	0	83,168	228,599
Heat, light and power	556,759	0	0	0	556,759
Depreciation	323,466	116,195	30,320	0	469,981
Bad debt expense	0	0	0	658,188	658,188
<b>Total operating expenses</b>	<u>880,225</u>	<u>1,619,966</u>	<u>30,320</u>	<u>741,356</u>	<u>3,271,867</u>
<b>Operating income (loss)</b>	<u>(400,792)</u>	<u>2,362,184</u>	<u>(30,320)</u>	<u>(246,206)</u>	<u>1,684,866</u>
<b>Nonoperating revenues (expenses):</b>					
Investment income	152,640	383,402	17,082	807,556	1,360,680
Other nonoperating expense	13,857	1,440	0	0	15,297
Gain (loss) from sale of assets	0	0	0	41,423	41,423
Interest expense	(139,907)	0	0	(33,579)	(173,486)
Intergovernmental expenses	0	(1,472,311)	0	0	(1,472,311)
<b>Total nonoperating revenues (expenses)</b>	<u>26,590</u>	<u>(1,087,469)</u>	<u>17,082</u>	<u>815,400</u>	<u>(228,397)</u>
<b>Income (loss) before transfers</b>	<u>(374,202)</u>	<u>1,274,715</u>	<u>(13,238)</u>	<u>569,194</u>	<u>1,456,469</u>
<b>Transfers:</b>					
Transfers in	0	1,000,000	0	2,433,367	3,433,367
Transfers out	0	(236,994)	0	0	(236,994)
<b>Change in net assets</b>	<u>(374,202)</u>	<u>2,037,721</u>	<u>(13,238)</u>	<u>3,002,561</u>	<u>4,652,842</u>
<b>Beginning net assets</b>	16,240,174	15,096,076	990,071	29,128,466	61,454,787
<b>Prior period adjustment</b>	<u>0</u>	<u>(547,988)</u>	<u>(9,941)</u>	<u>271,837</u>	<u>(286,092)</u>
<b>Ending net assets</b>	<u>\$ 15,865,972</u>	<u>\$ 16,585,809</u>	<u>\$ 966,892</u>	<u>\$ 32,402,864</u>	<u>\$ 65,821,537</u>

CITY OF COLUMBIA, SOUTH CAROLINA  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR PROPRIETARY FUND  
 For the Year Ended June 30, 2007

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Transportation Operating Fund	Redevelopment Programs Fund	Total Nonmajor Proprietary Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 718,205	\$ 3,982,151	\$ 0	\$ 376,583	\$ 5,076,939
Payments to suppliers	(556,759)	(533,738)	0	(135,641)	(1,226,138)
Payments to employees	0	(1,012,578)	0	0	(1,012,578)
Net cash provided (used) by operating activities	<u>161,446</u>	<u>2,435,835</u>	<u>0</u>	<u>240,942</u>	<u>2,838,223</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Due to (from) others	0	0	0	1,366,195	1,366,195
Transfers in	0	1,000,000	0	2,433,367	3,433,367
Transfers out	0	(236,994)	0	0	(236,994)
Net cash provided by noncapital and related financing activities	<u>0</u>	<u>763,006</u>	<u>0</u>	<u>3,799,562</u>	<u>4,562,568</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	0	(1,053,627)	0	0	(1,053,627)
Principal paid on bonds and notes	(830,583)	0	0	(620,000)	(1,450,583)
Interest paid on debt	(169,415)	0	0	(52,400)	(221,815)
Net cash used by capital and related financing activities	<u>(999,998)</u>	<u>(1,053,627)</u>	<u>0</u>	<u>(672,400)</u>	<u>(2,726,025)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	0	0	0	(397,654)	(397,654)
Proceeds from sale of investments	119,193	291,292	72,959	41,423	524,867
Decrease in contract receivable, net	911,364	0	0	0	911,364
Increase in mortgage notes receivable, net	0	0	0	(2,908,517)	(2,908,517)
Interest received	177,429	413,200	17,738	767,938	1,376,305
Rent received	13,857	1,440	0	0	15,297
Sale of inventory for resale, net	0	0	0	280,615	280,615
Net cash provided (used) by investing activities	<u>1,221,843</u>	<u>705,932</u>	<u>90,697</u>	<u>(2,216,195)</u>	<u>(197,723)</u>
Net increase (decrease) in cash and cash equivalents	383,291	2,851,146	90,697	1,151,909	4,477,043
Cash and cash equivalents, July 1, 2006	<u>540,303</u>	<u>3,372,065</u>	<u>176,490</u>	<u>4,237,633</u>	<u>8,326,491</u>
Cash and cash equivalents, June 30, 2007	<u>\$ 923,594</u>	<u>\$ 6,223,211</u>	<u>\$ 267,187</u>	<u>\$ 5,389,542</u>	<u>\$ 12,803,534</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (400,792)	\$ 2,362,184	\$ (30,320)	\$ (246,206)	\$ 1,684,866
Adjustment to reconcile operating income to net cash provided (used) by operating activities					
Depreciation	323,466	116,195	30,320	0	469,981
Bad debt expense	0	0	0	658,188	658,188
Change in operating assets and liabilities					
Accounts receivable	238,772	0	0	(118,565)	120,207
Accounts payable	0	(27,482)	0	(52,475)	(79,957)
Accrued salaries	0	556	0	0	556
Accrued vacation	0	(15,618)	0	0	(15,618)
Total adjustments	<u>562,238</u>	<u>73,651</u>	<u>30,320</u>	<u>487,148</u>	<u>1,153,357</u>
Net cash provided (used) by operating activities	<u>\$ 161,446</u>	<u>\$ 2,435,835</u>	<u>\$ 0</u>	<u>\$ 240,942</u>	<u>\$ 2,838,223</u>

## INTERNAL SERVICE FUNDS

*Internal Service Funds* are used to account for the financing of goods and services provided by one department or agency to other departments or agencies 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, 2007

	Fleet Management	Support Services	Risk Management	Totals
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 1,347,640	\$ 223,789	\$ 1,144,273	\$ 2,715,702
Investments	1,330,731	552,889	12,590,702	14,474,322
Accounts receivable	27,548	1,592	4,250	33,390
Accrued interest receivable	12,451	5,173	117,808	135,432
Deposits	0	0	78,745	78,745
Prepaid expenses	0	0	43,087	43,087
Inventory	0	1,218,553	0	1,218,553
<b>Total current assets</b>	<b>2,718,370</b>	<b>2,001,996</b>	<b>13,978,865</b>	<b>18,699,231</b>
<b>Noncurrent assets</b>				
<b>Capital assets</b>				
Buildings	903,586	0	0	903,586
Machinery and equipment	8,280,864	632,878	18,428	8,932,170
Less, accumulated depreciation	(4,409,614)	(261,455)	(18,428)	(4,689,497)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>4,774,836</b>	<b>371,423</b>	<b>0</b>	<b>5,146,259</b>
<b>Total assets</b>	<b>\$ 7,493,206</b>	<b>\$ 2,373,419</b>	<b>\$ 13,978,865</b>	<b>\$ 23,845,490</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 451,149	\$ 478,038	\$ 34,259	\$ 963,446
Accrued salaries and benefits	35,674	14,871	7,940	58,485
Accrued vacation pay	129,877	72,226	53,166	255,269
Capital lease payable	0	728,758	0	728,758
Due to other funds	0	0	1,478,759	1,478,759
Accrued liability for claims	0	0	15,901,813	15,901,813
<b>Total current liabilities</b>	<b>616,700</b>	<b>1,293,893</b>	<b>17,475,937</b>	<b>19,386,530</b>
<b>Non-Current Liabilities:</b>				
Capital lease payable	0	1,518,235	0	1,518,235
<b>Total long term liabilities</b>	<b>0</b>	<b>1,518,235</b>	<b>0</b>	<b>1,518,235</b>
<b>Total liabilities</b>	<b>616,700</b>	<b>2,812,128</b>	<b>17,475,937</b>	<b>20,904,765</b>
<b>NET ASSETS</b>				
Investment in capital assets	4,774,836	371,423	0	5,146,259
Unrestricted	2,101,670	(810,132)	(3,497,072)	(2,205,534)
<b>Total net assets</b>	<b>6,876,506</b>	<b>(438,709)</b>	<b>(3,497,072)</b>	<b>2,940,725</b>
<b>Total liabilities and net assets</b>	<b>\$ 7,493,206</b>	<b>\$ 2,373,419</b>	<b>\$ 13,978,865</b>	<b>\$ 23,845,490</b>

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

Year Ended June 30, 2007

	Fleet Management	Support Services	Risk Management	Total
Operating revenues:				
Charges for services	\$ 9,386,430	\$ 631,783	\$ 10,807,081	\$ 20,825,294
Total operating revenues	<u>9,386,430</u>	<u>631,783</u>	<u>10,807,081</u>	<u>20,825,294</u>
Operating expenses:				
Personnel services	1,956,281	793,612	462,204	3,212,097
Materials and supplies	6,262,527	307,868	12,597	6,582,992
Contractual services	4,660	0	0	4,660
Heat, light and power	68,180	0	0	68,180
Other charges and services	96,566	708,322	1,899,374	2,704,262
Claims and premiums	0	0	28,169,809	28,169,809
Depreciation	1,088,694	94,091	1,843	1,184,628
Debt service	0	101,235	0	101,235
Capital outlay	0	426,844	0	426,844
Total operating expenses	<u>9,476,908</u>	<u>2,431,972</u>	<u>30,545,827</u>	<u>42,454,707</u>
Operating loss	<u>(90,478)</u>	<u>(1,800,189)</u>	<u>(19,738,746)</u>	<u>(21,629,413)</u>
Non-operating revenues (expenses):				
Interest income	91,973	178,823	887,557	1,158,353
Loss on sale of assets	(266,344)	0	0	(266,344)
Total non-operating revenues (expenses)	<u>(174,371)</u>	<u>178,823</u>	<u>887,557</u>	<u>892,009</u>
Loss before transfers	(264,849)	(1,621,366)	(18,851,189)	(20,737,404)
Transfers in	<u>1,457,705</u>	<u>2,459,763</u>	<u>13,000,000</u>	<u>16,917,468</u>
Change in net assets	<u>1,192,856</u>	<u>838,397</u>	<u>(5,851,189)</u>	<u>(3,819,936)</u>
Total net assets - beginning	5,849,680	(1,423,821)	2,354,117	6,779,976
Prior period adjustment	(166,030)	146,715	0	(19,315)
Total net assets - beginning, as restated	<u>5,683,650</u>	<u>(1,277,106)</u>	<u>2,354,117</u>	<u>6,760,661</u>
Total net assets - ending	\$ <u>6,876,506</u>	\$ <u>(438,709)</u>	\$ <u>(3,497,072)</u>	\$ <u>2,940,725</u>

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

Year Ended June 30, 2007

	Fleet Management	Support Services	Risk Management	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 9,419,033	\$ 631,786	\$ 11,242,951	\$ 21,293,770
Payments to suppliers	(6,198,731)	(229,990)	(23,432,351)	(29,861,072)
Payments to employees	(1,964,631)	(798,335)	(448,915)	(3,211,881)
Net cash provided (used) by operating activities	<u>1,255,671</u>	<u>(396,539)</u>	<u>(12,638,315)</u>	<u>(11,779,183)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Due to (from) others	0	(4,525,534)	1,478,759	(3,046,775)
Transfers in	1,457,705	2,459,763	13,000,000	16,917,468
Net cash provided (used) by noncapital and related financing activities	<u>1,457,705</u>	<u>(2,065,771)</u>	<u>14,478,759</u>	<u>13,870,693</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(2,029,201)	(429,120)	0	(2,458,321)
Principal and interest paid on lease	0	(709,240)	0	(709,240)
Net cash used by capital and related financing activities	<u>(2,029,201)</u>	<u>(1,138,360)</u>	<u>0</u>	<u>(3,167,561)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(1,330,731)	(552,889)	(2,004,085)	(3,887,705)
Interest received	89,604	173,650	868,007	1,131,261
Net cash used by investing activities	<u>(1,241,127)</u>	<u>(379,239)</u>	<u>(1,136,078)</u>	<u>(2,756,444)</u>
Net increase (decrease) in cash and cash equivalents	(556,952)	(3,979,909)	704,366	(3,832,495)
Cash and cash equivalents, July 1, 2006	<u>1,904,592</u>	<u>4,203,698</u>	<u>439,907</u>	<u>6,548,197</u>
Cash and cash equivalents, June 30, 2007	<u>\$ 1,347,640</u>	<u>\$ 223,789</u>	<u>\$ 1,144,273</u>	<u>\$ 2,715,702</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating loss	\$ (90,478)	\$ (1,800,189)	\$ (19,738,746)	\$ (21,629,413)
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	1,088,694	94,091	1,843	1,184,628
Change in operating assets and liabilities				
Accounts receivable	32,603	0	174,483	207,086
Inventory	0	1,157,761	0	1,157,761
Prepaid expenses	0	0	(43,087)	(43,087)
Accounts payable	233,202	156,518	(48,323)	341,397
Accrued salaries	(438)	(773)	1,154	(57)
Accrued vacation	(7,912)	(3,947)	12,132	273
Accrued liability for claims	0	0	6,740,839	6,740,839
Customer deposits	0	0	261,390	261,390
Total adjustments	<u>1,346,149</u>	<u>1,403,650</u>	<u>7,100,431</u>	<u>9,850,230</u>
Net cash provided (used) by operating activities	<u>\$ 1,255,671</u>	<u>\$ (396,539)</u>	<u>\$ (12,638,315)</u>	<u>\$ (11,779,183)</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  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND**

For the Year Ended June 30, 2007

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ <u>117,913</u>	\$ <u>60,131</u>	\$ <u>49,881</u>	\$ <u>128,163</u>
<b>Total assets</b>	<b>\$ <u>117,913</u></b>	<b>\$ <u>60,131</u></b>	<b>\$ <u>49,881</u></b>	<b>\$ <u>128,163</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ <u>117,913</u>	\$ <u>60,131</u>	\$ <u>49,881</u>	\$ <u>128,163</u>
<b>Total liabilities</b>	<b>\$ <u>117,913</u></b>	<b>\$ <u>60,131</u></b>	<b>\$ <u>49,881</u></b>	<b>\$ <u>128,163</u></b>

**SUPPLEMENTARY INFORMATION**

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Schedule of Fines, Assessments, and Surcharges**  
**Year Ended June 30, 2007**

**Court Fines and Assessments**

Fines Collected	\$ 879,568
Assessments	794,199
Surcharges	343,053
Total Court Fines and assessments collected	<u>\$ 2,016,820</u>

**Fines, Surcharges and Assessments Remitted to State Treasurer**

<b>DUI/DUS/BUI</b>	
Municipal DUI Assessment	\$ 2,808
Municipal DUI Surcharge	5,800
Municipal DUI DPS Pullout	2,500
Municipal Drug Surcharge	2,600
Municipal Law Enforcement Surcharge	307,549
Other Assessments - State Shared	700,898
Total Revenue Remitted to State Treasurer	<u>\$ 1,022,155</u>

**Fines, Surcharges and Assessments Retained by City**

Fines	\$ 879,568
Assessments	87,993
Surcharges	27,104
Total Revenue Retained by City	<u>\$ 994,665</u>

**Funds Allocated to Victims Service**

Carryover funds from prior year	\$ -
Assessments retained	87,993
Surcharges Retained	27,104
Expenditures for victims service	(158,906)
Transfers from General Fund	43,809
Total unexpended victims rights assistance	<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)		Total
							Departmental	Debt Service	
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
2007	32,010,958	1,747,050	42,204,031	20,907,423	8,959,135	3,221,626	40,249,283	11,450,613	160,750,119

(1) Includes total governmental funds.

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

CITY OF COLUMBIA, SOUTH CAROLINA

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

Fiscal Year	Revenues							Total
	Property Taxes	Licenses and Permits	Fines and Forfeitures (2)	From Use of Money and Property	Inter-governmental Revenues	Charges for Services (3)	Grants and Other Revenues (4)	
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
2007	46,684,713	31,162,106	786,187	3,512,130	45,353,794	8,412,727	8,423,821	144,335,478

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

(2) Certain parking fees and fines were pledged to the parking enterprise fund.

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

(4) 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 (2)	Percent of Current Taxes Collected	Delinquent Tax Collections (3)	Total Tax Collections (4)	Ratio of		Ratio of Delinquent Taxes to Total Tax Levy
						Total Tax Collections to Total Tax Levy (2)	Outstanding Delinquent Taxes	
1998	\$ 25,653,727	\$ 23,841,043	92.93	\$ 1,078,117	\$ 24,919,160	97.14	\$ 961,349	3.75
1999	26,157,433	25,102,033	95.97	794,092	25,896,125	99.00	860,375	3.29
2000	27,960,908	26,694,938	95.47	949,237	27,644,175	98.87	972,640	3.48
2001	30,342,007	27,581,071	90.90	1,448,732	29,029,803	95.68	1,025,138	3.38
2002	30,747,522	27,930,552	90.84	1,542,794	29,473,346	95.86	1,136,150	3.70
2003	30,717,596	28,041,551	91.29	1,663,305	29,704,856	96.70	1,155,090	3.76
2004	30,246,516	28,162,482	93.11	1,574,590	29,737,072	98.32	770,230	2.55
2005	30,483,195	27,959,678	91.72	1,632,522	29,592,200	97.08	797,804	2.62
2006	36,175,090	34,021,898	94.05	1,216,010	35,237,908	97.41	482,045	1.33
2007	39,338,096	38,398,690	97.61	1,011,744	39,410,434	100.18	600,849	1.53

- (1) The City levied and collected real and personal property taxes in some areas of Lexington County due to annexation.
- (2) Includes only 80% of taxes levied on real property on which the assessment has been appealed.
- (3) 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%.
- (4) Does not include payment in lieu of taxes from Columbia Housing Authority.

CITY OF COLUMBIA, SOUTH CAROLINA

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

Fiscal Year	Tax 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	
1998	1997	\$ 168,068,840	\$ 3,313,810,127	\$ 91,059,760	\$ 895,068,506	\$ 259,128,600	\$ 4,208,878,633	6.16
1999	1998	168,096,480	3,346,262,917	96,120,012	944,391,074	264,216,492	4,290,653,992	6.16
2000	1999	201,775,490	4,041,222,908	108,901,269	1,037,154,941	310,676,759	5,078,377,849	6.12
2001	2000	208,432,649	4,148,697,733	121,371,772	716,246,505	329,804,421	4,864,944,238	6.78
2002	2001	213,751,250	4,306,304,426	120,460,950	1,172,654,757	334,212,200	5,478,959,183	6.10
2003	2002	218,320,320	4,397,310,301	115,566,596	1,150,448,599	333,886,916	5,547,758,900	6.02
2004	2003	225,199,267	4,527,472,624	103,567,184	1,063,887,735	328,766,451	5,591,360,359	5.88
2005	2004	228,375,270	4,591,392,500	102,543,149	1,069,412,879	330,918,419	5,660,805,379	5.85
2006	2005	286,201,640	5,920,364,697	102,642,841	1,128,091,643	388,844,481	7,048,456,340	5.52
2007	2006	292,337,560	6,045,640,063	108,588,202	1,178,467,212	400,925,762	7,224,107,275	5.55

(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, and autos; 6% for inventory; and either 6% or 4% for real estate. A county-wide reassessment of real property and manufacturers was completed in 1992 tax year. The source for the non-accounting data above is the assessment and millage worksheets received from Richland and Lexington Counties.

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	County Purposes Millage	Richland County				Richland County				Richland / Lexington	
		School District No. 1		School District No. 2		School District No. 1		School District No. 2		School District No. 5	
		Millage	Overlapping District								
1997	99.0	76.9	186.6	362.5	206.8	382.7	209.4	385.3	209.4	385.3	
1998	99.0	82.1	192.8	373.9	212.4	393.5	214.6	395.7	214.6	395.7	
1999	90.0	80.6	183.9	354.5	197.5	368.1	197.2	367.8	197.2	367.8	
2000	92.0	78.5	193.0	363.5	208.8	379.3	212.9	383.4	212.9	383.4	
2001	92.0	65.7	215.1	372.8	230.0	387.7	235.4	393.1	235.4	393.1	
2002	92.0	70.8	238.9	401.7	258.1	420.9	255.6	418.4	255.6	418.4	
2003	92.0	76.3	280.4	448.8	281.8	450.2	267.5	435.9	267.5	435.9	
2004	92.0	80.0	289.1	461.1	289.5	461.5	266.4	438.4	266.4	438.4	
2005	83.6	78.0	266.0	427.6	279.0	440.6	234.6	396.2	234.6	396.2	
2006	99.0	76.4	282.7	458.1	295.4	470.8	253.0	428.4	253.0	428.4	

(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, 2007

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
South Carolina Electric & Gas	Utility	\$ 11,495,160	3.00%
BellSouth Telecom, Inc.	Communications	9,776,500	2.55%
Cingular Wireless	Communications	4,824,950	1.26%
GGP Columbiana Trust	Investment	2,966,460	0.76%
Main Street Associates	Real Estate	2,334,900	0.61%
Baker & Baker	Insurance	2,001,830	0.52%
Time Warner Ent. - Advance	Cable	1,937,750	0.51%
Unumprovident Corporation	Insurance	1,848,565	0.48%
Colonial Life & Accident	Insurance	1,834,817	0.48%
Parkway Properties LP	Real Estate	1,726,610	0.45%
<b>Totals</b>		<b>\$ 40,747,542</b>	<b>10.62%</b>

CITY OF COLUMBIA, SOUTH CAROLINA

Computation of Legal Debt Margin  
(Unaudited)

Year Ended June 30, 2007

Assessed value as of January 1, 2006	
City limits Richland County	\$ 377,967,692
City limits Lexington County	<u>22,958,070</u>
Total	<u>400,925,762</u>
Business inventory 1987 assessed value	<u>6,667,290</u>
Total assessed value (see note)	<u>\$ 407,593,052</u>
Debt limit - Eight (8%) percent of assessed value, without voters' approval	\$ 32,607,444
Amount of debt applicable to debt limit:	
Total general bonded debt	<u>17,430,000</u>
Legal debt margin without a referendum	<u>\$ 15,177,444</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			
1998	126,800	\$ 259,128,600	\$ 11,306,141	\$ 1,766,141	\$ 9,540,000	3.68	75.24	
1999	126,828	264,216,492	10,679,837	1,539,837	9,140,000	3.46	75.24	
2000	126,828	310,676,759	10,058,532	1,318,532	8,740,000	2.81	68.91	
2001	116,278	329,804,421	9,347,228	1,107,228	8,240,000	2.50	64.97	
2002	116,278	334,212,200	8,520,924	875,924	7,645,000	2.29	65.75	
2003	117,394	333,886,916	23,194,620	644,620	22,550,000	6.75	192.09	
2004	117,394	328,766,451	21,803,315	423,315	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	1,400,000	17,430,000	4.48	148.47	
2007	116,278	400,925,762	17,430,000	0	17,430,000	4.35	149.90	

(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 Governmental Expenditures (3)	
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	889,660	119,787,994	0.7
2006	1,280,000	868,318	2,148,318	148,855,158	1.4
2007	1,400,000	810,798	2,210,798	160,750,119	1.4

(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, 2007

Jurisdiction	City of Columbia			Total
	Direct General Obligation Bonded Debt Outstanding (1)	Overlapping General Obligation Bonded Debt Outstanding	General Bonded Debt Outstanding (1)	
Direct:				
City of Columbia	\$ 17,430,000	\$ -	\$	17,430,000
Overlapping:				
Richland County School District No. 1	265,038,541	186,801,459		451,840,000
General purposes- Richland County	16,112,422	34,137,578		50,250,000
Riverbanks Park District	2,787,199	11,732,801		14,520,000
Total Overlapping	283,938,162	232,671,838		516,610,000
Total	\$ 301,368,162	\$ 232,671,838	\$	534,040,000

(1) Excluding general obligation refunding bonds reported in the enterprise funds.

CITY OF COLUMBIA, SOUTH CAROLINA

Revenue Bond Coverage  
Water and Sewer Bonds

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service		Debt Service Requirement			Coverage
					Principal	Interest	Total	
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	6,985,440	20,405,440	2.34	
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	
2007	101,657,409	53,436,775	48,220,634	9,275,000	7,889,584	17,164,584	2.81	

(1) Gross revenues are defined by the bond ordinance of 1991 as "all fees, tolls, rates, rentals and charges to be levied and collected in connection with, and all other income and receipts of whatever kind of character derived by the City from the operation of the system or arising from the system." Accordingly, gross revenues include operating revenues, interest revenues, and gains/losses on disposals of capital assets.

(2) Direct operating expenses include all operating and maintenance expenses except depreciation.

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 (1)	Operating Expenses (2)	Net Revenue Available for Debt Service		Debt Service Requirement			Coverage
			Debt Service	Principal	Interest	Total		
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	
2007	8,061,224	2,502,413	5,558,811	460,000	2,455,384	2,915,384	1.91	

(1) The Bond Ordinance earnings test prescribes that "The average of the aggregate of revenue paid into the Gross Revenue Fund for the two fiscal years immediately preceding the fiscal year in which additional bonds are proposed to be issued, as certified to by a Certified Public Accountant, shall be not less than one hundred thirty five per centum (135%) of the highest combined interest and principal requirements of any succeeding year of all bonds, for all additional bonds which may be then issued, and for all additional bonds then proposed to be issued." Gross revenues include operating revenues, interest revenues, and gains/losses on disposals of capital assets.

The average earnings for the last two fiscal years is \$6,424,034 which would allow for a maximum debt service of \$4,758,034. The next highest debt service is 2008-2009 for \$708,313 leaving a margin of \$4,050,231.

(2) Direct operating expenses include all operating and maintenance expenses except depreciation.

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)
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	29,419	25,770	6.9%
2005	117,394	30,810	24,589	5.7%
2006	117,394	32,308	24,060	6.2%
2007	116,278	32,238	23,658	5.1%

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).

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 (1)		Bank Deposits (2)
	Commercial	Residential	Total	No. of Units	Value	No. of Units	Value	
1998	\$ 1,768,668,000	\$ 1,548,501,000	\$ 3,317,169,000	92	\$ 66,851,996	821	\$ 57,363,582	\$ 4,887,000
1999	1,712,281,500	1,633,754,250	3,346,035,750	52	54,695,000	1,019	93,140,242	5,020,000
2000	2,006,126,167	2,034,674,250	4,040,800,417	44	32,910,736	413	73,933,009	4,594,167
2001	2,124,236,983	2,023,482,500	4,147,719,483	40	99,802,533	481	76,001,939	4,920,952
2002	2,075,747,467	2,229,672,050	4,305,419,517	56	36,417,036	448	62,723,046	5,224,624
2003	4,077,296,267	2,243,842,000	6,321,138,267	18	32,943,996	352	58,318,234	5,247,678
2004	2,142,707,533	2,360,137,200	4,502,844,733	83	98,682,615	538	73,330,695	5,676,259
2005	2,285,978,500	2,355,197,750	4,641,176,250	24	34,381,801	522	95,558,797	7,090,704
2006	2,680,175,167	3,134,568,250	5,814,743,417	78	95,097,082	847	110,239,753	7,832,236
2007	2,742,031,630	2,923,932,400	5,665,964,030	51	88,313,998	1,548	144,516,429	8,565,386

(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, SOUTH CAROLINA

Net Assets by Component  
Last Three Fiscal Years  
(Unaudited)

	2007	2006	2005
<b>Governmental activities</b>			
Invested in capital assets, net of related debt	\$ 170,666,468	\$ 97,571,357	\$ 45,224,118
Restricted	7,270	6,982	54,858,328
Unrestricted	25,607,280	75,615,450	83,515,738
<b>Total governmental activities net assets</b>	<b>\$ 196,281,018</b>	<b>\$ 173,193,789</b>	<b>\$ 183,598,184</b>
<b>Business-type activities</b>			
Invested in capital assets, net of related debt	\$ 441,526,920	\$ 412,723,624	\$ 323,319,938
Restricted for debt service	0	0	18,553,749
Reserved designated	0	0	0
Restricted for capital projects	0	0	0
Unrestricted	87,904,766	95,972,456	153,207,685
<b>Total business-type activities net assets</b>	<b>\$ 529,431,686</b>	<b>\$ 508,696,080</b>	<b>\$ 495,081,372</b>
<b>Primary Government</b>			
Invested in capital assets, net of related debt	\$ 612,193,388	\$ 510,294,981	\$ 368,544,056
Restricted	7,270	6,982	73,412,077
Unrestricted	113,512,046	171,587,906	236,723,423
<b>Total primary government net assets</b>	<b>\$ 725,712,704</b>	<b>\$ 681,889,869</b>	<b>\$ 678,679,556</b>

CITY OF COLUMBIA, SOUTH CAROLINA

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

	2007	2006	2005
<b>Expenses</b>			
<b>Governmental activities:</b>			
General government	\$ 35,358,581	\$ 51,296,220	\$ 6,912,887
Judicial	2,167,922	2,044,037	1,967,326
Finance department	1,982,964	1,360,869	1,194,909
Community development	3,904,174	3,396,497	3,082,389
Public safety	50,306,710	41,619,178	38,027,339
Parks and recreation	11,053,830	7,853,425	13,169,502
Public services	24,014,241	22,868,279	25,910,346
General services	3,382,092	5,791,988	2,630,296
Community promotions	9,926,673	7,946,764	781,376
Interest on bonds	4,081,910	2,275,464	3,131,666
Non departmental	3,433,419	1,147,254	3,956,106
<b>Total governmental activities expenses</b>	<b>149,612,515</b>	<b>147,599,975</b>	<b>100,764,142</b>
<b>Business-type activities:</b>			
Water/sewer facilities	83,849,936	80,189,801	67,586,282
Hydro-electric plant	1,020,132	1,010,483	903,114
Storm water operating	3,382,264	1,683,476	1,518,394
Parking facilities	5,139,583	6,149,446	2,745,011
Transportation operating	30,320	31,363	121,363
Redevelopment programs	774,935	901,209	238,547
<b>Total business-type expenses</b>	<b>94,197,170</b>	<b>89,965,778</b>	<b>73,112,711</b>
<b>Total primary government expenses</b>	<b>\$ 243,809,685</b>	<b>\$ 237,565,753</b>	<b>\$ 173,876,853</b>
<b>Program revenues</b>			
<b>Governmental activities:</b>			
Charges for services	\$ 56,583,922	\$ 51,943,738	\$ 62,989,276
Operating grants and contributions	30,413,604	30,208,259	25,839,940
Capital grants and contributions	8,291,673	2,165,766	0
<b>Total governmental program revenues</b>	<b>95,289,199</b>	<b>84,317,763</b>	<b>88,829,216</b>
<b>Business-type activities:</b>			
Charges for services	109,493,479	103,272,992	96,099,207
Operating grants and contributions	0	0	0
Capital grants and contributions	12,161,089	13,738,679	0
<b>Total business-type program revenues:</b>	<b>121,654,568</b>	<b>117,011,671</b>	<b>96,099,207</b>
<b>Total primary government revenues</b>	<b>\$ 216,943,767</b>	<b>\$ 201,329,434</b>	<b>\$ 184,928,423</b>
<b>Net (Expense)/Revenue</b>			
<b>Governmental activities</b>	<b>\$ (54,323,315)</b>	<b>\$ (63,282,213)</b>	<b>\$ (11,934,926)</b>
<b>Business-type activities</b>	<b>27,457,398</b>	<b>27,045,893</b>	<b>22,986,496</b>
<b>Total primary government net revenue</b>	<b>\$ (26,865,918)</b>	<b>\$ (36,236,320)</b>	<b>\$ 11,051,570</b>
<b>General Revenues</b>			
<b>Governmental activities:</b>			
Taxes	\$ 32,028,856	\$ 27,134,829	\$ 36,597,464
Lost revenue	14,988,418	14,241,132	0
Alcoholic beverages taxes	3,435,403	3,204,139	3,131,607
Motor fuel taxes	7,715	9,241	14,239
Miscellaneous state taxes	0	10,383	9,953
Fines and forfeitures	0	0	903,730
Unrestricted investment earnings	4,670,483	2,478,194	2,625,477
Amortization of premium	0	0	91,788
Gain/Loss from disposal of capital assets	(7,426,558)	(2,950,480)	138,844
Transfers	8,736,903	5,832,436	243,168
<b>Total general government revenues/transfers</b>	<b>\$ 56,441,220</b>	<b>\$ 49,959,874</b>	<b>\$ 43,756,270</b>
<b>Business-type activities:</b>			
Unrestricted investment earnings	6,715,293	5,536,084	3,368,514
Gain/Loss from disposal of capital assets	(116,006)	22,080	58,153
Transfers	(8,736,903)	(5,832,436)	(243,168)
<b>Total business-type activities:</b>	<b>(2,137,616)</b>	<b>(274,272)</b>	<b>3,183,499</b>
<b>Total primary government general revenues</b>	<b>\$ 54,303,604</b>	<b>\$ 49,685,602</b>	<b>\$ 46,939,769</b>
<b>Change in Net Assets</b>			
<b>Governmental activities</b>	<b>\$ 2,117,905</b>	<b>\$ (13,322,339)</b>	<b>\$ 31,821,344</b>
<b>Business-type activities</b>	<b>25,319,782</b>	<b>26,771,621</b>	<b>26,169,995</b>
<b>Total primary government</b>	<b>\$ 27,437,687</b>	<b>\$ 13,449,282</b>	<b>\$ 57,991,339</b>

CITY OF COLUMBIA, SOUTH CAROLINA

Fund Balances, Governmental Funds  
Last Three Fiscal Years  
(Unaudited)

	2007	2006	2005
<b>General Fund</b>			
Reserved	\$ 2,037,950	\$ 1,126,443	\$ 1,647,466
Unreserved	21,687,149	22,394,019	15,196,044
<b>Total General Fund</b>	<b>\$ 23,725,099</b>	<b>\$ 23,520,462</b>	<b>\$ 16,843,510</b>
<b>All Other Governmental Funds</b>			
Reserved	\$ 17,972,849	\$ 22,428,329	\$ 18,762,820
Reserve for held in trust			
Nonexpendable	1,983	1,982	723
Expendable	5,287	5,000	5,000
Unreserved, reported in:			
Special revenue funds	12,579,898	9,751,796	8,152,704
Debt service funds	4,885,298	4,086,495	0
Capital projects funds	10,968,390	14,032,774	12,599,006
<b>Total all other governmental funds</b>	<b>\$ 46,413,705</b>	<b>\$ 50,306,376</b>	<b>\$ 39,520,253</b>

CITY OF COLUMBIA, SOUTH CAROLINA

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

	2007	2006	2005
<b>Revenues</b>			
General property taxes	\$ 46,684,713	\$ 41,546,505	\$ 36,529,356
Licenses and permits	31,162,106	27,911,017	26,666,050
Intergovernmental revenue	9,879,961	8,884,739	8,728,588
Charges for services	8,412,727	7,708,719	6,059,904
Fines and forfeitures	786,187	788,374	903,730
Federal government	6,296,982	7,364,346	5,053,074
State government	1,630,152	2,501,419	3,378,397
County government	27,546,699	20,548,995	16,772,187
Promotions	188,563	60,177	264,974
Confiscated drugs	44,057	143,818	40,488
Interest	3,512,130	1,869,260	1,114,238
Other revenues	4,991,201	6,999,423	19,698,285
Revenue from component units	0	0	82,107
Cost recovery fees	3,200,000	3,200,000	3,208,450
<b>Total revenues</b>	<b>144,335,478</b>	<b>129,526,793</b>	<b>128,499,828</b>
<b>Expenditures</b>			
<b>Current</b>			
General government	30,136,559	46,732,884	45,790,642
Judicial	1,874,399	1,833,635	1,888,129
Finance department	1,747,050	1,252,432	1,192,351
Community development	3,249,126	3,093,611	3,161,595
Public safety	42,204,031	37,555,878	37,548,549
Parks and recreation	8,959,135	6,857,319	13,063,008
Public services	20,907,423	21,433,541	25,087,460
General services	3,221,626	5,181,242	2,366,418
Community promotions	8,028,392	7,946,764	781,376
Non departmental	1,994,232	656,597	1,823,582
Paid to component units	0	0	847,697
Other charges	1,567,941	483,367	0
<b>Debt service</b>			
Principle retirement	7,559,169	8,168,439	4,914,429
Interest on bonds	3,804,084	1,626,467	1,847,366
Fiscal agent charges	87,360	5,208	3,684
<b>Capital outlay</b>			
Capital outlay	25,409,592	6,027,774	508,109
<b>Total expenditures</b>	<b>160,750,119</b>	<b>148,855,158</b>	<b>140,824,395</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(16,414,641)</b>	<b>(19,328,365)</b>	<b>(12,324,567)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	23,252,127	25,167,313	17,298,701
Transfers (out)	(31,432,694)	(19,334,877)	(16,306,393)
Proceeds from disposal of capital assets	2,526,053	6,485,100	0
Proceeds from note payable issued	22,014,258	1,500,000	0
<b>Total other financing sources (uses)</b>	<b>16,359,744</b>	<b>13,817,536</b>	<b>992,308</b>
<b>Net change in fund balances</b>	<b>\$ (54,897)</b>	<b>\$ (5,510,829)</b>	<b>\$ (11,332,259)</b>
<b>Debt service as a percentage of noncapital expenses</b>	<b>8%</b>	<b>7%</b>	<b>5%</b>

**CITY OF COLUMBIA, SOUTH CAROLINA**

**Miscellaneous Statistics**

**(UNAUDITED)**

**Year Ended June 30, 2007**

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Date of Incorporation			
Town			December 21, 1805
City			December 21, 1854
Form of Government			<b>Council-Manager</b>
Area - Square Miles			135.66
Miles of Streets and Sidewalks			
Streets			471.29
Sidewalks			301.09
Miles of Sanitary Sewers			1019.80
Building Permits			
Permits issued			5,697
Estimated Cost - taxable property			386,450,009
Estimated Cost - nontaxable property			7,794,413
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			42
Recreation			
Parks and playgrounds - acres			557.8
City owned parks and playgrounds			51
Municipal Water Plants			2
	<u>Inside</u>	<u>Outside</u>	
	<u>City Limits</u>	<u>City Limits</u>	<u>Total</u>
Number of Meters Billed			
Water	39,003	91,762	130,765
Sewer	32,106	34,983	67,089
Daily Average			
consumption billed			55,199,489
Plant Capacity			126,000,000
Miles of water mains			1,887.10
Number of fire hydrants (in-City)			3,063

**CITY OF COLUMBIA, SOUTH CAROLINA**

**Miscellaneous Statistics**

**(UNAUDITED)**

**Year Ended June 30, 2007**

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<b>Election Data</b>	
Registered voters in the City (District 1C)	<b>62,990</b>
Number of votes cast last election	<b>13,122</b>
Percentage of registered voters voting	<b>21.51%</b>
<b>Traffic Signals and Street Lights</b>	
Controlled traffic signal intersections	<b>261</b>
Four-way flashing signals at intersections	<b>16</b>
School flashing signals	<b>45</b>
Number of street lights	<b>9,067</b>
<b>Education (Public School System Only)</b>	
City school system(Richland County School District 1)	
Number of school buildings	<b>51</b>
Number of teachers	<b>2,460</b>
Number of students registered	<b>23,658</b>
Average daily attendance:	
Elementary schools	<b>10,552</b>
Middle schools	<b>5,367</b>
High schools	<b>6,737</b>
Special schools	<b>121</b>
<b>Universities and Colleges</b>	
Number of locations	<b>8</b>
Number of students registered	<b>33,198</b>
<b>City of Columbia Permanent Employees</b>	
Full-time	<b>2,188</b>
Part-time	<b>64</b>

City of Columbia, South Carolina