

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

CITY OF COLUMBIA, SOUTH CAROLINA

FISCAL YEAR ENDED JUNE 30, 2008

**Interim City Manager
Steven A. Gantt**

**Deputy Finance Director
William H. Ellis**

**Prepared by the
Finance Department**

TABLE OF CONTENTS

**CITY OF COLUMBIA, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2008**

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
City Leaders	5
Organizational Charts	6
FINANCIAL SECTION	
Independent Auditor's Report	8
Management's Discussion and Analysis – Unaudited	10
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets	20
Statement of Activities	22
Fund Financial Statements	
Balance Sheet – Governmental Funds	23
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Statement of Fund Net Assets – Proprietary Funds	27
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	29
Statement of Cash Flows – Proprietary Funds	30
Statement of Fiduciary Net Assets	32
Statement of Changes in Fiduciary Net Assets	33
Combining Statement of Net Assets – Discretely Presented Component Units	34
Combining Statement of Activities – Discretely Presented Component Units	36
Notes to the Financial Statements	37

TABLE OF CONTENTS (CONTINUED)

	PAGE
FINANCIAL SECTION (CONTINUED)	
Required Supplementary Information	
Schedules of Funding Progress and Employer Contributions – Other Postemployment Benefits	71
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund	72
Notes to Required Supplementary Information	73
Combining and Individual Fund Statements and Schedules	
Schedule of Revenues and Other Financing Sources – Budget and Actual – General Fund	74
Schedule of Expenditures and Other Financing Uses – Budget and Actual – General Fund	77
Combining Balance Sheet – Nonmajor Governmental Funds	83
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	85
Combining Statement of Net Assets – Nonmajor Proprietary Funds	87
Combining Statement of Revenues, Expenses, and Changes in Net Assets – Nonmajor Proprietary Funds	88
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	89
Combining Statement of Net Assets – Internal Service Funds	90
Combining Statement of Revenues, Expenses, and Changes in Net Assets - Internal Service Funds	91
Combining Statement of Cash Flows – Internal Service Funds	92
Supplementary Information	
Schedule of Fines, Assessments and Surcharges	93
STATISTICAL SECTION (UNAUDITED AND NOT COVERED BY THE REPORT OF INDEPENDENT AUDITORS)	
General Governmental Expenditures by Function	94
General Governmental Revenues by Source	95
Property Tax Levies and Collections	96
Assessed and Estimated Actual Value of Property	97
Property Tax Rates--Direct and Overlapping Governments	98
Principal Taxpayers	99
Computation of Legal Debt Margin	100
Ratio of Net General Obligation Bonded Debt Per Capita to Assessed Value and Net General Obligation Bonded Debt Per Capita	101
Ratio of Annual Debt Service Expenditures--General Obligation Bonded Debt--Total General Governmental Expenditures	102
Computation of Direct and Overlapping Bonded Debt-- General Obligation Bonds	103
Revenue Bond Coverage--Water and Sewer Bonds	104
Revenue Bond Coverage--Parking Bonds	105
Demographic Statistics	106
Property Value, Construction and Bank Deposits	107
Net Assets by Component	108
Changes in Net Assets	109
Fund Balances, Governmental Funds	110
Changes in Fund Balances, Governmental Funds	111
Miscellaneous Statistics	112

INTRODUCTORY SECTION



**CITY OF COLUMBIA
SOUTH CAROLINA**

July 23, 2009

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, 2008 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, 2008, 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, is accommodated by three interstate highways, which enviably positions the City as a comfortable drive to most other southeastern metropolitan areas. There are 135.95 square miles of land within the corporate boundaries of the City. The City's estimated population is 124,818 with 604,627 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 members of City Council and the 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 290,023 to 332,857. This economic balance does not happen by chance; the City has a strong economic development team of professionals that has embarked on an enterprising modernization strategy to ensure a favorable economic future by diversification.

Fort Jackson, one of the country's largest military training facilities, is also located in Columbia. Annual expenditures by Fort Jackson exceed \$700 million, and over 100,000 family members visit the Midlands area each year to attend basic training graduation activities. These visitors have a solid impact on the local economy, supporting local hotels, restaurants and the retail shopping industry. Fort Jackson's new \$150 million infrastructure project is under way and 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 investment portfolio is split between four asset managers. In addition to investments, the City has purchased certificates of deposit. At June 30, 2008, one certificate of deposit in the amount of \$7,132,762 was not collateralized. The certificate matured in October 2008 and was not renewed. One investment in the amount of \$196,000 exceeded the seven year maturity guideline of the City. This security was sold in 2009. All other investments are in compliance with State Laws (S.C. Code of Laws, § 6-5-10).

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 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,

Steven A. Gantt
City Manager

William H. Ellis
Deputy Finance Director

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

As of July 2009

Mayor

Robert D. Coble

Council Members

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

City Manager

Steven A. Gantt, Interim

Assistant City Managers

Senior Assistant City Manager for Operations	S. Allison Baker
Assistant City Manager for Administrative Services	Gladys L. Brown
Assistant City Manager for Public Safety	Michael King

Department Directors

City Attorney	Ken Gaines
Community Development	Tony Lawton
Court Administrator	Judge Dana Turner
Development Services	Marc S. Mylott
Economic Development	James B. Gambrell
Emergency Communications	Michael King
Finance	William Ellis, CPA - Interim
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
Police	Tandy Carter
Public Relations	Leshia Utsey
Public Works	Melissa Smith Gentry, P.E.
Utilities & Engineering	John J. Dooley, Jr., P.E.

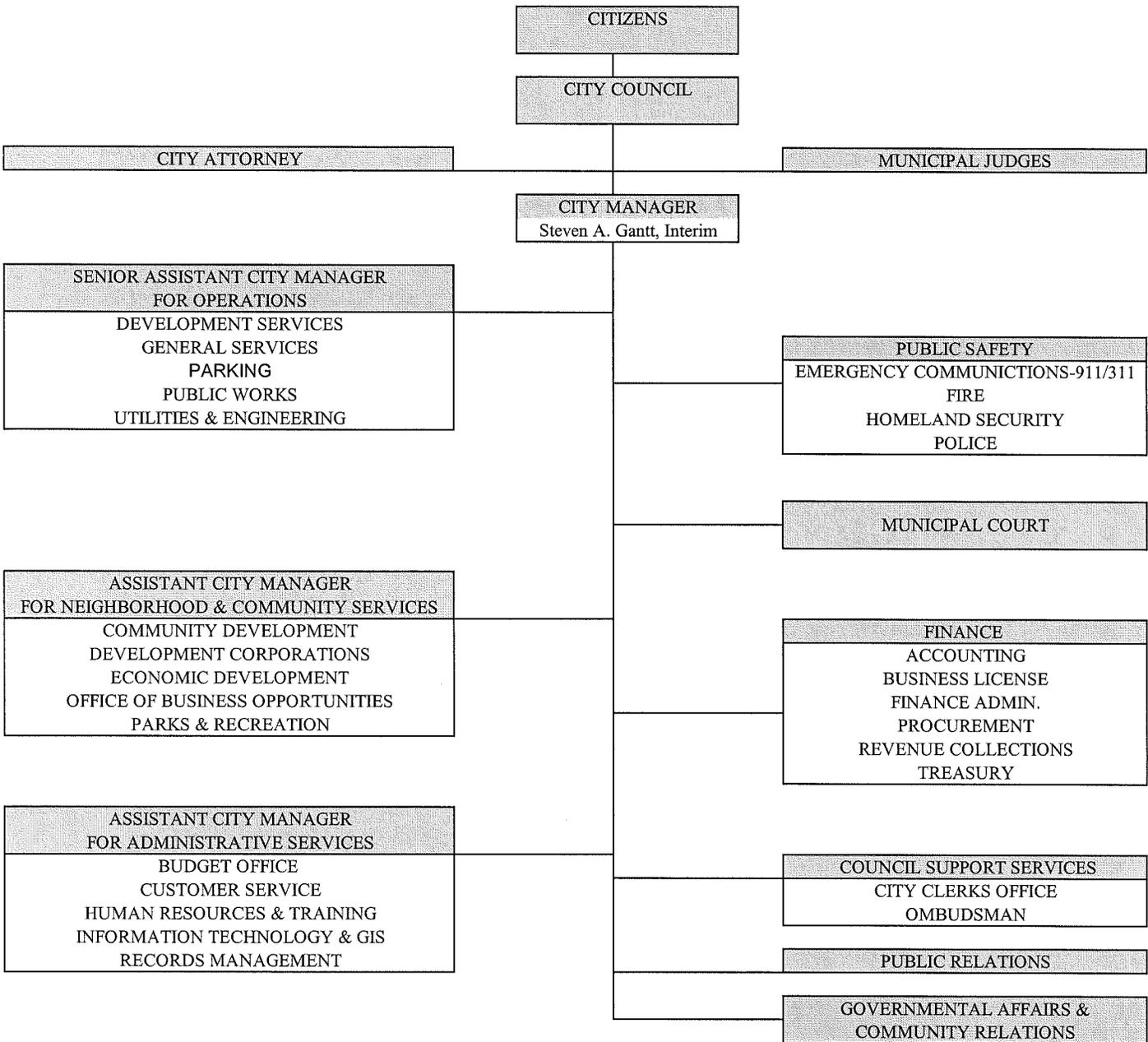
Development Corporation Directors

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

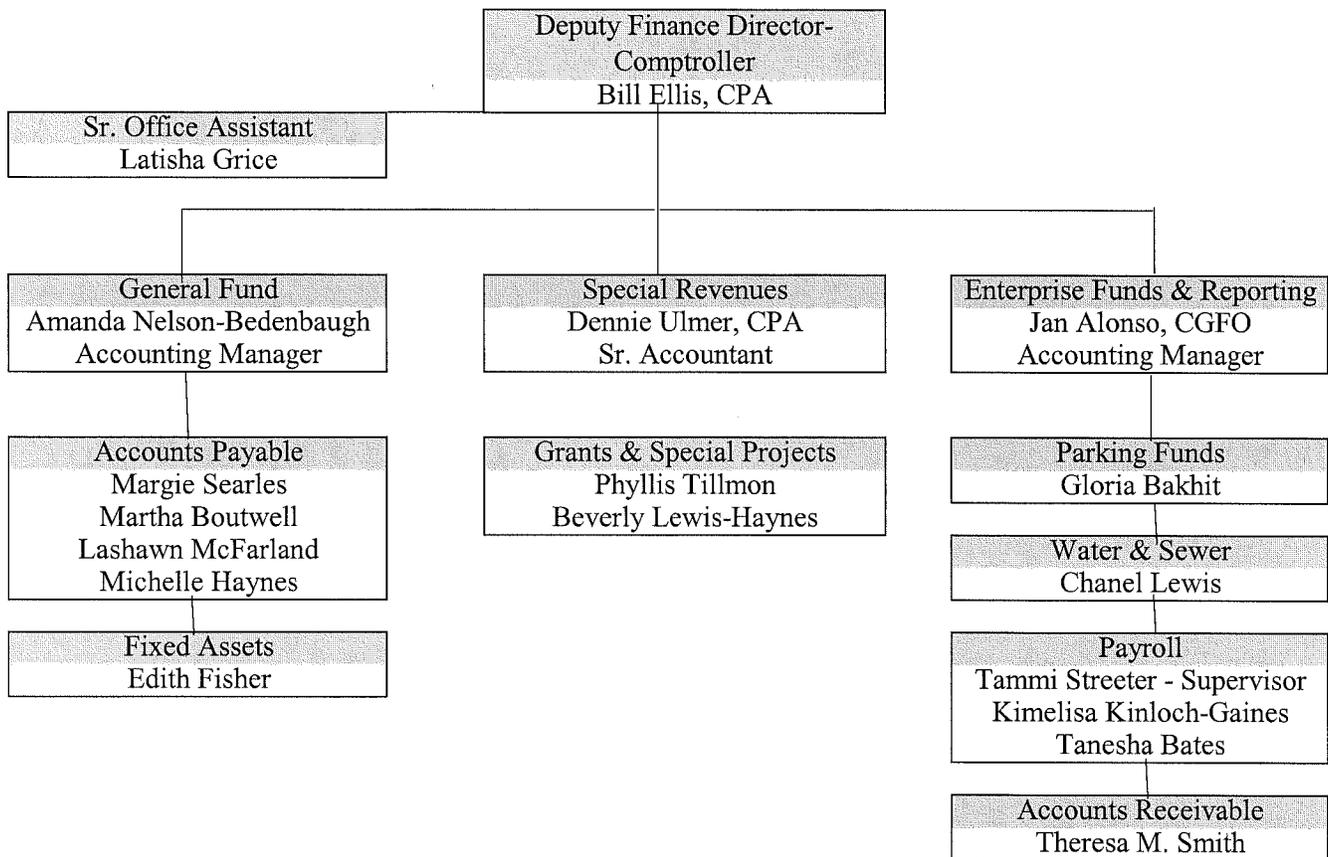
ORGANIZATION CHART

As of July 2009



CITY OF COLUMBIA, SOUTH CAROLINA

ACCOUNTING DIVISION ORGANIZATIONAL CHART



FINANCIAL SECTION



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

Independent Auditors' 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, 2008, 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, 2008, 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 July 23, 2009, 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.

Members

SC Association of Certified Public Accountants

NC Association of Certified Public Accountants

Member

Division for CPA Firms, AICPA

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An Independently Owned Member

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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
July 23, 2009

**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 \$743 million (net assets), including \$587 million invested in capital assets, net of related debt.
- The government's total net assets increased by \$32 million when compared to the restated net assets on June 30, 2007.
- The Local Option Sales Tax was implemented in 2006. This alternative funding method provided \$15 million in revenue during the year ended June 30, 2008 as an "offset" to property taxes.
- The City adopted GASB Statement 45 during the year ended June 30, 2008, and recorded a liability of approximately \$6 million for Other Post-Employment Benefits ("OPEB").

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 are comprised of 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 – UNAUDITED (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, 2008 and 2007**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007 *</u>	<u>2008</u>	<u>2007 *</u>	<u>2008</u>	<u>2007 *</u>
Assets						
Current and other assets	\$ 100,347,455	\$ 124,488,493	\$ 202,282,956	\$ 193,825,616	\$ 302,630,411	\$ 318,314,109
Capital assets	223,145,359	221,681,578	567,668,077	545,971,746	790,813,436	767,653,324
Total assets	<u>323,492,814</u>	<u>346,170,071</u>	<u>769,951,033</u>	<u>739,797,362</u>	<u>1,093,443,847</u>	<u>1,085,967,433</u>
Liabilities						
Long-term liabilities						
outstanding	96,824,248	96,570,597	177,839,852	190,161,767	274,664,100	286,732,364
Other liabilities	46,034,235	59,005,491	29,608,380	28,921,115	75,642,615	87,926,606
Total liabilities	<u>142,858,483</u>	<u>155,576,088</u>	<u>207,448,232</u>	<u>219,082,882</u>	<u>350,306,715</u>	<u>374,658,970</u>
Net assets						
Invested in capital assets,						
net of related debt	133,392,515	164,446,314	402,973,904	433,342,833	536,366,419	597,789,147
Restricted	5,435	7,270	0	0	5,435	7,270
Unrestricted	47,236,381	26,140,399	159,528,897	87,371,647	206,765,278	113,512,046
Total net assets	<u>\$ 180,634,331</u>	<u>\$ 190,593,983</u>	<u>\$ 562,502,801</u>	<u>\$ 520,714,480</u>	<u>\$ 743,137,132</u>	<u>\$ 711,308,463</u>

* The 2007 amounts have been restated due to the City performing a physical inventory of its capital assets during the year ended June 30, 2008. See footnotes III, G. and VII.

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 – UNAUDITED (Continued)

**City of Columbia
Condensed Statement of Changes in Net Assets
For the Years Ended June 30, 2008 and 2007**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007*</u>	<u>2008</u>	<u>2007*</u>	<u>2008</u>	<u>2007*</u>
Revenues						
Program revenues						
Charges for services	\$ 57,359,483	\$ 56,583,922	\$ 125,406,366	\$ 109,493,479	\$ 182,765,849	\$ 166,077,401
Operating grants & contributions	27,663,920	22,841,837	0	0	27,663,920	22,841,837
Capital grants & contributions	5,649,457	8,291,673	12,847,905	12,161,089	18,497,362	20,452,762
General revenues						
Property taxes	30,888,940	32,028,856	0	0	30,888,940	32,028,856
Other taxes	27,102,399	26,003,303	0	0	27,102,399	26,003,303
Unrestricted investment income	3,481,543	4,670,483	8,194,017	6,715,293	11,675,560	11,385,776
Gain (loss) on disposal of capital assets	(1,159,745)	(7,426,558)	(228,140)	(116,006)	(1,387,885)	(7,542,564)
Total revenues	<u>150,985,997</u>	<u>142,993,516</u>	<u>146,220,148</u>	<u>128,253,855</u>	<u>297,206,145</u>	<u>271,247,371</u>
Expenses						
General government	37,178,955	35,358,581	0	0	37,178,955	35,358,581
Judicial	2,131,608	2,167,922	0	0	2,131,608	2,167,922
Finance department	2,474,302	1,982,964	0	0	2,474,302	1,982,964
Community development	4,012,966	3,904,174	0	0	4,012,966	3,904,174
Public safety	55,514,924	50,306,708	0	0	55,514,924	50,306,708
Parks & recreation	11,544,030	11,053,830	0	0	11,544,030	11,053,830
Public services	20,835,435	24,014,241	0	0	20,835,435	24,014,241
General services	4,018,322	3,382,092	0	0	4,018,322	3,382,092
Community promotion	9,744,750	9,926,673	0	0	9,744,750	9,926,673
Interest on bonds	4,459,396	4,081,910	0	0	4,459,396	4,081,910
Intergovernmental	6,462,450	0	0	0	6,462,450	0
Non departmental	5,441,551	3,433,421	0	0	5,441,551	3,433,421
Water/sewer facilities	0	0	85,963,177	83,849,936	85,963,177	83,849,936
Hydro electric plant	0	0	3,037,803	1,020,132	3,037,803	1,020,132
Storm water operating	0	0	3,383,853	3,382,264	3,383,853	3,382,264
Parking facilities	0	0	5,213,105	5,139,583	5,213,105	5,139,583
Transportation operations	0	0	433,773	30,320	433,773	30,320
Redevelopment programs	0	0	3,611,769	774,935	3,611,769	774,935
Total expenses	<u>163,818,689</u>	<u>149,612,516</u>	<u>101,643,480</u>	<u>94,197,170</u>	<u>265,462,169</u>	<u>243,809,686</u>
Increase (decrease) in net assets before transfers	(12,832,693)	(6,619,000)	44,576,668	34,056,685	31,743,976	27,437,685
Transfers	2,788,348	8,736,903	(2,788,348)	(8,736,903)	0	0
Change in net assets	<u>(10,044,345)</u>	<u>2,117,903</u>	<u>41,788,320</u>	<u>25,319,782</u>	<u>31,743,976</u>	<u>27,437,685</u>
Net assets - beginning of year	196,281,018	194,163,115	529,431,686	504,111,904	725,712,704	698,275,019
Prior period adjustment	(5,602,342)	0	(8,717,205)	0	(14,319,547)	0
Net assets - beginning of year, as restated	<u>190,678,676</u>	<u>194,163,115</u>	<u>520,714,481</u>	<u>504,111,904</u>	<u>711,393,157</u>	<u>698,275,019</u>
Net assets - end of year	<u>\$ 180,634,331</u>	<u>\$ 196,281,018</u>	<u>\$ 562,502,801</u>	<u>\$ 529,431,686</u>	<u>\$ 743,137,132</u>	<u>\$ 725,712,704</u>

* The 2007 numbers have been restated due to the City performing a physical inventory of its capital assets during the year ended June 30, 2008. See footnotes III. G. and VII.

MANAGEMENT'S DISCUSSION & ANALYSIS – UNAUDITED (Continued)

In comparison to the restated net assets, the City's net assets decreased \$10 million in governmental activities and increased \$41.8 million in Business-type activities during the current fiscal year. The following tables and graphs provide information regarding the government's change in net assets for the year ending June 30, 2008.

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, 2008	\$ 180,635
Less: Net Assets June 30, 2007, as restated	<u>190,679</u>
Change in Assets	<u>\$ (10,044)</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	\$90,661		
General Revenues	61,473		
Other Revenues/Transfers	2,788		
General Government		\$36,643	
Judicial		2,132	
Finance		2,474	
Community Development		4,013	
Public Safety		55,087	
Parks and Recreation		11,544	
Public Services		23,166	
General Services		4,018	
Community Promotions		8,320	
Interest on Bonds		4,459	
Other		13,110	
Net Revenues	<u>\$154,922</u>		
Less: Expenses		<u>\$164,966</u>	
Total Net Change in Assets			<u>\$ (10,044)</u>

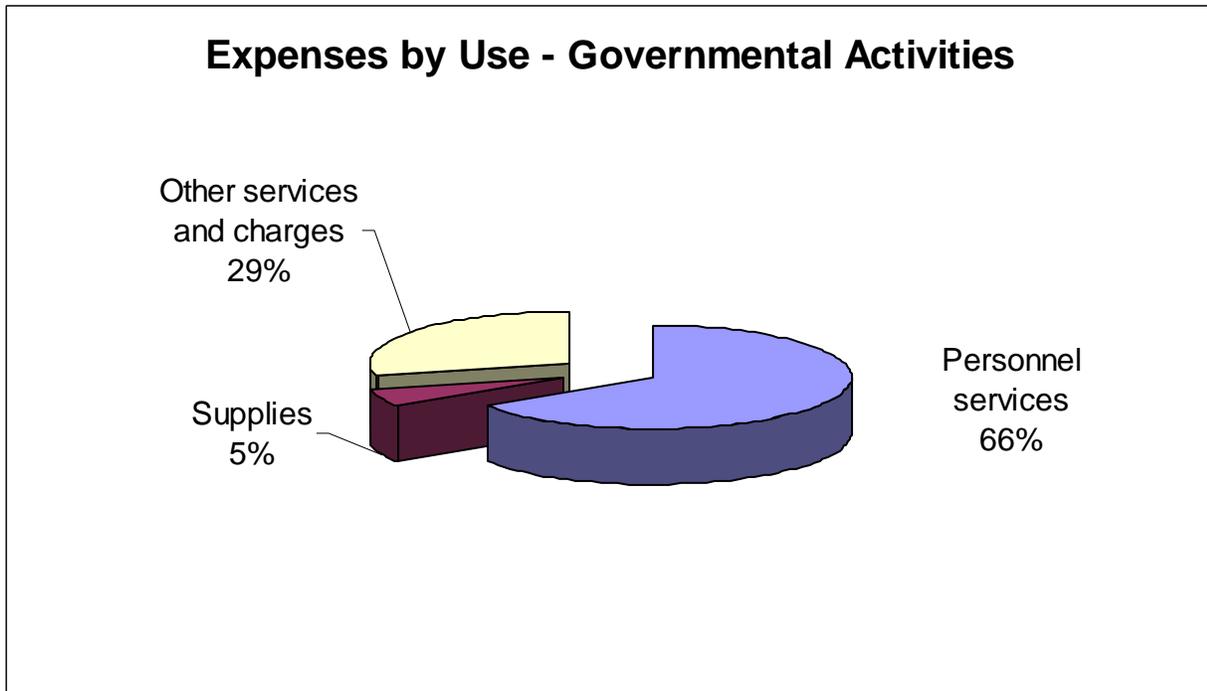
Our discussion will continue as we look more closely at the revenues and expenses. From the above schedule the reader can see where the revenues were generated and which department was charged for the expenses. Our next table will show the classification of both the revenues and expenses.

MANAGEMENT’S DISCUSSION & ANALYSIS – UNAUDITED (Continued)

Revenues by Source – Governmental Activities	
(in thousands)	
Charges for services	\$ 57,348
Operating and capital grants and contributions	33,313
General property taxes	38,950
Other taxes	19,041
Unrestricted investment income	3,482
Other/Transfer	<u>2,788</u>
Total	<u>\$ 154,922</u>

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

Expenses by Use - Governmental Activities	
(in thousands)	
Personnel services	\$ 107,807
Supplies	8,682
Other services and charges	<u>48,477</u>
Total	<u>\$ 164,966</u>



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 – UNAUDITED (Continued)

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

Net Assets June 30, 2008	\$ 562,503
Less: Restated Net Assets June 30, 2007	<u>520,715</u>
Change in Assets	<u>\$ 41,788</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)**

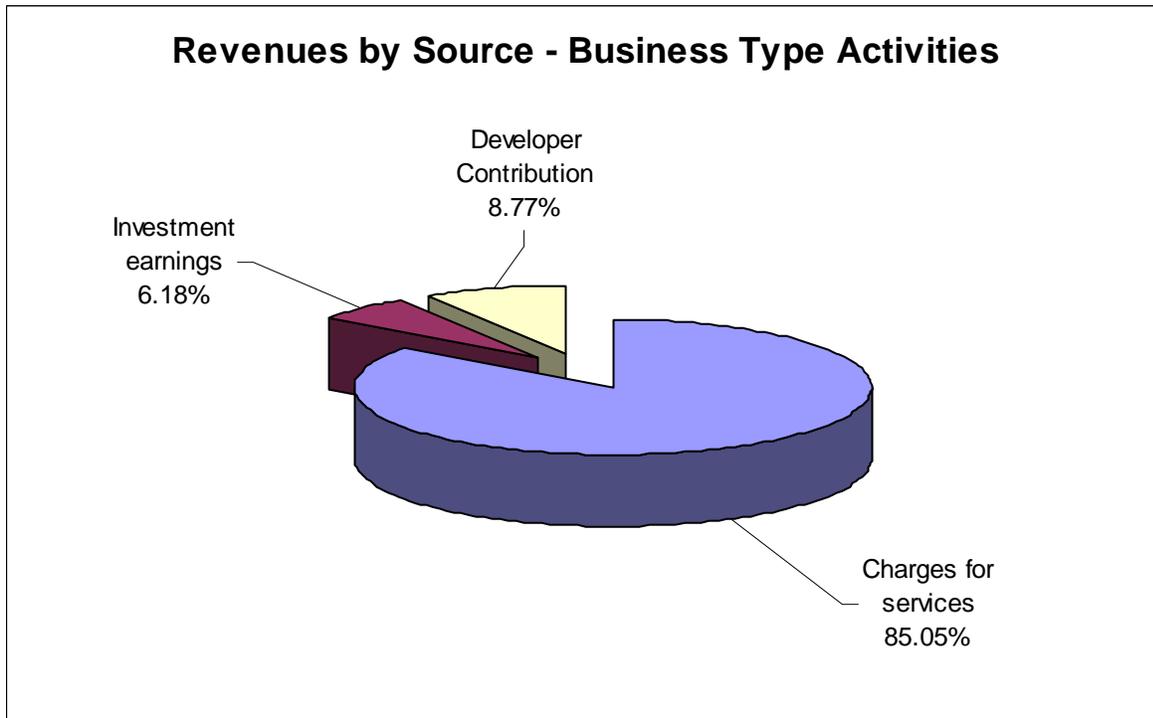
	<u>Revenues</u>	<u>Expenses</u>	<u>Net Change</u>
Charge for Services	\$125,637		
Developer Contributions	12,848		
Investment Income	8,194		
Water & Sewer		\$86,194	
Hydro-Electric Plant		3,038	
Storm Water		3,384	
Parking Facilities		5,213	
Transportation Operating		434	
Redevelopment		3,612	
Other/Transfers		3,016	
Net Revenues	<u>\$146,679</u>		
Less: Expenses		<u>\$104,891</u>	
Total Net Change in Assets			<u>\$41,788</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	\$ 125,637
Investment earnings	8,194
Developer Contribution	<u>12,848</u>
Total	<u>\$ 146,679</u>



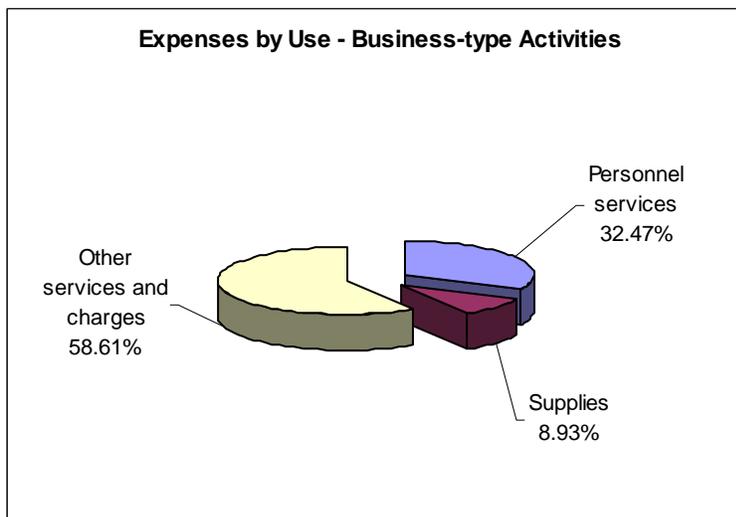
The previously displayed information shows that operating revenues are considerable and that the Water and Sewer department is the main contributor of total revenue for charges for services.

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	\$ 34,054
Supplies	9,366
Other services and charges	<u>61,471</u>
Total	<u>\$ 104,891</u>



MANAGEMENT'S DISCUSSION & ANALYSIS – UNAUDITED (Continued)

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 year's revenue requirement.

At the end of the current fiscal year, the City's governmental funds report a combined decrease in fund balance of \$9.7 million in comparison with the prior year decrease of \$55,000. A portion of the total fund balance amount of \$60.4 million constitutes unreserved fund balance of \$50.7 million, 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, an unreserved fund balance of \$10.5 million existed, which is a measure of the general fund's liquidity. This is the result of a decrease of \$12.0 million during the current fiscal year. At the close of the same year the fund balance of the non-major special revenue funds decreased by \$7.38 million. Also of note is the nonmajor Capital Project fund that increased by \$14.8 million, which is evidence that the City's construction projects are properly funded.

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 approximately \$624 million and operating revenues of \$112.7 million. Both of these measures are increases over last year and reflect well upon the long-term management practices of the department.

Original Compared to Final Budget

The original budget for General Fund Departments did not include an increase for health care benefits (premiums), workers compensation nor the GASB 45 expense which were added to departments' budgets during the fiscal year.

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, 2008 amounts to \$791 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.

MANAGEMENT'S DISCUSSION & ANALYSIS – UNAUDITED (Continued)

Major capital asset events during the current fiscal year included:

- Improvements to the water treatment plants were included in "construction in progress".
- \$29.2 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 ongoing (no new projects were started during fiscal year 2008).
- In fiscal year 2007, the City established the Columbia Parking Facilities Corporation to partner with the University of South Carolina (the University) to construct two parking garages. The garages are part of the University's new research campus, Innovista. Construction of the garages is ongoing as of June 30, 2008.

City's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2008	2007 *	2008	2007 *	2008	2007 *
Land	\$ 32,780,145	\$ 41,170,273	\$ 25,483,299	\$ 25,483,298	\$ 58,263,444	\$ 66,653,571
Construction						
work-in-progress	49,225,825	40,677,634	44,276,552	63,095,215	93,502,377	103,772,849
Infrastructure	10,441,239	8,433,965	0	0	10,441,239	8,433,965
Buildings	117,942,134	118,663,432	485,510,961	443,967,753	603,453,095	562,631,185
Equipment	12,756,016	12,736,274	12,397,265	13,425,480	25,153,281	26,161,754
Total	\$ <u>223,145,359</u>	\$ <u>221,681,578</u>	\$ <u>567,668,077</u>	\$ <u>545,971,746</u>	\$ <u>790,813,436</u>	\$ <u>767,653,324</u>

* The 2007 numbers have been restated due to the City performing a physical inventory of its capital assets during the year ended June 30, 2008. See footnote III. G.

Additional information on the City's capital assets can be found in note III. G. on pages 54-56 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.

City's Outstanding Debt - General Obligation and Revenue Bonds

The City's total long-term debt decreased by \$16.5 million during the current fiscal year. This decrease in debt is attributed mostly to principal payments made offset by notes payable additions of \$1 million and general obligation bond additions of \$12.1 million.

At the end of the current fiscal year, the City had total debt outstanding of \$297.3 million. Of this amount, \$28.2 million comprises debt backed by the full faith and credit of the government and \$3.8 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 "AA" rating from Standard & Poor's and an "Aa2" rating from Moody's for general obligation debt and water and sewer long term debt. The parking system long term ratings of the City have been rated "BBB+" Standard & Poor's and "A3" 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 59-66 of this report.

MANAGEMENT'S DISCUSSION & ANALYSIS – UNAUDITED (Continued)

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

Rising health care costs and the issuance of GASB (Governmental Accounting Standards Board) Statement 45 resulted 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.

In adopting GASB Statement 45 during the year ended June 30, 2008, the City recognized the Annual Required Contribution ("ARC") of \$6,079,747 associated with Other Post-Employment Benefits ("OPEB") as an expense and the Net OPEB Obligation as a liability. The ARC consists of benefits accruing in a year plus an amount calculated to amortize any unfunded actuarial liability over a period of thirty years. The City currently pays for post-employment benefits on a pay-as-you-go basis. The City's annual OPEB cost of \$6,079,747 is equal to the ARC for this fiscal year since the transition liability was set at zero for June 30, 2007. Information for the prior years is not available as an actuarial valuation was performed for the first time as of June 30, 2007. See Note III I. Post-Employment Benefits for more details.

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 which 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.

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.

William H. Ellis
Deputy Finance Director

BASIC FINANCIAL STATEMENTS

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET ASSETS

June 30, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 29,121,627	\$ 53,840,221	\$ 82,961,848	\$ 4,689,252
Investments	37,398,494	36,942,651	74,341,145	8,636,558
Receivables				
Property taxes	1,236,314	0	1,236,314	0
Federal government	3,374,571	0	3,374,571	0
State government	4,397,752	0	4,397,752	0
Accounts	5,779,912	9,058,300	14,838,212	857,184
Accrued interest	285,253	670,300	955,553	16,099
Notes, net of allowance	0	2,922,578	2,922,578	710,740
Inventory	665,025	2,630,560	3,295,585	1,697
Due from component units	2,009	611,723	613,732	0
Internal balances	(14,185,092)	14,185,092	0	0
Prepaid expenses	369,257	4,270	373,527	142,692
Real estate held for resale	0	363,151	363,151	2,975,405
Total current assets	68,445,122	121,228,846	189,673,968	18,029,627
Noncurrent assets				
Investments	29,865,590	55,418,790	85,284,380	0
Mortgage notes receivable, net	0	22,533,282	22,533,282	915,599
Deposits	78,745	0	78,745	0
Other Assets				
Unamortized bond issue costs	1,957,998	3,102,038	5,060,036	20,006
Other	0	0	0	9,101
Capital assets not being depreciated:				
Land	32,780,145	25,483,299	58,263,444	1,255,560
Construction in progress	49,225,825	44,276,552	93,502,377	0
Capital assets net of accumulated depreciation:				
Buildings, improvements and utility plant	117,942,134	485,510,961	603,453,095	4,318,360
Office furniture and fixtures	0	0	0	226,330
Infrastructure	10,441,239	0	10,441,239	0
Machinery and equipment	12,756,016	12,397,265	25,153,281	0
Other capital assets	0	0	0	3,970
Total noncurrent assets	255,047,692	648,722,187	903,769,879	6,748,926
Total assets	\$ 323,492,814	\$ 769,951,033	\$ 1,093,443,847	\$ 24,778,553

(Continued)

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

June 30, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 7,770,728	\$ 9,934,352	\$ 17,705,080	\$ 787,745
Accrued salaries and benefits	3,424,592	665,440	4,090,032	0
OPEB liability	6,078,747	0	6,078,747	0
Accrued liability for claims	15,079,452	0	15,079,452	0
Accrued interest	650,174	3,865,486	4,515,660	0
Retainage payable	1,515,205	2,722,962	4,238,167	0
Deferred revenue	1,263,385	0	1,263,385	303,993
Due to primary government	0	0	0	613,732
Compensated absences	1,273,138	317,780	1,590,918	143,982
Current notes and mortgages payable	75,000	0	75,000	4,568,641
Current contracts payable	0	911,364	911,364	0
Capital lease payable (due in one year)	748,814	0	748,814	0
General obligation bonds (due in one year)	2,485,000	0	2,485,000	0
Tax increment bonds (due in one year)	3,170,000	0	3,170,000	0
Revenue bonds payable (due in one year)	2,500,000	11,190,000	13,690,000	0
Customer deposits	0	996	996	0
Total current liabilities	46,034,235	29,608,380	75,642,615	6,418,093
Noncurrent liabilities				
Noncurrent notes payable	4,583,191	0	4,583,191	0
Compensated absences	5,092,554	1,481,220	6,573,774	0
Capital lease payable	769,421	0	769,421	0
Bonds (due after one year)	86,379,082	175,403,978	261,783,060	6,237,012
Contracts payable	0	954,654	954,654	0
Total non-current liabilities	96,824,248	177,839,852	274,664,100	6,237,012
Total liabilities	142,858,483	207,448,232	350,306,715	12,655,105
NET ASSETS				
Invested in capital assets, net of related debt	133,392,515	402,973,904	536,366,419	434,146
Restricted				
Nonexpendable	5,000	0	5,000	0
Expendable	435	0	435	0
Unrestricted	47,236,381	159,528,897	206,765,278	11,689,302
Total net assets	180,634,331	562,502,801	743,137,132	12,123,448
Total liabilities and net assets	\$ 323,492,814	\$ 769,951,033	\$ 1,093,443,847	\$ 24,778,553

See accompanying notes to the basic financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2008

	Net (Expenses) Revenues and						Component Units
	Program Revenues			Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Business-type Activities	
FUNCTIONS/PROGRAMS							
Primary government							
Governmental activities							
General government	\$ 37,178,955	\$ 10,150,599	\$ 27,018,740	\$ 2,776,230	\$ 2,766,614	\$ 0	\$ 2,766,614
Judicial	2,131,608	0	0	0	(2,131,608)	0	0
Finance department	2,474,302	28,351,828	0	0	25,877,526	0	25,877,526
Community development	4,012,966	1,623,669	0	0	(2,389,297)	0	(2,389,297)
Public safety	55,514,924	12,384,856	0	0	(43,130,068)	0	(43,130,068)
Parks and recreation	11,544,030	718,288	0	0	(10,825,742)	0	(10,825,742)
Public services	20,835,435	1,038,433	645,180	2,873,227	(16,278,595)	0	(16,278,595)
General services	4,018,322	0	0	0	(4,018,322)	0	0
Community promotion	9,744,750	0	0	0	(9,744,750)	0	0
Interest on bonds	4,459,396	0	0	0	(4,459,396)	0	0
Intergovernmental	6,462,450	0	0	0	(6,462,450)	0	0
Non departmental	5,441,551	3,091,810	0	0	(2,349,741)	0	(2,349,741)
Total governmental activities	163,818,689	57,359,483	27,663,920	5,649,457	(73,145,830)	0	(73,145,830)
Business-type activities							
Water/sewer facilities	85,963,177	112,790,238	0	12,847,905	0	39,674,966	39,674,966
Hydro-electric plant	3,037,803	784,235	0	0	0	(2,253,568)	(2,253,568)
Storm water operating	3,383,853	3,980,323	0	0	0	596,470	596,470
Parking facilities	5,213,105	6,916,956	0	0	0	1,703,851	1,703,851
Transportation operating	433,773	0	0	0	0	(433,773)	(433,773)
Redevelopment programs	3,611,769	934,614	0	0	0	(2,677,155)	(2,677,155)
Total business-type activities	101,643,480	125,406,366	0	12,847,905	0	36,610,791	36,610,791
Total primary government	265,462,169	182,765,849	27,663,920	18,497,362	(73,145,830)	36,610,791	(36,535,039)
COMPONENT UNITS	11,695,518	7,985,617	3,328,821	13,403	0	0	(384,677)
General revenues							
General property taxes					30,888,940	0	30,888,940
Local Option Sales Tax					14,988,418	0	14,988,418
Sales taxes					8,061,364	0	8,061,364
Alcoholic beverage taxes					254,562	0	254,562
State shared revenue					3,796,780	0	3,796,780
Motor fuel taxes					1,275	0	1,275
Unrestricted investment earnings					8,194,017	0	8,194,017
(Loss) gain from disposal of capital assets					(228,140)	0	(228,140)
Transfers					2,788,348	(2,788,348)	0
Total general revenues and transfers					63,101,485	5,177,529	68,279,014
Change in net assets					(10,044,345)	41,788,320	31,743,975
Net assets - beginning					196,281,018	529,431,686	725,712,704
Prior period adjustment					(5,602,342)	(8,717,205)	(14,319,547)
Net assets - beginning, as restated					190,678,676	520,714,481	711,393,157
Net assets - ending					180,634,331	562,502,801	743,137,132

See accompanying notes to the basic financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2008

	General	County Services	Columbia Parking Facilities Corporation	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,896,451	\$ 0	\$ 0	\$ 9,500,130	\$ 15,396,581
Investments	6,591,011	0	2,098,706	49,090,448	57,780,165
Receivables					
Property taxes	1,234,076	0	0	2,238	1,236,314
Federal government	0	0	0	3,374,571	3,374,571
State government	3,891,204	0	0	506,548	4,397,752
Accounts	586,140	2,764,171	217,835	1,871,851	5,439,997
Accrued interest receivable	60,493	0	0	151,650	212,143
Due from other funds	0	0	0	4,443,707	4,443,707
Due from component units	0	0	0	2,009	2,009
Prepaid charges	181,481	0	0	858	182,339
Total assets	\$ 18,440,856	\$ 2,764,171	\$ 2,316,541	\$ 68,944,010	\$ 92,465,578
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 2,592,255	\$ 477,746	\$ 970,542	\$ 1,898,427	\$ 5,938,970
Accrued salaries and benefits	2,790,209	503,015	0	55,083	3,348,307
Retainage payable	0	0	776,585	738,620	1,515,205
Deferred revenue	511,503	0	0	1,088,941	1,600,444
Due to other funds	0	2,645,716	393,104	16,588,505	19,627,325
Total liabilities	5,893,967	3,626,477	2,140,231	20,369,576	32,030,251
Fund balances (deficits)					
Reserved for encumbrances	1,901,955	930,098	0	6,734,436	9,566,489
Reserved for prepaid charges	181,481	0	0	858	182,339
Reserved					
Nonexpendable	0	0	0	5,000	5,000
Expendable	0	0	0	435	435
Unreserved, undesignated, reported in					
General fund	10,463,453	0	0	0	10,463,453
Special revenue funds	0	(1,792,404)	0	8,810,572	7,018,168
Debt service funds	0	0	0	4,687,280	4,687,280
Capital projects funds	0	0	176,310	28,335,853	28,512,163
Total fund balances (deficits)	12,546,889	(862,306)	176,310	48,574,434	60,435,327
Total liabilities and fund balances	\$ 18,440,856	\$ 2,764,171	\$ 2,316,541	\$ 68,944,010	\$ 92,465,578

See accompanying notes to the basic financial statements

**CITY OF COLUMBIA, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS**

For the Year Ended June 30, 2008

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

Fund balance - total governmental funds	\$	60,435,327
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		966,727
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		223,145,359
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 \$19,348		337,059
Unamortized bond costs		1,957,998
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		(6,365,692)
Accrued interest		(650,174)
Accrued bonds and notes payable		(96,583,191)
Unamortized premium		(2,609,082)
Net assets of governmental activities	\$	<u>180,634,331</u>

See accompanying notes to the basic financial statements

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

For the Year Ended June 30, 2008

	General	County Services	Columbia Parking Facilities Corporation	Other Governmental Funds	Total Governmental Funds
REVENUES					
General property taxes	\$ 45,427,060	\$ 0	\$ 0	\$ 113,239	\$ 45,540,299
Sales taxes	0	0	0	8,061,364	8,061,364
License and permits	29,961,967	0	0	0	29,961,967
Intergovernmental revenue	11,401,560	0	0	0	11,401,560
Charges for services	7,200,753	0	0	0	7,200,753
Fines and forfeitures	910,061	0	0	0	910,061
Federal government	0	0	0	8,143,042	8,143,042
State government	0	0	0	2,988,092	2,988,092
County government	0	15,638,175	879,916	2,156,608	18,674,699
Promotions	0	0	0	148,073	148,073
Confiscated funds	0	0	0	192,623	192,623
Interest	801,145	0	359,355	2,290,740	3,451,240
Other revenues	1,001,252	0	0	4,157,401	5,158,653
Cost recovery fees	2,735,000	0	0	0	2,735,000
Total revenues	99,438,798	15,638,175	1,239,271	28,251,182	144,567,426
EXPENDITURES					
Current					
General government	6,819,992	15,692,760	1,411	8,159,466	30,673,629
Judicial	2,276,204	0	0	0	2,276,204
Finance department	2,583,820	0	0	0	2,583,820
Planning and development	4,311,401	0	0	0	4,311,401
Public safety	56,266,643	0	0	428,264	56,694,907
Parks and recreation	11,172,199	0	0	0	11,172,199
Public services	21,299,917	0	0	41,970	21,341,887
General services	3,873,214	0	0	0	3,873,214
Community promotion	829,290	0	0	8,915,460	9,744,750
Intergovernmental expenses	6,462,450	0	0	0	6,462,450
Non departmental	5,348,207	0	0	0	5,348,207
Other charges	0	0	0	1,983	1,983
Debt service					
Principal retirement/ payment on bonds	0	0	0	16,741,585	16,741,585
Interest on bonds	0	0	855,949	3,983,007	4,838,956
Fiscal agent charges	0	0	0	4,072	4,072
Capital outlay					
Capital outlay	0	213,918	5,984,379	5,095,085	11,293,382
Total expenditures	121,243,337	15,906,678	6,841,739	43,370,892	187,362,646
Excess (deficiency) of revenues over (under) expenditures	(21,804,539)	(268,503)	(5,602,468)	(15,119,710)	(42,795,220)
OTHER FINANCING SOURCES (USES)					
Transfers in	13,983,143	0	0	43,352,965	57,336,108
Transfers (out)	(11,895,783)	0	0	(34,513,539)	(46,409,322)
Sale of capital assets	7,623,127	0	0	1,398,637	9,021,764
Debt issuance	0	0	994,665	12,148,530	13,143,195
Total other financing sources (uses)	9,710,487	0	994,665	22,386,593	33,091,745
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(12,094,052)	(268,503)	(4,607,803)	7,266,883	(9,703,475)
Beginning fund balance	23,725,099	(593,803)	4,784,113	42,223,395	70,138,802
Prior period adjustment	915,842	0	0	(915,842)	0
Beginning fund balance, as restated	24,640,941	(593,803)	4,784,113	41,307,551	70,138,802
Fund balance, end of year	\$ 12,546,889	\$ (862,306)	\$ 176,310	\$ 48,574,434	\$ 60,435,327

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, 2008

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

Net change in fund balance - total governmental funds	\$	(9,703,475)
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		(6,304,581)
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		14,155,000
Depreciation expense		(8,051,856)
Disposition of capital assets		(7,622,195)
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		175,837
Accrued interest		379,560
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		2,776,230
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		337,059
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.		3,814,076
		<u>3,814,076</u>
Net change in net assets - governmental activities	\$	<u>(10,044,345)</u>

See accompanying notes to the basic financial statements

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

June 30, 2008

	Business-type Activities				Governmental Activities Internal Service Funds
	Water/Sewer Facilities Fund	Parking Facilities Fund	Other Proprietary Funds	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 36,260,410	\$ 6,526,225	\$ 11,053,586	\$ 53,840,221	\$ 13,725,046
Investments	26,947,039	6,384,486	3,611,126	36,942,651	9,483,919
Accounts receivable, net	7,936,191	167,241	954,868	9,058,300	339,915
Mortgage notes receivable, net	0	0	2,656,233	2,656,233	0
Accrued interest receivable	346,793	69,488	254,019	670,300	73,110
Due from other funds	22,122,105	0	0	22,122,105	0
Due from component unit	611,723	0	0	611,723	0
Inventory	2,471,312	159,248	0	2,630,560	665,025
Prepaid expenses	4,270	0	0	4,270	186,918
Real estate held for resale	0	0	363,151	363,151	0
Notes receivable	266,345	0	0	266,345	0
Total current assets	96,966,188	13,306,688	18,892,983	129,165,859	24,473,933
Noncurrent assets					
Investments	26,187,300	21,899,805	7,331,685	55,418,790	0
Mortgage notes receivable, net	0	0	22,533,282	22,533,282	0
Deposits	0	0	0	0	78,745
Unamortized bond discounts and costs	1,655,286	1,446,752	0	3,102,038	0
Capital assets:					
Land	8,991,972	16,164,158	327,169	25,483,299	0
Construction in progress	32,346,042	8,136,037	3,794,473	44,276,552	0
Buildings, improvements and utility plant	682,480,056	29,598,752	18,675,370	730,754,178	988,281
Machinery and equipment	27,126,645	1,258,812	146,513	28,531,970	10,744,019
Less, accumulated depreciation	(251,461,794)	(7,594,832)	(2,321,296)	(261,377,922)	(5,676,004)
Net capital assets	499,482,921	47,562,927	20,622,229	567,668,077	6,056,296
Total noncurrent assets	527,325,507	70,909,484	50,487,196	648,722,187	6,135,041
Total assets	\$ 624,291,695	\$ 84,216,172	\$ 69,380,179	\$ 777,888,046	\$ 30,608,974

(Continued)

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

June 30, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water/Sewer Facilities Fund	Parking Facilities Fund	Other Proprietary Funds	Total	
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 7,088,702	\$ 783,749	\$ 2,061,901	\$ 9,934,352	\$ 1,831,758
Accrued salaries and benefits	591,811	38,273	35,356	665,440	76,285
OPEB liability	0	0	0	0	6,078,747
Compensated absences	293,098	19,034	5,648	317,780	249,930
Retainage	1,980,106	645,799	97,057	2,722,962	0
Due to other funds	0	0	1,163,920	1,163,920	5,774,567
Accrued liability for claims	0	0	0	0	15,079,452
Contracts payable	0	0	911,364	911,364	0
Capital lease payable short term	0	0	0	0	748,814
Accrued interest payable	2,867,076	931,933	66,477	3,865,486	0
Revenue bonds payable	10,410,000	780,000	0	11,190,000	0
Customer deposits	0	996	0	996	0
Total current liabilities payable from current assets	23,230,793	3,199,784	4,341,723	30,772,300	29,839,553
Long-term liabilities:					
Capital lease payable	0	0	0	0	769,421
Contracts payable	0	0	954,654	954,654	0
Compensated absences	1,382,492	76,135	22,593	1,481,220	0
Revenue bonds payable, net	127,543,273	47,860,705	0	175,403,978	0
Total long-term liabilities	128,925,765	47,936,840	977,247	177,839,852	769,421
Total liabilities	152,156,558	51,136,624	5,318,970	208,612,152	30,608,974
Net Assets:					
Invested in capital assets, net of related debt	361,529,648	20,822,027	20,622,229	402,973,904	6,056,296
Unrestricted	110,605,489	12,257,521	43,438,980	166,301,990	(6,056,296)
Total net assets	472,135,137	33,079,548	64,061,209	569,275,894	0
Total liabilities and net assets	\$ 624,291,695	\$ 84,216,172	\$ 69,380,179	\$ 777,888,046	\$ 30,608,974
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund				(6,773,093)	
Net assets of business type activities				\$ 562,502,801	

See accompanying notes to the basic financial statements

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

For the Year Ended June 30, 2008

	Business-type Activities				Governmental Activities Internal Service Funds
	Water/Sewer Facilities Fund	Parking Facilities Fund	Other Proprietary Funds	Total	
Operating revenues:					
Charges for services	\$ 112,323,546	\$ 5,064,698	\$ 3,980,323	\$ 121,368,567	\$ 54,480,113
Other operating revenue	386,898	1,794,287	1,718,849	3,900,034	0
Total operating revenues	112,710,444	6,858,985	5,699,172	125,268,601	54,480,113
Operating expenses:					
Personnel services	31,924,915	2,218,163	1,652,929	35,796,007	9,840,938
Materials and supplies	8,982,489	220,180	148,923	9,351,592	9,492,499
Contractual services	0	0	0	0	391,292
Other services and charges	10,445,659	1,021,163	2,118,107	13,584,929	4,907,806
Heat, light and power	6,524,384	204,544	784,584	7,513,512	68,462
Claims and premiums	0	0	0	0	23,259,359
Indirect costs	2,735,000	0	0	2,735,000	0
Depreciation	18,743,982	1,026,334	518,701	20,289,017	1,333,748
Bad debt expense	735,521	0	3,302,318	4,037,839	0
Total operating expenses	80,091,950	4,690,384	8,525,562	93,307,896	49,294,104
Operating income (loss)	32,618,494	2,168,601	(2,826,390)	31,960,705	5,186,009
Nonoperating revenues (expenses):					
Investment income	5,449,196	1,777,162	967,659	8,194,017	30,303
Other nonoperating revenue (expense)	79,794	57,971	(433,773)	(296,008)	0
Gain (loss) from sale of assets	(225,213)	0	(2,927)	(228,140)	(6,885)
Interest expense	(7,195,218)	(575,026)	(121,097)	(7,891,341)	0
Intergovernmental expenses	(631,922)	0	(1,521,134)	(2,153,056)	0
Amortization of bond costs	(141,809)	(101,925)	0	(243,734)	0
Total nonoperating revenues (expenses)	(2,665,172)	1,158,182	(1,111,272)	(2,618,262)	23,418
Income (loss) before contributions and transfers	29,953,322	3,326,783	(3,937,662)	29,342,443	5,209,427
Capital contributions and transfers:					
Transfers in	5,352,563	23,750	2,998,794	8,375,107	10,729,531
Transfers out	(9,314,776)	(1,315,560)	(533,119)	(11,163,455)	(18,867,969)
Development contributions	12,847,905	0	0	12,847,905	0
Total capital contributions and transfers:	8,885,692	(1,291,810)	2,465,675	10,059,557	(8,138,438)
Change in net assets	38,839,014	2,034,973	(1,471,987)	39,402,000	(2,929,011)
Net assets - beginning	442,928,439	29,841,123	65,821,537		2,940,725
Prior period adjustment	(9,632,316)	1,203,452	(288,341)		(11,714)
Net assets - beginning, as restated	433,296,123	31,044,575	65,533,196		2,929,011
Net assets - ending	\$ 472,135,137	\$ 33,079,548	\$ 64,061,209		\$ 0
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund				2,386,320	
Change in net assets of business-type activities				\$ 41,788,320	

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, 2008

	Business-type Activities			Total	Governmental Activities Internal Service Funds
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 112,040,232	\$ 6,775,003	\$ 6,689,428	\$ 125,504,663	\$ 54,173,588
Payments to suppliers	(28,804,001)	(1,253,671)	(2,492,322)	(32,549,994)	(37,521,415)
Payments to employees	(31,715,732)	(2,190,858)	(1,947,152)	(35,853,742)	(3,749,730)
Net cash provided by operating activities	<u>51,520,499</u>	<u>3,330,474</u>	<u>2,249,954</u>	<u>57,100,927</u>	<u>12,902,443</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Due to (from) others	(13,730,153)	0	(202,275)	(13,932,428)	4,153,453
Intergovernmental expenses	(631,922)	0	(1,521,134)	(2,153,056)	0
Transfers in	5,352,563	23,750	2,998,794	8,375,107	10,729,531
Transfers out	(9,314,776)	(1,315,560)	(533,119)	(11,163,455)	(18,867,969)
Net cash provided (used) by noncapital and related financing activities	<u>(18,324,288)</u>	<u>(1,291,810)</u>	<u>742,266</u>	<u>(18,873,832)</u>	<u>(3,984,985)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(23,636,519)	(8,109,085)	(340,405)	(32,086,009)	(2,262,384)
Principal paid on capital lease	0	0	0	0	(728,758)
Principal paid on bonds and notes	(9,833,772)	(740,000)	(1,390,039)	(11,963,811)	0
Interest paid on debt	(6,169,672)	(582,472)	(157,016)	(6,909,160)	0
Net cash provided (used) by capital and related financing activities	<u>(39,639,963)</u>	<u>(9,431,557)</u>	<u>(1,887,460)</u>	<u>(50,958,980)</u>	<u>(2,991,142)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of investments	17,766,774	4,993,236	473,748	23,233,758	4,990,403
Decrease (increase) in mortgage receivable, net	259,865	0	(4,308,094)	(4,048,229)	0
Interest received	6,258,575	1,785,546	1,006,364	9,050,485	92,625
Rent received	79,794	57,971	0	137,765	0
Sale of real estate held for resale	0	0	72,075	72,075	0
Proceeds purchase of real estate held for resale	0	0	(98,801)	(98,801)	0
Net cash provided (used) by investing activities	<u>24,365,008</u>	<u>6,836,753</u>	<u>(2,854,708)</u>	<u>28,347,053</u>	<u>5,083,028</u>
Net increase (decrease) in cash and cash equivalents	17,921,256	(556,140)	(1,749,948)	15,615,168	11,009,344
Cash and cash equivalents, July 1, 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>
Cash and cash equivalents, June 30, 2008	<u>\$ 36,260,410</u>	<u>\$ 6,526,225</u>	<u>\$ 11,053,586</u>	<u>\$ 53,840,221</u>	<u>\$ 13,725,046</u>

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2008
(CONTINUED)

	Business-type Activities			Total	Governmental Activities Internal Service Funds
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 32,618,494	\$ 2,168,601	\$ (2,826,390)	\$ 31,960,705	\$ 5,186,009
Adjustment to reconcile operating income to net cash provided (used) by operating activities					
Depreciation	18,743,982	1,026,334	518,701	20,289,017	1,333,748
Bad debt expense	735,521	0	3,302,318	4,037,839	0
Change in operating assets and liabilities					
Accounts receivable	(1,405,733)	(139,553)	990,256	(555,030)	(306,525)
Prepaid expenses	246,090	0	0	246,090	(1,476)
Accounts payable	782,413	192,215	248,471	1,223,099	868,312
Accrued salaries and benefits	163,982	11,698	12,336	188,016	17,800
Compensated absences	45,201	15,607	4,262	65,070	(5,339)
OPEB liability	0	0	0	0	6,078,747
Accrued liability for claims	0	0	0	0	(822,361)
Inventory	(409,451)	55,572	0	(353,879)	553,528
Total adjustments	18,902,005	1,161,873	5,076,344	25,140,222	7,716,434
Net cash provided by operating activities	\$ 51,520,499	\$ 3,330,474	\$ 2,249,954	\$ 57,100,927	\$ 12,902,443
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Water and Sewer development contributions	\$ 12,847,905	\$ -	\$ -	\$ 12,847,905	\$ -
Amortization of bond cost	\$ (141,809)	\$ (101,925)	\$ -	\$ (243,734)	\$ -

See accompanying notes to the basic financial statements

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

June 30, 2008

		Private-Purpose Trust Funds						
		Mayor's Committee		Mayor's Commission				
		Breast Cancer Awareness	Police Canteen	Corporate Citizen of the Year	Employee People with Disabilities	Domestic Violence	Total Private- Purpose Trust Funds	Agency Funds
ASSETS								
Cash and cash equivalents	\$	6,695	1,967	1,526	4,818	2,327	17,333	147,801
Total assets		<u>6,695</u>	<u>1,967</u>	<u>1,526</u>	<u>4,818</u>	<u>2,327</u>	<u>17,333</u>	<u>147,801</u>
LIABILITIES								
Accounts payable		0	0	0	0	2,327	2,327	147,801
Total liabilities		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,327</u>	<u>2,327</u>	<u>147,801</u>
NET ASSETS								
Held in trust - other purposes	\$	<u>6,695</u>	<u>1,967</u>	<u>1,526</u>	<u>4,818</u>	<u>0</u>	<u>15,006</u>	

See accompanying notes to the basic financial statements

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

For the Year Ended June 30, 2008

	Private-Purpose Trust Funds							Total Private-Purpose Trust Funds	Agency Funds
	Breast Cancer Awareness	Police Canteen	Mayor's Committee Corporate Citizen of the Year	Employee People with Disabilities	Domestic Violence				
ADDITIONS									
Contributions:									
Private donations	\$ 3,845	\$ 2,664	\$ 18,620	\$ 5,970	\$ 0	\$ 0	\$ 31,099	\$ 48,178	
Total contributions	<u>3,845</u>	<u>2,664</u>	<u>18,620</u>	<u>5,970</u>	<u>0</u>	<u>0</u>	<u>31,099</u>	<u>48,178</u>	
Investment earnings:									
Interest	0	13	15	0	0	0	28	-	
Total investment earnings	<u>0</u>	<u>13</u>	<u>15</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28</u>	<u>-</u>	
Total additions	<u>3,845</u>	<u>2,677</u>	<u>18,635</u>	<u>5,970</u>	<u>0</u>	<u>0</u>	<u>31,127</u>	<u>48,178</u>	
DEDUCTIONS									
Administrative expenses	2,847	4,984	19,092	3,000	0	0	29,923	48,178	
Total deductions	<u>2,847</u>	<u>4,984</u>	<u>19,092</u>	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>29,923</u>	<u>48,178</u>	
Change in net assets	998	(2,307)	(457)	2,970	0	0	1,204		
Net assets - beginning	5,697	4,274	1,983	1,848	0	0	13,802		
Net assets - ending	<u>\$ 6,695</u>	<u>\$ 1,967</u>	<u>\$ 1,526</u>	<u>\$ 4,818</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,006</u>		

See accompanying notes to the basic financial statements

DISCRETELY PRESENTED COMPONENT UNITS

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

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

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. This Corporation also includes the activity of the formerly separate South Columbia Development Corporation.

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.

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, 2008

	Columbia Action Council	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands		Total
					Authority for Conventions, Sports, and Tourism	TN Development Corporation	
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 13,152	\$ 1,774,797	\$ 280,946	\$ 81,797	\$ 1,629,422	\$ 317,415	\$ 4,077,529
Certificates of deposit	111,723	200,000	100,000	100,000	0	100,000	611,723
Investments	0	0	174,983	8,300	8,453,275	0	8,636,558
Accounts receivable	0	882	3,929	186,871	488,683	176,819	857,184
Accrued interest receivable	0	15,283	740	76	0	0	16,099
Mortgage notes receivable, current portion	0	687,771	22,969	0	0	0	710,740
Inventory	0	0	0	0	1,697	0	1,697
Prepaid expenses	2,400	56,542	6,339	1,523	49,029	26,859	142,692
Real estate held for sale and development	0	813,342	696,125	808,578	0	657,360	2,975,405
Total current assets	127,275	3,548,617	1,266,031	1,187,145	10,622,106	1,278,453	18,029,627
Capital assets:							
Land	0	0	15,000	573,234	0	667,326	1,255,560
Buildings	0	0	117,760	1,553,978	0	4,163,541	5,835,279
Office furniture & fixtures	1,438	18,675	10,287	30,667	423,828	331,544	816,439
Other capital assets	0	0	0	0	0	24,093	24,093
Accumulated depreciation	(1,438)	(16,308)	(10,862)	(338,548)	(308,098)	(1,451,897)	(2,127,151)
Net capital assets	0	2,367	132,185	1,819,331	115,730	3,734,607	5,804,220
Other assets:							
Unamortized bond issue costs	0	0	0	20,006	0	0	20,006
Mortgage note receivable, net of allowance	0	0	915,599	0	0	0	915,599
Other	0	0	0	0	0	9,101	9,101
Total other assets	0	0	915,599	20,006	0	9,101	944,706
Total assets	\$ 127,275	\$ 3,550,984	\$ 2,313,815	\$ 3,026,482	\$ 10,737,836	\$ 5,022,161	\$ 24,778,553

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF NET ASSETS
 DISCRETELY PRESENTED COMPONENT UNITS
 (Continued)
 June 30, 2008

	Columbia Action Council	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	TN Development Corporation	Total
LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	\$ 8,419	\$ 34,661	\$ 14,238	\$ 443,370	\$ 231,865	\$ 55,192	\$ 787,745
Compensated absences	5,422	22,332	12,499	10,543	68,724	24,462	143,982
Due to primary government	111,723	200,000	100,000	102,009	0	100,000	613,732
Mortgage/bonds/notes payable - current portion	0	600,000	206,263	3,119,757	0	642,621	4,568,641
Deferred revenue	0	0	136,749	0	161,280	5,964	303,993
Total current liabilities	125,564	856,993	469,749	3,675,679	461,869	828,239	6,418,093
Other liabilities:							
Mortgage/bonds payable	0	0	387,179	1,269,736	0	4,580,097	6,237,012
Total other liabilities	0	0	387,179	1,269,736	0	4,580,097	6,237,012
Total liabilities	125,564	856,993	856,928	4,945,415	461,869	5,408,336	12,655,105
NET ASSETS							
Invested in capital assets, net of related debt	0	2,367	132,185	183,864	115,730	0	434,146
Unrestricted	1,711	2,691,624	1,324,702	(2,102,797)	10,160,237	(386,175)	11,689,302
Total net assets	1,711	2,693,991	1,456,887	(1,918,933)	10,275,967	(386,175)	12,123,448
Total liabilities and net assets	\$ 127,275	\$ 3,550,984	\$ 2,313,815	\$ 3,026,482	\$ 10,737,836	\$ 5,022,161	\$ 24,778,553

See accompanying notes to financial statements

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

For the Year Ended June 30, 2008

	Program Revenue		Net (Expense) Revenues and Changes in Net Assets							Totals	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Columbia Action Council	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism		TN Development Corporation
Columbia Action Council Parks and recreation	\$ 343,700	\$ 117,987	\$ 200,000	\$ 0	\$ (25,713)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (25,713)
Columbia Development Corporation Community development	571,898	8,275	677,000	0	0	113,377	0	0	0	0	113,377
Columbia Housing Development Corporation Community development	265,277	51,034	202,005	0	0	0	(12,238)	0	0	0	(12,238)
Eau Claire Development Corporation Community development	1,627,432	136,836	388,951	13,403	0	0	0	(1,088,242)	0	0	(1,088,242)
Midlands Regional Convention Center Authority Community promotions	7,572,007	6,840,776	1,376,585	0	0	0	0	0	645,364	0	645,364
TN Development Corporation Community development	1,315,204	833,709	484,270	0	0	0	0	0	0	2,775	2,775
Total component units	\$ 11,695,518	\$ 7,988,617	\$ 3,328,821	\$ 13,403	\$ (25,713)	\$ 113,377	\$ (12,238)	\$ (1,088,242)	\$ 645,364	\$ 2,775	\$ (364,677)
General revenues:											
Investment earnings (losses)					(7,156)	682,461	11,682	3,338	326,546	12,926	1,029,797
(Loss) gain from disposal of capital assets					0	(6,011)	0	8,096	0	0	2,085
Total general revenues					(7,156)	676,450	11,682	11,434	326,546	12,926	1,031,882
Change in net assets											
Beginning net assets					(32,869)	789,827	(556)	(1,076,808)	971,910	15,701	667,205
Ending net assets					34,580	1,904,164	1,457,443	(842,125)	9,304,057	(401,876)	11,456,243
					\$ 1,711	\$ 2,693,991	\$ 1,456,887	\$ (1,918,933)	\$ 10,275,967	\$ (386,175)	\$ 12,123,448

See accompanying notes to financial statements.

INDEX TO NOTES TO FINANCIAL STATEMENTS

CITY OF COLUMBIA, SOUTH CAROLINA
Index to Notes to Financial Statements
Year Ended June 30, 2008

INDEX

<u>Note</u>	<u>Page</u>
I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
A. Reporting Entity	37
B. Basis of Presentation	39
C. Measurement Focus and Basis of Accounting	42
D. Assets and Liabilities	43
E. Revenues, Expenditures and Expenses	45
F. Fund Balance	47
II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY	
A. Encumbrances	47
B. Deficit Fund Equity	47
C. Risk Management	48
III. DETAIL NOTES ON ALL FUNDS	
A. Deposits and Investments	49
B. Receivables	50
C. Mortgage Notes Receivable and Revolving Loan Pools	51
D. Interfund Receivables, Payables, and Transfers	51
E. Operating Leases	52

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
Index to Notes to Financial Statements
Year Ended June 30, 2008
INDEX (Continued)

<u>Note</u>	<u>Page</u>
III. DETAIL NOTES ON ALL FUNDS (Continued)	
F. Capital Lease	53
G. Capital Assets	54
H. Deferred Compensation Plan	56
I. Other Post-Employment Benefits	57
J. Long-Term Debt	59
IV. PENSION PLANS	66
V. RECENT ACCOUNTING POUNDMENTS	67
VI. CONTINGENT LIABILITIES AND COMMITMENTS	67
VII. PRIOR PERIOD ADJUSTMENTS	68
VIII. SUBSEQUENT EVENTS	69
IX. INTEREST RATE SWAP AGREEMENTS	69

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

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. The balances of this Corporation are reported in a non-major special revenue fund as well as a non-major capital projects fund.

Columbia Parking Facilities Corporation

For fiscal year 2007, the Columbia Parking Facilities Corporation (a capital projects fund) using the guidelines of GASB 34, was deemed a Major fund. In 2008, management has determined using the same guidelines, that the fund is considered a major fund for reporting purposes although it does not quantitatively qualify. This is a single purpose entity that was formed during fiscal year 2007 to undertake certain obligations 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 and the CAC board is appointed by City Council. No retiring members were replaced and no board member is active 6-30-2009.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

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. In the year ended June 30, 2008, the South Columbia Development Corporation merged with CDC.

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, appropriations from the City of Columbia, and 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.

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 received as a sub recipient through the City, 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 Deputy Chief Financial Officer.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

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 are combined with the governmental funds to produce the government wide financial statements and provide limited outside uses. 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. In the current year, it was determined that the transactions from the Land Acquisition Fund should be reported in the General Fund. It was previously reported incorrect as a Special Revenue Fund. Therefore, the ending balance of that fund as of June 30, 2007 of \$915,843 was added to the beginning fund balance, as restated for the General Fund in the June 30, 2008 Statement of Revenues, Expenditures and Changes in Fund Balances.

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:

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

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

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:

- Parking Facilities Corporation -- accounts for funds designated for the Innovista parking garages.
- 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.
- 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 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, 2008

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.
- Parking Facilities Fund -- accounts for parking garage and parking ticket activities.
- Hydro-Electric Plant -- 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.

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.

Private-Purpose Trust Funds

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

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

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 funds designated for the Innovista parking garages.

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 for government-wide financial statement purposes. 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, 2008

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 accounts.

The City considers cash and cash equivalents (including restricted cash and cash equivalents), to be: currency on hand, demand deposits with banks, amounts included in pooled cash 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, South Carolina and related political subdivision securities 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, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS AND LIABILITIES (Continued)

Real Estate

Real estate held for resale 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 financed property, and other notes receivable are recorded in various business-type funds and component units and are stated at unpaid principal balances net of an allowance for loan losses. An allowance for loan losses is increased by 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.

Interfund Balances

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.

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.

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 2008, the acquisition date is assumed to have been on the last day of the fiscal year. Infrastructure assets acquired during fiscal year 2008 were depreciated from the date of acquisition.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

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 and Utility Plant	15-50 years
Infrastructure	20 years
Office Furniture and Equipment	5-15 years
Machinery	5-12 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. Debt is reported net of applicable premiums or discounts on the statement of net assets. Bond premiums and discounts 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 and Lexington Counties under a joint billing and collection agreement. The City collects property taxes assessed in Richland and Lexington Counties on property annexed into Columbia.

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, 2008

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. This revenue is included in the general fund property tax revenue. The tax generated \$15.4 million during the year ended June 30, 2008, and was capped in order to prevent a windfall effect of taxes collected. This "cap" created deferred revenue of approximately \$174,000 in the General Fund as of June 30, 2008. 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, 2008. The change in this calculated amount from the previous year is expensed in current operations.

Operating and Nonoperating Revenues and Expenses

Proprietary and internal service funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. The principal operating revenues of the water/sewer facilities fund and the parking facilities fund are charges to customers for sales and services. Operating revenues for internal service funds consist of charges to other funds for the services being provided by the internal service funds. 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, 2008

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. 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.

B. DEFICIT FUND EQUITY

Business Improvement District, County Services, and Other Programs of the Special Revenue Fund had a combined deficit fund balance of \$1,035,035 at June 30, 2008. Revenues and transfers from other funds in subsequent years will fund these deficits.

Eau Claire Development Corporation, a component unit, has a total deficit fund balance of \$1,918,933. TN Development Corporation, a component unit, has a total deficit fund balance of \$386,175. Revenues from other funds in subsequent years will fund these deficits. TN Development Corporation has a \$500,000 promissory note due to the City due March 2009 which City Council has extended to an unspecified date.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. 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, 2008. Some of these claims were reported at June 30, 2008, 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
2007	\$ 9,160,974	\$ 22,532,516	\$ (15,791,677)	\$ 15,901,813
2008	15,901,813	18,689,761	(19,512,122)	15,079,452

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. RISK MANAGEMENT (Continued)

Fiscal year 2008 aggregate liability includes the following amounts for legal claims: \$7,376,700 beginning liability, \$2,085,589 current year claims and changes in estimates, and \$823,123 claims payments. The ending liability for legal claims is \$8,639,166. See also Note VI. B.

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, 2008, the City had the following investments (in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-3	4-7	8-29
Money Market	\$ 49,351	\$ 49,351	\$ 0	\$ 0	\$ 0
U.S. Government Securities	29,442	5,084	15,581	8,777	0
Mortgage Backed Securities	52,119	8,815	15,809	27,299	196
Repurchase Agreement	28,713	28,713	0	0	0
Total	\$159,625	\$ 91,963	\$ 31,390	\$ 36,076	\$ 196

Investment Classification

Investments are classified as noncurrent on the Statements of Net Assets based on their availability to fund current operations, regardless of maturity date. Therefore, investments related to unspent bond proceeds are classified as noncurrent investments.

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.

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.

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, 2008

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, 2008 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 are shown net of allowances for uncollectible accounts. Management's estimates of uncollectible accounts at June 30, 2008 are as follows:

General Fund	\$ 1,172,210
Water/Sewer Facilities	\$ 1,961,233
Parking Facilities	\$ 1,516,545
Nonmajor Business-type activities	\$ 4,635,672

Receivables for the Component Units consist of items totaling \$2,499,622 at June 30, 2008. As of June 30, 2008, the allowance for doubtful accounts was approximately \$109,698.

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). Further details of the contract can be found in Note VI. C.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

III. DETAIL NOTES ON ALL FUNDS (Continued)

C. MORTGAGE NOTES RECEIVABLE AND REVOLVING LOAN POOLS

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

Primary government

Mortgage notes receivable 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 \$1,856,778 as of June 30, 2008.

Component units

The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of \$938,568. 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 \$687,771. 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, 2008 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Funds:		
Water/Sewer Facilities	\$ 22,122,105	\$ 0
Other Governmental	4,443,707	16,588,505
Columbia Parking Facilities Corp.	0	393,104
County Services	0	2,645,716
Other Proprietary	0	1,163,920
Internal Service	0	5,774,567
Total	<u>\$ 26,565,812</u>	<u>\$ 26,565,812</u>

The outstanding balance between funds results primarily from one of the following time lags: (1) the dates that interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

III. DETAIL NOTES ON ALL FUNDS (Continued)

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

The interfund transfers at June 30, 2008 are as follows:

	Transfers <u>Out</u>	Transfers <u>In</u>
General	\$ 11,895,783	\$ 13,983,143
Nonmajor governmental funds	34,513,539	43,352,965
Water/Sewer	9,314,776	5,352,563
Parking	1,315,560	23,750
Internal service funds	18,867,969	10,729,531
Nonmajor proprietary fund	<u>533,119</u>	<u>2,998,794</u>
	<u>\$ 76,440,746</u>	<u>\$ 76,440,746</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, 2008, were \$1,081,004. Future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2009	\$ 1,011,159
2010	936,688
2011	933,826
2012	647,903
2013	<u>71,496</u>
Total	<u>\$ 3,601,072</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

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 were used to purchase two fire trucks, some parking meters, some hazardous material equipment, and an industrial utility system. As of June 30, 2008, the purchase of this equipment has been completed. The cost and net book value of the assets acquired to date is \$2,934,619 and \$936,257 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, 2008, is as follows:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Balance Outstanding</u>
2010	2.75%	\$ 1,581,190
		<u>1,581,190</u>

Minimum lease payments at June 30, 2008 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2009	\$ 790,595
2010	<u>790,595</u>
Total	1,581,190
Less: amount representing interest	<u>62,956</u>
Present value of future minimum lease payments	<u>\$ 1,518,234</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

G. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008, is as follows (in thousands):

	Balance June 30, 2007	Prior Period Adjustment	Balance June 30, 2007 as restated	Increases	Transfers	Decreases	Balance June 30, 2008
Governmental activities							
Capital assets, not being depreciated:							
Land	\$ 37,601	\$ 3,569	\$ 41,170	\$ 465	\$ 0	\$ (8,855)	\$ 32,780
Construction in progress	40,677	0	40,677	11,678	0	(3,129)	49,226
Total capital assets, not being depreciated:	78,278	3,569	81,847	12,143	0	(11,984)	82,006
Capital assets, being depreciated:							
Buildings and improvements	151,895	(13,149)	138,746	3,405	742	0	142,893
Machinery and equipment	34,808	(1,048)	33,760	3,789	10	(1,000)	36,559
Infrastructure	13,713	0	13,713	2,691	0	0	16,404
Total capital assets, being depreciated:	200,416	(14,197)	186,219	9,885	752	(1,000)	195,856
Less accumulated depreciation:							
Buildings and improvements	(24,120)	4,123	(19,997)	(4,642)	(312)	0	(24,951)
Machinery and equipment	(21,927)	903	(21,024)	(3,766)	(6)	993	(23,803)
Infrastructure	(5,278)	0	(5,278)	(685)	0	0	(5,963)
Total accumulated depreciation	(51,325)	5,026	(46,299)	(9,093)	(318)	993	(54,717)
Total capital assets, being depreciated, net	149,091	(9,171)	139,920	792	434	(7)	141,139
Governmental activities capital assets, net	\$ 227,369	\$ (5,602)	\$ 221,767	\$ 12,935	\$ 434	\$ (11,991)	\$ 223,145

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

III. DETAIL NOTES ON ALL FUNDS (Continued)

G. CAPITAL ASSETS (Continued)

	Balance June 30, 2007	Prior Period Adjustment	Balance June 30, 2007 as restated	Increases	Transfers	Decreases	Balance June 30, 2008
Business-type activities:							
Capital assets, not being depreciated:							
Land	\$ 21,433	\$ 4,050	\$ 25,483	0	0	0	\$ 25,483
Construction in progress	63,095	0	63,095	27,819	0	(46,638)	44,276
Total capital assets, not being depreciated:	84,528	4,050	88,578	27,819	0	(46,638)	69,759
Capital assets, being depreciated:							
Buildings and improvements	690,421	(18,178)	672,243	59,513	(742)	(259)	730,755
Machinery and equipment	26,925	(227)	26,698	2,104	(10)	(260)	28,532
Total capital assets, being depreciated:	717,346	(18,405)	698,941	61,617	(752)	(519)	759,287
Less accumulated depreciation:							
Buildings and improvements	(233,802)	5,527	(228,275)	(17,161)	190	3	(245,243)
Machinery and equipment	(13,383)	110	(13,273)	(3,128)	6	260	(16,135)
Total accumulated depreciation	(247,185)	5,637	(241,548)	(20,289)	196	263	(261,378)
Total capital assets, being depreciated, net	470,161	(12,768)	457,393	41,328	(556)	(256)	497,909
Business-type activities capital assets, net	\$ 554,689	\$ (8,718)	\$ 545,971	\$ 69,147	\$ (556)	\$ (46,894)	\$ 567,668

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

III. DETAIL NOTES ON ALL FUNDS (Continued)

G. CAPITAL ASSETS (Continued)

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

Governmental activities:

Total depreciation expense – governmental activities	<u>\$ 9,093,000</u>
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Business-type activities:

Water/Sewer facilities	\$ 18,743,982
Storm Water facilities	195,235
Parking facilities	1,026,334
Hydro electric plant	323,466
Total depreciation expense – business-type activities	<u>\$ 20,289,017</u>

Construction commitments as of June 30, 2008 totaled approximately \$49,300,000.

During the year ended June 30, 2008, the City determined that its Transportation Operating Fund no longer met the requirements of a Proprietary Fund. Therefore, its assets and related accumulated depreciation have been transferred to governmental activities as shown in the above schedule.

H. DEFERRED COMPENSATION PLAN

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

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. OTHER 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, 559 retirees meet those requirements. The City pays all premiums for all qualifying retirees. For the year ended June 30, 2008 premiums totaled \$290,847. Retirees paid dependent coverage of \$430,871. 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 all of the City's funds. See also Note VIII. D.

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

	Year Ended June 30, 2008				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Participants:					
Active	2,197	2,162	2,069	1,999	2,007
Retired	650	610	514	512	503
Total Employer Claims					
Active	\$11,156,966	\$10,754,287	\$8,699,735	\$8,430,837	\$7,265,549
Retired	5,524,277	4,909,064	4,683,189	3,400,508	3,168,890
% of Active Payroll:					
Active	12.32%	12.73%	10.91%	10.91%	9.71%
Retired	<u>6.10%</u>	<u>5.81%</u>	<u>5.87%</u>	<u>4.40%</u>	<u>4.24%</u>
Total	<u>18.42%</u>	<u>18.54%</u>	<u>16.78%</u>	<u>15.31%</u>	<u>13.95%</u>

For the fiscal year ending June 30, 2008, the City implemented Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions", for certain postemployment health care benefits provided by the City.

From an accrual perspective, the cost of other post-employment healthcare benefits (OPEB), like the cost of pension benefits, generally should be associated with the periods in which that cost occurs. In adopting GASB Statement 45 during the year ended June 30, 2008, prospectively, the City recognized the ARC (Annual Required Contribution) associated with OPEB as an expense and the liability associated with the net OPEB obligations. The ARC consists of the cost of benefits accruing in a year plus an amount calculated to amortize any unfunded actuarial accrued liability over a period of 30 years.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Annual OPEB costs and Net OPEB Obligation

The City first had an actuarial valuation performed for the plan as of June 30, 2007 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended June 30, 2008. The City's annual OPEB cost of approximately \$11,979,000 is equal to the ARC for this fiscal year since the transition liability was set at zero as of June 30, 2008. The City's annual OPEB costs and the net OPEB obligation for June 30, 2008 was as follows (information for prior years is not available as the actuarial valuation was performed for the first time for the year ended June 30, 2008):

Employer Normal Cost	\$ 5,900,000
Amortization of UAAL*	<u>6,078,747</u>
Annual Required Contribution (ARC)	11,978,747
Interest on Net Obligation (Transition Liability set at zero)	<u>0</u>
Annual OPEB Cost	11,978,747
Contributions made	<u>(5,900,000)</u>
Net OPEB Obligation end of year	<u><u>\$ 6,078,747</u></u>

* Unfunded Actuarial Accrued Liabilities (UAAL) were amortized over 30 years.

Funded status and Funding Progress of the plan as of June 30, 2008 was as follows:

Present Value of Future Benefits:	
Retirees & Beneficiaries	\$ 29,773,402
Covered Spouses of Retirees	2,295,761
Participants Fully Eligible for Benefits	14,078,853
Participants Not Fully Eligible for Benefits	<u>49,461,280</u>
Total Present Value of Future Benefits	<u><u>\$ 95,609,296</u></u>
Present Value of Future Normal Costs	<u>\$ 5,900,000</u>
Actuarial Accrued Liabilities	\$ 95,609,296
Actuarial Value of Assets	<u>0</u>
Unfunded Actuarial Accrued Liability	<u><u>\$ 95,609,296</u></u>
Funded Ratio	0.00%
Covered payroll (active plan members)	\$ 90,545,291
UAAL as a percentage of covered payroll	105.59%

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions

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

In the June 30, 2008 actuarial valuation, the projected unit credit cost method was used. The UAAL amortization payment is the level percent of payroll (assumed to increase 3%) required to fully amortize the UAAL over a 30 year period. The actuarial assumptions included 5.25% rate of investment return. The valuation assumes a 9% health care trend inflation rate for 2009 and decreases 1% each year until 2013. General inflation is assumed to be 3% per year.

J. LONG-TERM DEBT

	Balance 6/30/2007	Additions	Reductions	Balance 6/30/2008	Amount Due in 2009
Governmental activities:					
Notes payable	\$ 3,738,526	\$ 994,665	\$ (75,000)	\$ 4,658,191	\$ 75,000
Bond anticipation notes	6,600,000	0	(6,600,000)	0	0
General obligation bonds	17,430,000	12,135,000	(1,410,000)	28,155,000	2,485,000
Revenue bonds	62,185,000	0	(2,175,000)	60,010,000	2,500,000
Tax increment bonds	10,241,585	0	(6,481,585)	3,760,000	3,170,000
Unamortized bond premiums	2,840,606	13,530	(245,054)	2,609,082	0
Capital lease payable	2,246,993	0	(728,758)	1,518,235	748,814
Compensated absences	6,546,868	6,365,692	(6,546,868)	6,365,692	1,273,138
Total governmental activities	111,829,578	19,508,887	(24,262,265)	107,076,200	10,251,952
Business-Type activities:					
Notes payable	520,000	0	(520,000)	0	0
Revenue bonds	194,645,000	0	(10,605,000)	184,040,000	11,190,000
Contracts payable	2,736,055	0	(870,037)	1,866,018	911,364
Unamortized premium	2,393,605	178,058	(17,685)	2,553,978	0
Compensated absences	1,733,930	1,799,000	(1,733,930)	1,799,000	317,780
Total business-type activities	202,028,590	1,977,058	(13,746,652)	190,258,996	12,419,144
Total all long term debt	\$ 313,858,168	\$ 21,485,945	\$ (38,008,917)	\$ 297,335,196	\$ 22,671,096

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, \$249,930 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, 2008

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, 2008, including interest payments but excluding accrued vacation payable and amortization of bond premiums, are as follows:

Governmental Activities:

Year Ending June 30,	General Obligation Bonds	Interest	Revenue Bonds	Interest	Tax Increment Bonds	Interest
2009	\$ 2,485,000	\$ 1,165,773	\$ 2,500,000	\$ 2,244,204	\$ 3,170,000	\$ 102,850
2010	2,545,000	1,069,476	2,635,000	2,167,767	0	23,600
2011	2,720,000	963,029	2,730,000	2,090,205	0	23,600
2012	2,070,000	851,747	2,885,000	1,979,205	590,000	11,800
2013	1,205,000	762,652	3,020,000	1,860,855	0	0
2014-2018	6,865,000	3,049,448	17,520,000	7,258,464	0	0
2019-2023	7,380,000	1,459,663	19,465,000	2,962,525	0	0
2024-2028	2,885,000	297,850	6,755,000	206,110	0	0
2029-2033	0	0	2,500,000	0	0	0
	\$ 28,155,000	\$ 9,619,638	\$ 60,010,000	\$ 20,769,335	\$ 3,760,000	\$ 161,850

Year Ending June 30,	Note Payable	Interest	Capital Lease	Interest	Total Principal	Total Interest
2009	\$ 75,000	\$ 0	\$ 748,814	\$ 41,782	\$ 8,978,814	\$ 3,554,609
2010	75,000	0	769,421	21,174	6,024,421	3,282,017
2011	75,000	0	0	0	5,525,000	3,076,834
2012	75,000	0	0	0	5,620,000	2,842,752
2013	75,000	0	0	0	4,300,000	2,623,507
2014-2018	3,683,191	112,926	0	0	28,068,191	10,420,838
2019-2023	375,000	0	0	0	27,220,000	4,422,188
2024-2028	225,000	0	0	0	9,865,000	503,960
2029-2033	0	0	0	0	2,500,000	0
	\$ 4,658,191	\$ 112,926	\$ 1,518,235	\$ 62,956	\$ 98,101,426	\$ 30,726,705

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

III. DETAIL NOTES ON ALL FUNDS (Continued)

J. LONG-TERM DEBT (Continued)

Business-type activities

Year Ending June 30,	Revenue Bonds Principal	Revenue Bonds Interest
2009	\$ 11,190,000	\$ 9,269,304
2010	11,795,000	8,671,433
2011	12,450,000	8,009,798
2012	13,070,000	7,384,425
2013	4,705,000	6,691,874
2014-2018	27,260,000	29,749,671
2019-2023	31,605,000	22,522,446
2024-2028	36,965,000	14,269,670
2029-2033	23,770,000	5,474,670
2034-2038	11,230,000	1,438,000
	<u>\$ 184,040,000</u>	<u>\$ 113,481,291</u>

Notes Payable

Governmental Activities:

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

Annual principal installments of \$75,000

Through August 14, 2026

Interest rate: 0.0%

\$ 1,350,000

\$3,558,191 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

3,308,191

Total Governmental Activities Notes Payable

\$ 4,658,191

General Obligation Bond Anticipation Notes

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 operation 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 and retired the bond anticipation notes.

Under this agreement, the Corporation 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. Revenues of this garage are pledged to pay bonds issued to finance the garage.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

III. DETAIL NOTES ON ALL FUNDS (Continued)

J. LONG-TERM DEBT (Continued)

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.

General Obligation Bonds outstanding as of June 30, 2008, are as follows:

Governmental Activities:

<p>\$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 %</p>	<p>\$ 3,540,000</p>
<p>\$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%</p>	<p>12,480,000</p>
<p>\$9,085,000 City of Columbia General Obligation Bonds, Series 2007A Proceeds for: Defeasance of the 2006 Bond Anticipation Notes, construction and infrastructure improvements Annual Principal Installments of \$410,000 to \$770,000 through June 1, 2027 Interest Rate: 3.75 to 4.05 %</p>	<p>9,085,000</p>
<p>\$3,050,000 City of Columbia General Obligation Bonds, Series 2007B Proceeds for: Defeasance of the 2006 Bond Anticipation Notes, construction and infrastructure improvements Annual Principal Installments of \$965,000 to \$1,070,000 through June 1, 2011 Interest Rate: 3.58%</p>	<p><u>3,050,000</u></p>
<p><i>Total Government Activities General Obligation Bonds</i></p>	<p><u>\$ 28,155,000</u></p>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

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

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

Special District (Tax Increment) 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, 2008 is as follows:

Governmental Activities:

\$25,000,000 Tax Increment Bonds Series of 2001

Defeased in December of 2008. See Subsequent Event Footnote VII. \$ 3,760,000

Revenue Bonds, Notes and Certificates of Participation

Revenue bonds, notes and certificates of participation 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 construction of the second of two Innovista garages is being funded by the issuance of a \$13,070,000 tax-exempt South Carolina Jobs-Economic Development Authority Revenue Bonds, Series 2007. The Columbia Parking Facilities Parking Corporation, a component unit of the City, is responsible for the payment of the bonds. The Corporation has ownership of both garages. BB&T, the bond holder, also holds a first mortgage on both garages. Richland County is responsible for 50% of the construction costs. The garages are included on the governmental activities statement of net assets of the City. The garages are operated by the University, and the revenues from them are remitted by USC to the Corporation to retire this debt. Interest payments began on April 1, 2007. The principal balance is 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 3.4176% at June 30, 2008.

In the event of default of these Series 2007 revenue bonds, no judgment for any deficiency upon the indebtedness will be sought or obtained by the bank against the City. The University of South Carolina is the guarantor for payment of the debt.

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, 2008). At June 30, 2008, \$3,308,191 was outstanding on the term loan.

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

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

III. DETAIL NOTES ON ALL FUNDS (Continued)

J. LONG-TERM DEBT (Continued)

Revenue bonds outstanding as of June 30, 2008 are as follows:

Governmental Activities:

\$19,365,000 Certificates of Participation 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% \$ 17,585,000

\$36,570,000 Certificates of Participation 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% 29,355,000

\$13,070,000 South Carolina Jobs-Economic Development Authority Bond 2007
Payable from revenues derived by the City from operation of a garage
Annual principal installments of \$250,000 to \$920,000
through March 1, 2031
Interest rate: Rate per annum equal to 95% of LIBOR 13,070,000

Total Government Activities Revenue Bonds \$ 60,010,000

Business-type Activities:

Parking Facilities Fund:

\$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% \$ 3,565,000

\$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% 39,895,000

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

III. DETAIL NOTES ON ALL FUNDS (Continued)

J. LONG-TERM DEBT (Continued)

Parking Facilities Fund (continued):

\$ 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% \$ 5,125,000

Total Parking Facilities Revenue Bonds 48,585,000

Water and Sewer Fund:

\$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% 31,785,000

\$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% 5,905,000

\$41,500,000 Waterworks and Sewer System Revenue Bonds, Series 2001
Payable from revenues derived from the City's water and sewer system.
Proceeds for: Refunding portion of Series 1991 (\$3,370,000 and portion of Annual principal installments of \$255,000 to \$1,120,000 through February 1, 2010
Interest rate: 3.6 to 6.0% 37,765,000

\$60,000,000 Waterworks and Sewer System Revenue Bonds, Series 2005
Payable from revenues derived from 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% 60,000,000

Total Water and Sewer Revenue Bonds 135,455,000

Total Business-type Activities Revenue Bonds \$ 184,040,000

Authorized but Unissued Debt

The City has authorization to issue \$105,000,000 in Water and Sewer Bonds. The issuance is expected to occur in August of 2009.

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, 2008, revenue bonds outstanding, considered defeased in previous years, are approximately \$36,045,000 in the Water and Sewer Facilities Fund.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

III. DETAIL NOTES ON ALL FUNDS (Continued)

J. LONG-TERM DEBT (Continued)

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, 2008, the balance of this conduit debt was \$4,068,496.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

IV. PENSION PLANS (Continued)

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, 2007 the employee contribution rate increased to 6.50 percent of eligible compensation. Effective July 1, 2007, the employer contribution rate became 12.48 percent which included a 3.42 percent surcharge to fund retiree health and dental insurance coverage. City contributions to SCRS for the years ended June 30, 2006, 2007 and 2008 were \$3,720,731, \$4,151,122 and \$4,829,406, respectively equal to the actuarially required contributions for each year.

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, 2007, the employer contribution rate became 13.72 percent which, as for the SCRS, included a 3.42 percent surcharge to fund retiree health and dental insurance coverage. Contributions to SCPORS for the years ended June 30, 2006, 2007 and 2008 were \$3,246,568, \$3,475,682, and \$3,680,824, respectively, equal to the actuarially required contribution rates for each year.

V. RECENT ACCOUNTING PRONOUNCEMENTS

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. Management has not yet assessed the impact of implementation.

The GASB has issued Statement No. 51, "Accounting and Financial Reporting for Financial Assets." This statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2009. Management has not yet assessed the impact of implementation.

The GASB has issued Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments." This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2008. Management has not yet assessed the impact of implementation.

The GASB has issued Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments." This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2009. Management has not yet assessed the impact of implementation.

VI. COMMITMENTS AND CONTINGENCIES

A. Federal Grants

In the normal course of operations, the City receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to insure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of audits of grant funds is not believed by City officials to be material.

B. Litigation

The City is a party to legal proceedings that normally occur in government operations. The City is involved in unresolved legal actions concerning construction contracts and other matters. The City believes its positions are meritorious and is vigorously defending its positions. The City's estimate of ultimate loss has been recorded as a liability in the Risk Management Fund financial statements (Note II. C).

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

VI. CONTINGENT LIABILITIES AND COMMITMENTS (Continued)

C. 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, 2008, no dedicated tax or dedicated source of revenue has been approved.
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, 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, 2008, this has not occurred.

D. 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, 2008, the City had spent approximately \$4 million under the agreement. At the end of the project, the infrastructure assets will be donated back to the City for continuing maintenance.

VII. PRIOR PERIOD ADJUSTMENTS

During the year ended June 30, 2008, the City performed a physical inventory of its capital assets in all of its funds. Additionally, a fund previously treated as a special revenue fund in error was corrected and related assets have been combined with the general fund. As a result, the following adjustments are required to correct net assets at June 30, 2007:

	Net Assets/Fund Balance <u>June 30, 2007</u>	<u>Capital Assets</u>	Classification of Funds	Restated Net Assets/Fund Balance <u>June 30, 2007</u>
Governmental Activities	\$ 196,281,018	\$ (5,602,342)	\$ 0	190,678,676
Business-type activities	529,431,686	(8,717,205)	0	520,714,481
General fund	23,725,099	0	915,842	24,640,941
Water and sewer fund	442,928,439	(9,632,316)	0	433,296,123
Parking fund	29,841,123	1,203,452	0	31,044,575
Nonmajor proprietary funds	65,821,537	(288,341)	0	65,533,196
Internal service funds	2,940,725	(11,714)	0	2,929,011

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

VIII. SUBSEQUENT EVENTS

A. 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.

B. In December 2008, the City defeased the 2001 Tax Increment Bonds by placing its own funds in an irrevocable trust to provide for the 07/08 and 08/09 debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds will not be included in the City's financial statements in subsequent periods. The defeased balance related to these bonds is approximately \$3,760,000. See Note III. J. for additional details on these bonds.

C. In February of 2009, City Council approved a plan to borrow up to \$2 million to help pay for the bus system over the next two years. The City agreed to use the proceeds from the sale of the "Bus Barn" property on Huger Street as the source of payment for the \$2 million over two years for the City County Interim Finance Plan as required by Richland County Council.

D. In May of 2009, City Council voted unanimously to adopt the active employee benefits plan for retirees who are not eligible for Medicare. The retiree will be asked to contribute 10% for themselves and 30% for their dependents. A single retiree would pay \$33.18, \$172.54 for retiree and spouse, \$82.95 for retiree and dependent child and \$252.17 for a family. Those retirees that are post-65 and/or Medicare/Medicaid eligible will receive a supplemental policy with a prescription card at no cost to the retiree, but the spouse will be asked to pay 30% or roughly \$67 per month. See Note III. I. for additional details on the OPEB plan.

E. In June of 2009, the City reached an agreement with South Carolina Electric and Gas (SCE&G) to sell to SCE&G 5.88 acres of land for \$4 million. The land is located at the corners of Washington and Huger Streets in Columbia, South Carolina.

IX. 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 bonds payable. The agreements were entered into in February 2007 and were effective on February 23, 2007 and March 1, 2007, respectively. The Counterparty is Branch Bank and Trust Corporation. The purpose of the swaps was to effectively change the variable rate notes to fixed rate bonds. The 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, 2008, the notional amounts were \$13,070,000 and \$5,185,000.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2008

IX. INTEREST RATE SWAP AGREEMENTS (Continued)

The swaps provide 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 counterparty 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, 2008, 95% of LIBOR was 2.34%. 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 notes, 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 Corporation from the counterparties will match the actual interest payments. The Corporation is also exposed to credit risk. That is the risk that the counterparty, Branch Bank and Trust, cannot perform their obligation on the swap contract. In the event that either party to the swap, BB&T or Columbia Parking Facilities Corporation, cannot perform on the agreement, no judgment for any deficiency will be sought or obtained against the City of Columbia. The University of South Carolina is solely responsible for payment if the Corporation cannot perform on the agreements.

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 notes. 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 2008, the Corporation made variable interest payments of \$387,802 and the net settlement of variable receiver and fixed payer payments of \$158,830. The market value of the swaps was (\$798,205) and (\$323,056) at June 30, 2008, respectively.

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

REQUIRED SUPPLEMENTARY INFORMATION

The Schedules of Funding Progress and Employer Contributions – Other Postemployment Benefits provide information relating to the City's adoption of GASB Statement No. 45.

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
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS -
OTHER POSTEMPLOYMENT BENEFITS
FISCAL YEAR ENDED JUNE 30, 2008
(UNAUDITED)**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)	
Primary Government 7/1/2007	\$	-	\$ 95,609,296	\$ 95,609,296	0%	\$ 90,545,291	105.59%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30, 2008	Annual Required Contribution	Actual Contribution	Net OPEB Liability	Percent Contributed
Primary Government 2008	\$ 11,978,747	\$ 5,900,000	\$ 6,078,747	49.25%

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, 2008

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property taxes	\$ 40,526,900	\$ 45,427,060	\$ 45,427,060	\$ 0
License and permits	27,662,112	29,961,967	29,961,967	0
Intergovernmental revenue	9,860,820	11,401,560	11,401,560	0
Charges for services	6,623,390	7,200,753	7,200,753	0
Fines and forfeitures	917,000	910,061	910,061	0
Interest	1,605,000	801,145	801,145	0
Other revenues	260,700	1,001,252	1,001,252	0
Cost recovery fees	2,735,000	2,735,000	2,735,000	0
Total revenues	90,190,922	99,438,798	99,438,798	0
EXPENDITURES				
Current				
General government	6,364,657	6,819,992	6,819,992	0
Judicial	2,126,122	2,276,204	2,276,204	0
Finance department	1,806,232	2,583,820	2,583,820	0
Community development	3,702,565	4,311,401	4,311,401	0
Public safety	46,195,241	56,266,643	56,266,643	0
Parks and recreation	8,895,467	11,172,199	11,172,199	0
Public services	17,948,823	21,299,917	21,299,917	0
General services	4,102,995	3,873,214	3,873,214	0
Community promotion	800,000	829,290	829,290	0
Intergovernmental expenses	0	6,462,450	6,462,450	0
Nondepartmental	2,790,966	5,348,207	5,348,207	0
Total expenditures	94,733,068	121,243,337	121,243,337	0
Excess (deficiency) of revenues over (under) expenditures	(4,542,146)	(21,804,539)	(21,804,539)	0
OTHER FINANCING SOURCES (USES)				
Transfers in	9,325,000	26,077,195	13,983,143	(12,094,052)
Transfers (out)	(4,782,854)	(11,895,783)	(11,895,783)	0
Sale of property	0	7,623,127	7,623,127	0
Total other financing sources (uses)	4,542,146	21,804,539	9,710,487	(12,094,052)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	0	0	(12,094,052)	(12,094,052)
Fund balance-beginning	23,725,099	23,725,099	23,725,099	0
Prior period adjustment	915,842	915,842	915,842	0
Fund balance-beginning, as restated	24,640,941	24,640,941	24,640,941	0
Fund balance- ending	\$ 24,640,941	\$ 24,640,941	\$ 12,546,889	\$ (12,094,052)

**CITY OF COLUMBIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2008**

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 and after 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, 2008**

		Original Adopted Budget		Final Budget Amendments		Revised Budget
General Fund	\$	99,515,922	\$	33,623,198	\$	133,139,120

**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, 2008

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property taxes				
General property taxes - current	\$ 36,150,000	\$ 40,278,453	\$ 40,278,453	\$ 0
General property taxes - prior	1,400,000	805,279	805,279	0
Real estate tax - Lexington County - current	2,200,000	2,498,746	2,498,746	0
Personal tax - Lexington County - current	25,000	37,010	37,010	0
Personal tax - Lexington County - prior	9,000	0	0	0
Homestead exemption	0	1,061,791	1,061,791	0
Payment in lieu of taxes	40,000	42,827	42,827	0
Merchants inventory tax	702,900	702,954	702,954	0
Total general property taxes	40,526,900	45,427,060	45,427,060	0
License and permits				
Business license	7,300,000	8,064,648	8,064,648	0
Business license - Telecommunications	1,500,000	1,385,207	1,385,207	0
Business license insurance	10,330,000	10,792,997	10,792,997	0
Delinquent business license	1,000,000	1,087,438	1,087,438	0
Delinquent business license - prior year	100,000	113,589	113,589	0
Business license franchise fees	5,400,000	6,758,384	6,758,384	0
Franchise fees - vendors	600	300	300	0
Business license sales tax audit	0	17,590	17,590	0
Audited license fees	50,000	87,845	87,845	0
Arts and craft permits	1,600	2,180	2,180	0
New business list sales	900	544	544	0
Business license ordinance sales	12	0	0	0
Business license contractor's decals	24,000	21,651	21,651	0
Group event license/permit	7,000	5,925	5,925	0
Building permits	1,325,000	1,027,786	1,027,786	0
Electrical permits	170,000	169,394	169,394	0
Plumbing permits	70,000	65,047	65,047	0
Gas permits	16,000	9,067	9,067	0
Sign permits	14,000	14,006	14,006	0
Heat permits	114,000	104,031	104,031	0
Zoning permits	65,000	50,671	50,671	0
Dog license	40,000	36,529	36,529	0
Chauffeur license	4,000	6,753	6,753	0
Other miscellaneous - business	130,000	138,125	138,125	0
Other miscellaneous - non business	0	2,260	2,260	0
Total license and permits	27,662,112	29,961,967	29,961,967	0
Intergovernmental revenues				
State shared	3,770,000	3,796,780	3,796,780	0
Miscellaneous tax collected	10,000	0	0	0
SC Motor fuel tax reimbursement	0	1,275	1,275	0
Highway signal maintenance	330,820	645,180	645,180	0
Fire Rebate - Richland County	5,750,000	6,958,325	6,958,325	0
Total intergovernmental revenues	9,860,820	11,401,560	11,401,560	0

(Continued)

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance
Charges for services				
Trade publication renewals	\$ 7,000	\$ 8,085	\$ 8,085	\$ 0
Election filing fees	500	810	810	0
Return check service charges	0	1,755	1,755	0
Regulation code books	2,000	285	285	0
Duplicated business licenses	300	380	380	0
Project work	4,000	6,186	6,186	0
Compost sales	5,000	5,656	5,656	0
Recycling sales	85,000	96,318	96,318	0
Solid waste disposal fees	15,000	16,505	16,505	0
Commercial bulk container collection	2,000	0	0	0
Commercial bulk container disposal	400,000	343,771	343,771	0
Commercial roll cart disposal	59,000	31,600	31,600	0
Eleemosynary bulk container collection	46,000	51,769	51,769	0
Eleemosynary bulk container disposal	50,000	50,792	50,792	0
Eleemosynary roll cart collection	35,000	28,266	28,266	0
Eleemosynary roll cart disposal	10,000	7,004	7,004	0
Eleemosynary homeowner collection	10,000	8,239	8,239	0
Eleemosynary homeowner disposal	2,500	2,042	2,042	0
Six night service disposal	23,000	17,282	17,282	0
Tree and forestry lot clearance fees	0	15,531	15,531	0
Demolition charges	0	26,484	26,484	0
Animal shelter fees	211,000	336,477	336,477	0
Employee animal clinic fees	131,000	697	697	0
Hydrant fees	5,000,000	5,375,755	5,375,755	0
Police accident report copies	16,000	33,986	33,986	0
Reimbursement police services	525	4,019	4,019	0
False fire alarm charges	11,000	12,771	12,771	0
Maxcy Gregg admissions fees	23,000	25,914	25,914	0
Drew Park admissions fees	299,970	439,359	439,359	0
Greenview pool admissions fees	9,000	15,938	15,938	0
Recreation athletics	48,200	40,965	40,965	0
Tennis court fees	49,000	40,027	40,027	0
Golf Center	18,395	12,900	12,900	0
Other parks/recreation fees	50,000	118,849	118,849	0
Ticket rebate - Capital City Ball Park	0	24,336	24,336	0
Total charges for services	6,623,390	7,200,753	7,200,753	0
Fines and forfeitures				
Criminal court fines	185,000	126,450	126,450	0
Traffic court fines	700,000	701,631	701,631	0
Bond forfeiture from county courts	15,000	4,663	4,663	0
Late fees	0	935	935	0
Uniform ordinance inspections	0	26,254	26,254	0
Uniform ordinance animal control	17,000	20,498	20,498	0
Uniform ordinance business license	0	9,069	9,069	0
Uniform ordinance fire department	0	7,496	7,496	0
Legal department books	0	13,065	13,065	0
Total fines and forfeitures	917,000	910,061	910,061	0
Revenues from use of money and property				
Interest on investments general	1,500,000	478,544	478,544	0
Interest gain/loss cost /market	100,000	143,999	143,999	0
Interest - Lexington County tax collections	5,000	1,897	1,897	0
Rents and Royalties	0	176,705	176,705	0
Total revenues from use of money and property	1,605,000	801,145	801,145	0

(Continued)

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance
Other revenues				
Miscellaneous revenue	\$ 115,700	\$ 923,796	\$ 923,796	\$ 0
Reimbursement property damage	5,000	421	421	0
Collection agency	5,000	2,304	2,304	0
Police revolvers	5,000	150	150	0
Auction sales	130,000	69,253	69,253	0
Donations	0	5,328	5,328	0
Total other revenues	<u>260,700</u>	<u>1,001,252</u>	<u>1,001,252</u>	<u>0</u>
Cost recovery fees	<u>2,735,000</u>	<u>2,735,000</u>	<u>2,735,000</u>	<u>0</u>
OTHER FINANCING SOURCES				
Sale of property	<u>0</u>	<u>7,623,127</u>	<u>7,623,127</u>	<u>0</u>
Transfers from				
Water and sewer operating fund	4,500,000	4,500,000	4,500,000	0
Parking operating fund	1,000,000	1,000,000	1,000,000	0
Hospitality fund	800,000	800,000	800,000	0
Accommodations fund	25,000	98,425	98,425	0
Other funds	0	7,584,718	7,584,718	0
Unappropriated surplus transfer	3,000,000	12,094,052	0	(12,094,052)
Total transfers from other funds	<u>9,325,000</u>	<u>26,077,195</u>	<u>13,983,143</u>	<u>(12,094,052)</u>
Total revenues and other financing sources	<u>\$ 99,515,922</u>	<u>\$ 133,139,120</u>	<u>\$ 121,045,068</u>	<u>\$ (12,094,052)</u>

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
General Government				
Legislative				
Personnel services	\$ 276,150	\$ 386,388	\$ 386,388	\$ 0
Supplies	23,161	23,116	23,116	0
Other services and charges	148,080	137,650	137,650	0
Total Legislative	447,391	547,154	547,154	0
Executive/Administration				
Personnel services	2,327,506	2,609,964	2,609,964	0
Supplies	149,072	91,351	91,351	0
Other services and charges	612,169	490,456	490,456	0
Capital outlay	41,248	4,854	4,854	0
Total Executive/Administration	3,129,995	3,196,625	3,196,625	0
Human Resources and Training				
Personnel services	686,130	867,973	867,973	0
Supplies	50,419	45,323	45,323	0
Other services and charges	79,839	58,081	58,081	0
Total Human Resources and Training	816,388	971,377	971,377	0
Legal				
Personnel services	849,580	827,584	827,584	0
Supplies	66,612	47,800	47,800	0
Other services and charges	576,740	784,445	784,445	0
Capital outlay	30,000	15,762	15,762	0
Total Legal	1,522,932	1,675,591	1,675,591	0
Public Information				
Personnel services	291,671	313,256	313,256	0
Supplies	69,880	67,651	67,651	0
Other services and charges	86,400	40,297	40,297	0
Capital outlay	0	8,041	8,041	0
Total public information	447,951	429,245	429,245	0
Total General Government	6,364,657	6,819,992	6,819,992	0
Judicial				
Municipal Court				
Personnel services	1,885,024	2,118,411	2,118,411	0
Supplies	62,524	55,643	55,643	0
Other services and charges	150,448	87,539	87,539	0
Capital outlay	28,126	14,611	14,611	0
Total Municipal Court	2,126,122	2,276,204	2,276,204	0
Total Judicial	2,126,122	2,276,204	2,276,204	0
Finance Department:				
Administration				
Personnel services	145,384	180,804	180,804	0
Supplies	6,602	7,831	7,831	0
Other services and charges	150,590	159,844	159,844	0
Total Administration	302,576	348,479	348,479	0

(Continued)

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance
Accounting				
Personnel services	\$ 773,183	\$ 942,727	\$ 942,727	\$ 0
Supplies	27,925	41,788	41,788	0
Other services and charges	47,625	465,051	465,051	0
Total Accounting	848,733	1,449,566	1,449,566	0
Business License				
Personnel services	583,412	715,143	715,143	0
Supplies	26,560	23,625	23,625	0
Other services and charges	28,451	31,691	31,691	0
Capital outlay	16,500	15,316	15,316	0
Total Business License	654,923	785,775	785,775	0
Total Finance Department	1,806,232	2,583,820	2,583,820	0
Community Development				
Development Services				
Personnel services	2,576,711	3,129,352	3,129,352	0
Supplies	166,150	142,266	142,266	0
Other services and charges	136,600	148,848	148,848	0
Capital outlay	92,800	91,698	91,698	0
Total Development Services	2,972,261	3,512,164	3,512,164	0
Planning				
Personnel services	529,604	634,649	634,649	0
Supplies	50,250	37,721	37,721	0
Other services and charges	150,450	126,867	126,867	0
Total Planning	730,304	799,237	799,237	0
Total Community Development	3,702,565	4,311,401	4,311,401	0
Public Safety				
Police Department				
Administrative Services				
Personnel services	1,910,727	2,628,456	2,628,456	0
Supplies	1,070,995	878,237	878,237	0
Other services and charges	810,695	732,598	732,598	0
Total Administrative Services	3,792,417	4,239,291	4,239,291	0
Operations				
Personnel services	13,640,914	17,775,506	17,775,506	0
Supplies	577,262	998,050	998,050	0
Other services and charges	723,230	743,597	743,597	0
Capital outlay	631,498	981,330	981,330	0
Total Operations	15,572,904	20,498,483	20,498,483	0

(Continued)

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance
Special Services				
Personnel services	\$ 5,048,432	\$ 5,599,691	\$ 5,599,691	\$ 0
Supplies	109,045	132,196	132,196	0
Other services and charges	78,919	106,659	106,659	0
Total Special Services	<u>5,236,396</u>	<u>5,838,546</u>	<u>5,838,546</u>	<u>0</u>
Total Police Department	<u>24,601,717</u>	<u>30,576,320</u>	<u>30,576,320</u>	<u>0</u>
Fire Department - City Administration				
Personnel services	565,310	626,005	626,005	0
Supplies	28,361	19,603	19,603	0
Other services and charges	37,385	17,099	17,099	0
Total Fire Department - City	<u>631,056</u>	<u>662,707</u>	<u>662,707</u>	<u>0</u>
Fire Prevention				
Personnel services	782,034	919,657	919,657	0
Supplies	49,584	39,911	39,911	0
Other services and charges	31,718	28,578	28,578	0
Capital outlay	12,600	9,741	9,741	0
Total Fire Prevention	<u>875,936</u>	<u>997,887</u>	<u>997,887</u>	<u>0</u>
Fire Suppression				
Personnel services	12,700,732	16,480,732	16,480,732	0
Supplies	652,321	1,032,545	1,032,545	0
Other services and charges	1,456,489	1,591,966	1,591,966	0
Capital outlay	1,193,171	416,786	416,786	0
Total Fire Suppression	<u>16,002,713</u>	<u>19,522,029</u>	<u>19,522,029</u>	<u>0</u>
Fire Logistics				
Personnel services	255,859	228,666	228,666	0
Supplies	187,136	83,438	83,438	0
Other services and charges	113,172	67,071	67,071	0
Capital outlay	47,150	25,732	25,732	0
Total Fire Logistics	<u>603,317</u>	<u>404,907</u>	<u>404,907</u>	<u>0</u>
Total Fire Department	<u>18,113,022</u>	<u>21,587,530</u>	<u>21,587,530</u>	<u>0</u>
Homeland Security				
Personnel services	1,426,815	1,847,082	1,847,082	0
Supplies	88,920	55,594	55,594	0
Other services and charges	99,468	76,519	76,519	0
Capital outlay	5,576	1,858	1,858	0
Total Homeland Security	<u>1,620,779</u>	<u>1,981,053</u>	<u>1,981,053</u>	<u>0</u>
911 Emergency and 311 Center				
Personnel services	1,680,049	1,985,625	1,985,625	0
Supplies	51,007	39,981	39,981	0
Other services and charges	121,313	89,856	89,856	0
Capital outlay	7,354	6,278	6,278	0
Total 911 Emergency and 311 Center	<u>1,859,723</u>	<u>2,121,740</u>	<u>2,121,740</u>	<u>0</u>
Total Public Safety	<u>46,195,241</u>	<u>56,266,643</u>	<u>56,266,643</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, 2008

	Original Budget	Final Budget	Actual	Variance
Parks and Recreation				
Recreation				
Personnel services	\$ 4,935,641	\$ 6,399,612	\$ 6,399,612	\$ 0
Supplies	287,977	328,455	328,455	0
Other services and charges	872,183	1,096,968	1,096,968	0
Capital outlay	57,460	14,339	14,339	0
Total Recreation	6,153,261	7,839,374	7,839,374	0
Parks				
Personnel services	1,953,754	2,445,242	2,445,242	0
Supplies	133,417	125,320	125,320	0
Other services and charges	309,570	361,070	361,070	0
Capital outlay	49,388	41,010	41,010	0
Total Parks	2,446,129	2,972,642	2,972,642	0
Swimming Pools				
Personnel services	125,772	149,966	149,966	0
Supplies	4,487	3,708	3,708	0
Other services and charges	5,000	3,895	3,895	0
Capital outlay	6,300	119	119	0
Total Swimming Pools	141,559	157,688	157,688	0
Tennis Courts				
Personnel services	143,503	194,486	194,486	0
Supplies	3,525	3,017	3,017	0
Other services and charges	7,490	4,992	4,992	0
Total Tennis Courts	154,518	202,495	202,495	0
Total Parks and Recreation	8,895,467	11,172,199	11,172,199	0
Public Services				
Administration				
Personnel services	295,447	296,095	296,095	0
Supplies	26,337	19,250	19,250	0
Other services and charges	119,024	105,758	105,758	0
Capital outlay	5,000	2,491	2,491	0
Total Administration	445,808	423,594	423,594	0
Solid Waste				
Personnel services	5,085,941	6,722,079	6,722,079	0
Supplies	1,063,382	1,183,017	1,183,017	0
Other services and charges	3,537,405	3,757,777	3,757,777	0
Capital outlay	30,000	0	0	0
Total Solid Waste	9,716,728	11,662,873	11,662,873	0
Streets and Storm Drains				
Personnel services	1,161,536	1,480,466	1,480,466	0
Supplies	195,896	170,644	170,644	0
Other services and charges	134,923	90,524	90,524	0
Total Street and Storm Drains	1,492,355	1,741,634	1,741,634	0

(Continued)

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance
Animal Control:				
Personnel services	\$ 863,899	\$ 1,136,256	\$ 1,136,256	\$ 0
Supplies	126,927	141,137	141,137	0
Other services and charges	140,273	237,068	237,068	0
Capital outlay	15,000	12,569	12,569	0
Total Animal Control	1,146,099	1,527,030	1,527,030	0
Trees and Forestry				
Personnel services	1,562,266	1,974,926	1,974,926	0
Supplies	235,561	198,549	198,549	0
Other services and charges	380,687	397,882	397,882	0
Capital outlay	33,600	18,695	18,695	0
Total Trees and Forestry	2,212,114	2,590,052	2,590,052	0
Traffic Engineering				
Personnel services	1,298,181	1,648,391	1,648,391	0
Supplies	244,342	245,256	245,256	0
Other services and charges	1,383,267	1,309,127	1,309,127	0
Capital outlay	9,929	151,960	151,960	0
Total Traffic Engineering	2,935,719	3,354,734	3,354,734	0
Total Public Services	17,948,823	21,299,917	21,299,917	0
General Services				
Information Technology				
Personnel services	1,393,281	1,447,926	1,447,926	0
Supplies	222,024	202,061	202,061	0
Other services and charges	690,926	522,409	522,409	0
Capital outlay	352,271	350,999	350,999	0
Total Information Technology	2,658,502	2,523,395	2,523,395	0
Public Buildings				
Personnel services	345,681	423,348	423,348	0
Supplies	59,750	49,469	49,469	0
Other services and charges	984,462	846,355	846,355	0
Capital outlay	54,600	30,647	30,647	0
Total Public Buildings	1,444,493	1,349,819	1,349,819	0
Total General Services	4,102,995	3,873,214	3,873,214	0
Community Promotion				
Other services and charges	80,000	0	0	0
Community Promotion	720,000	829,290	829,290	0
Total Community Promotion	800,000	829,290	829,290	0
Nondepartmental Contingencies				
Personnel services	4,455	0	0	0
Supplies	0	97,489	97,489	0
Other services and charges	528,460	442,696	442,696	0
Capital outlay	65,000	0	0	0
Community Promotions	40,000	0	0	0
Total Contingencies	637,915	540,185	540,185	0

(Continued)

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance
General Insurance				
Personnel services	\$ 0	\$ 65,275	\$ 65,275	\$ 0
Other services and charges	329,500	329,500	329,500	0
Total General Insurance	<u>329,500</u>	<u>394,775</u>	<u>394,775</u>	<u>0</u>
Administration				
Other services and charges	0	244,028	244,028	0
Total Administration	<u>0</u>	<u>244,028</u>	<u>244,028</u>	<u>0</u>
Bank Service Charges:				
Other services and charges	0	13,997	13,997	0
Total Bank Service Charges	<u>0</u>	<u>13,997</u>	<u>13,997</u>	<u>0</u>
Employee Holiday				
Supplies	110,000	0	0	0
Other services and charges	0	136,197	136,197	0
Total Employee Holiday	<u>110,000</u>	<u>136,197</u>	<u>136,197</u>	<u>0</u>
Retired Employee Benefits:				
Other services and charges	1,713,551	1,016,605	1,016,605	0
Total Retired Employee Benefits	<u>1,713,551</u>	<u>1,016,605</u>	<u>1,016,605</u>	<u>0</u>
Land Transactions				
Other services and charges	0	3,002,420	3,002,420	0
Total Nondepartmental	<u>2,790,966</u>	<u>5,348,207</u>	<u>5,348,207</u>	<u>0</u>
Intergovernmental Expenses				
Other services and charges	0	6,462,450	6,462,450	0
Total Intergovernmental Expenses	<u>0</u>	<u>6,462,450</u>	<u>6,462,450</u>	<u>0</u>
OTHER FINANCING USES				
Transfers to Other Funds				
Debt service	3,032,854	7,745,881	7,745,881	0
Transfers Interfund	1,750,000	4,149,902	4,149,902	0
Total Transfers to Other Funds	<u>4,782,854</u>	<u>11,895,783</u>	<u>11,895,783</u>	<u>0</u>
Total Expenditures and Other Financing Uses	<u>\$ 99,515,922</u>	<u>\$ 133,139,120</u>	<u>\$ 133,139,120</u>	<u>\$ 0</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Accommodations 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.

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. There is a General Obligation ("GO") Bond Debt Service Fund and a Special District Bond Debt Service Fund. Each fund is set up to hold the investments set aside for the payments of the respective debt.

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.

Streetscaping 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

Anna Dickson Park 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, 2008

	Special Revenue							Totals
	Tourism Development Convention Center	Business Improvement District	Hospitality Tax	Confiscated Drug Program	Other Programs	Community Development	Justice Department Grants	
ASSETS								
Cash and cash equivalents	\$ 0	\$ 0	\$ 3,330,639	\$ 96,670	\$ 237,287	\$ 0	\$ 289,327	\$ 4,905,050
Investments	0	0	3,295,991	361,211	234,484	0	0	5,994,543
Receivables, net	0	0	0	0	0	0	0	0
Property taxes	0	2,238	0	0	0	0	0	2,238
Federal government	0	0	0	0	4,755	1,862,387	80,511	426,569
State government	506,548	0	0	0	0	0	0	2,394,222
Accounts	0	0	0	0	294,133	0	226	506,548
Accrued interest	0	1,486,641	0	0	0	0	0	1,799,949
Prepaid charges	0	6,148	30,251	878	2,152	0	0	39,429
Due from other funds	0	0	0	0	858	0	0	858
Due from component units	0	0	0	0	0	2,009	0	121,265
Total assets	\$ 506,548	\$ 3,936,622	\$ 6,656,881	\$ 458,759	\$ 773,669	\$ 1,894,396	\$ 370,064	\$ 15,786,111
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 10,000	\$ 0	\$ 0	\$ 2,106	\$ 202,813	\$ 189,117	\$ 4,698	\$ 446,761
Accrued salaries and benefits	0	0	0	0	23,702	22,976	8,405	55,083
Retainage payable	0	0	0	0	21,430	0	0	367,336
Deferred revenue	0	0	0	265,549	79,749	991	356,961	86,803
Due to other funds	143,361	377,782	0	0	599,571	1,671,312	0	682,768
Total liabilities	153,361	377,782	0	267,655	927,265	1,894,396	370,064	5,178,828
Fund balances								
Reserved for encumbrances	24,645	0	132,112	33,414	147,042	860,909	33,167	1,775,853
Reserved for prepaid charges	0	0	0	0	858	0	0	858
Reserved	0	0	0	0	0	0	0	0
Nonexpendable	0	0	0	0	0	0	0	0
Expendable	0	0	0	0	0	0	0	0
Unreserved	328,542	3,558,840	6,524,769	157,690	(301,496)	(660,909)	(33,167)	(644,564)
Total fund balances	353,187	3,558,840	6,656,881	191,104	(153,696)	0	0	10,587,283
Total liabilities and fund balances	\$ 506,548	\$ 3,936,622	\$ 6,656,881	\$ 458,759	\$ 773,669	\$ 1,894,396	\$ 370,064	\$ 15,786,111

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
June 30, 2008

	Debt Service			Capital Projects					Permanent Trust		
	G. O. Bonds	Special District Bonds	Total	Tax Increment District	Streetscaping	General Obligation Bonds 2002	General Capital Projects	Miscellaneous Projects	Total	Dickson Trust	Total Nonmajor Governmental Funds
ASSETS											
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,120,361	\$ 0	\$ 0	\$ 0	\$ 4,589,645	\$ 5,435	\$ 9,500,130
Investments	164,953	4,522,327	4,687,280	15,777,364	4,077,496	0	0	18,553,765	38,408,625	0	49,090,448
Receivables, net	0	0	0	0	0	0	0	0	0	0	2,238
Property taxes	0	0	0	0	804,393	0	145,000	30,956	980,349	0	3,374,571
Federal government	0	0	0	0	0	0	0	0	0	0	506,548
State government	0	0	0	0	0	0	39,671	32,231	71,902	0	1,871,851
Accounts	0	0	0	0	0	0	0	3,439	112,221	0	151,650
Accrued interest	0	0	0	71,358	37,424	0	0	0	0	0	858
Prepaid charges	0	0	0	0	0	0	232,089	50,452	4,322,442	0	4,443,707
Due from other funds	0	0	0	1,543,978	2,495,913	0	0	0	0	0	2,009
Due from component units	0	0	0	0	0	0	0	0	0	0	0
Total assets	\$ 164,953	\$ 4,522,327	\$ 4,687,280	\$ 17,392,700	\$ 11,535,587	\$ 0	\$ 416,770	\$ 19,140,127	\$ 48,485,184	\$ 5,435	\$ 68,944,010
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 328,666	\$ 1,019,925	\$ 0	\$ 87,383	\$ 15,682	\$ 1,451,666	\$ 0	\$ 1,896,427
Accrued salaries and benefits	0	0	0	0	0	0	0	0	0	0	55,083
Retainage payable	0	0	0	215,609	134,245	0	0	0	349,854	0	738,620
Deferred revenue	0	0	0	296,888	296,888	0	0	0	296,888	0	1,088,941
Due to other funds	0	0	0	3,508,599	0	0	136,701	9,447,040	13,092,340	0	16,588,505
Total liabilities	0	0	0	4,052,874	1,451,058	0	224,084	9,462,732	15,190,748	0	20,369,576
Fund balances											
Reserved for encumbrances	0	0	0	2,451,827	9,226	0	2,460,549	36,981	4,958,583	0	6,734,436
Reserved for prepaid charges	0	0	0	0	0	0	0	0	0	0	858
Reserved	0	0	0	0	0	0	0	0	0	5,000	5,000
Nonexpendable	0	0	0	0	0	0	0	0	0	435	435
Expendable	0	0	0	10,887,999	10,075,303	0	(2,267,863)	9,640,414	28,335,853	0	41,833,705
Unreserved	164,953	4,522,327	4,687,280	10,887,999	10,075,303	0	(2,267,863)	9,640,414	28,335,853	0	41,833,705
Total fund balances	164,953	4,522,327	4,687,280	13,339,826	10,084,529	0	192,686	9,677,395	33,294,436	5,435	48,574,434
Total liabilities and fund balances	\$ 164,953	\$ 4,522,327	\$ 4,687,280	\$ 17,392,700	\$ 11,535,587	\$ 0	\$ 416,770	\$ 19,140,127	\$ 48,485,184	\$ 5,435	\$ 68,944,010

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

For the Year Ended June 30, 2008

	Special Revenue										Totals
	Accommodation Tax	Tourism Development Convention Center	Business Improvement District	Hospitality Tax	Confiscated Drug Program	Other Programs	Community Development	Justice Department Grants	Other Grants		
REVENUES											
Federal government	0	0	0	0	0	0	0	384,879	1,077,830	0	6,904,692
State government	1,493,491	254,562	0	0	0	500,000	0	0	4,686	0	2,252,748
County government	0	2,156,608	0	0	0	148,073	0	0	0	0	2,156,608
Promotions	0	0	0	0	0	0	0	0	0	0	148,073
Confiscated funds	0	0	0	0	192,623	0	0	0	0	0	192,623
General property taxes	0	0	0	0	0	0	0	0	0	0	0
General property taxes	0	0	0	0	0	0	0	0	0	0	0
Sales taxes	0	93,576	0	8,061,364	0	0	0	0	0	0	8,061,364
Interest	0	2,551,284	706,553	257,628	11,515	4,444	0	0	0	0	3,571,633
Other revenues	0	0	0	0	0	0	0	0	0	0	3,257,867
Total revenues	1,493,491	5,056,030	706,553	8,318,992	204,138	652,517	5,461,983	384,879	1,082,526	0	23,341,139
EXPENDITURES											
Current											
General government	0	0	712,224	0	0	1,670,004	3,492,614	0	1,518,965	0	7,393,807
Public safety	0	0	0	0	87,980	0	0	340,284	0	0	428,264
Parks and recreation	0	0	0	0	0	0	0	0	0	0	0
Public services	0	0	0	0	0	0	0	0	0	0	0
Community promotion	1,412,600	1,449,382	0	6,053,478	0	0	0	0	0	0	8,915,460
Other charges	0	0	0	0	0	0	0	0	0	0	0
Debt Service											
Principal payment on bonds	0	0	0	0	0	0	0	0	0	0	0
Interest on bonds	0	0	0	0	0	0	0	0	0	0	0
Fiscal agent charges	0	0	0	0	0	0	0	0	0	0	0
Capital outlay	24,789	0	0	0	43,188	76,959	0	61,126	21,409	0	227,471
Total expenditures	1,437,389	1,449,382	712,224	6,053,478	131,168	1,746,963	3,492,614	401,410	1,540,374	0	16,965,002
Excess (deficiency) of revenues over (under) expenditures	56,102	3,606,648	(5,641)	2,265,514	72,970	(1,094,446)	1,969,369	(36,531)	(457,848)	0	6,376,137
OTHER FINANCING SOURCES (USES)											
Transfers in	440,547	0	0	0	0	316,929	29,425	41,365	1,283,046	0	2,111,312
Transfers (out)	(9,119,244)	(2,944,863)	(9,866)	(2,363,042)	0	(10,000)	(1,998,794)	(4,534)	(818,366)	0	(17,269,029)
Proceeds from sale of capital assets	0	0	0	0	1,440	1,397,197	0	0	0	0	1,398,637
Proceeds from note payable issued	0	0	0	0	0	0	0	0	0	0	0
Total other financing sources (uses)	(8,678,697)	(2,944,863)	(9,866)	(2,363,042)	1,440	1,704,126	(1,969,369)	36,531	464,660	0	(13,759,080)
Net change in fund balances	(8,622,695)	661,785	(15,507)	(97,528)	74,410	609,660	0	0	6,812	0	(7,362,943)
Beginning fund balances(deficits)	8,975,782	2,897,055	(3,626)	6,754,409	116,694	(763,276)	0	0	(6,812)	0	17,970,226
Fund balances (deficits), end of year	\$ 353,187	\$ 3,558,840	\$ (19,133)	\$ 6,656,881	\$ 191,104	\$ (153,596)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,587,283

(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, 2008

	Debt Service		Capital Projects				Total 2008	Permanent Trust	Total Nonmajor Governmental Funds
	G. O. Bonds	Special District Bonds	Total	Tax Increment District	Streetscaping	General Obligation Bonds 2002			
REVENUES									
Federal government	0	0	0	0	0	0	330,000	30,956	1,238,350
State government	0	0	0	0	877,394	0	0	32,231	735,343
County government	0	0	0	0	703,112	0	0	0	0
Promotions	0	0	0	0	0	0	0	0	0
Confiscated funds	0	0	0	0	0	0	0	0	0
General property taxes	0	113,239	113,239	0	0	0	0	0	113,239
Sales taxes	0	0	0	0	0	0	0	0	0
Interest	0	47,972	47,972	500,519	256,762	72,911	0	1,045,265	1,875,457
Other revenues	0	0	0	0	673,112	0	226,422	0	899,534
Total revenues	0	161,211	161,211	500,519	2,510,380	72,911	556,422	1,106,452	4,748,684
EXPENDITURES									
Current									
General government	0	0	0	17,534	0	0	482,789	255,336	765,659
Public safety	0	0	0	0	0	0	0	0	0
Parks and recreation	0	0	0	0	0	0	0	0	0
Public services	0	0	0	0	0	0	11,297	30,673	41,970
Community promotion	0	0	0	0	0	0	0	0	0
Other charges	0	0	0	0	0	0	0	0	0
Debt Services	0	0	0	0	0	0	0	0	1,983
Principal payment on bonds	8,010,000	8,731,585	16,741,585	0	0	0	0	0	16,741,585
Interest on bonds	986,608	2,996,399	3,983,007	0	0	0	0	0	3,983,007
Fiscal agent charges	0	4,072	4,072	0	0	0	0	0	4,072
Capital outlay	0	0	0	1,737,714	1,810,823	0	519,752	799,325	4,867,614
Total expenditures	8,996,608	11,732,056	20,728,664	1,755,248	1,810,823	0	1,023,838	1,085,334	5,675,243
Excess (deficiency) of revenues over (under) expenditures	(8,996,608)	(11,570,845)	(20,567,453)	(1,254,729)	695,557	72,911	(467,416)	23,118	(925,559)
OTHER FINANCING SOURCES (USES)									
Transfers in	8,996,608	11,372,828	20,369,436	1,543,978	4,353,734	0	3,683,065	11,291,440	20,872,217
Transfers (out)	0	0	0	0	(2,550,273)	(506,723)	(2,202,017)	(12,285,497)	(17,244,510)
Proceeds from sale of capital assets	0	0	0	0	0	0	0	0	0
Proceeds from note payable issued	0	0	0	0	0	0	0	0	1,396,637
Total other financing sources (uses)	8,996,608	11,372,828	20,369,436	1,543,978	2,103,461	(506,723)	1,481,048	11,154,473	15,776,237
Net change in fund balances	0	(199,017)	(198,017)	289,249	2,803,018	(433,812)	1,013,632	11,177,591	14,849,678
Beginning fund balances(deficits)	164,953	4,720,344	4,885,297	13,050,577	7,281,511	433,812	(820,946)	(1,500,198)	18,444,758
Fund balances (deficits), end of year	\$ 164,953	\$ 4,522,327	\$ 4,687,280	\$ 13,339,826	\$ 10,084,529	\$ 0	\$ 192,686	\$ 9,677,395	\$ 33,294,436

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, 2008

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Transportation Operating Fund	Redevelopment Programs Fund	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 940,248	\$ 6,239,492	\$ 0	\$ 3,873,846	\$ 11,053,586
Investments	307,055	2,039,002	0	1,265,069	3,611,126
Accounts receivable, net	954,654	214	0	0	954,868
Mortgage notes receivable, net	0	0	0	2,656,233	2,656,233
Accrued interest receivable	42,550	56,710	0	154,759	254,019
Real estate held for resale	0	0	0	363,151	363,151
Total current assets	<u>2,244,507</u>	<u>8,335,418</u>	<u>0</u>	<u>8,313,058</u>	<u>18,892,983</u>
Noncurrent assets:					
Investments	623,414	4,139,796	0	2,568,475	7,331,685
Capital assets:					
Land	327,169	0	0	0	327,169
Buildings, improvements and utility plant	16,173,300	2,502,070	0	0	18,675,370
Machinery and equipment	0	146,513	0	0	146,513
Less, accumulated depreciation	(1,859,930)	(461,366)	0	0	(2,321,296)
Construction in progress	0	3,794,473	0	0	3,794,473
Net capital assets	<u>14,640,539</u>	<u>5,981,690</u>	<u>0</u>	<u>0</u>	<u>20,622,229</u>
Mortgage notes receivable, net	0	0	0	22,533,282	22,533,282
Total noncurrent assets	<u>15,263,953</u>	<u>10,121,486</u>	<u>0</u>	<u>25,101,757</u>	<u>50,487,196</u>
Total assets	<u>\$ 17,508,460</u>	<u>\$ 18,456,904</u>	<u>\$ 0</u>	<u>\$ 33,414,815</u>	<u>\$ 69,380,179</u>
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 1,830,518	\$ 30,986	\$ 0	\$ 200,397	\$ 2,061,901
Accrued salaries and benefits	0	35,356	0	0	35,356
Compensated absences	0	5,648	0	0	5,648
Retainage payable	0	97,057	0	0	97,057
Due to other funds	0	0	0	1,163,920	1,163,920
Contract payable	911,364	0	0	0	911,364
Accrued interest payable	66,477	0	0	0	66,477
Total current liabilities	<u>2,808,359</u>	<u>169,047</u>	<u>0</u>	<u>1,364,317</u>	<u>4,341,723</u>
Noncurrent liabilities:					
Contract payable	954,654	0	0	0	954,654
Compensated absences	0	22,593	0	0	22,593
Total non-current liabilities	<u>954,654</u>	<u>22,593</u>	<u>0</u>	<u>0</u>	<u>977,247</u>
Total liabilities	<u>3,763,013</u>	<u>191,640</u>	<u>0</u>	<u>1,364,317</u>	<u>5,318,970</u>
Net Assets:					
Investment in capital assets, net of related debt	14,640,539	5,981,690	0	0	20,622,229
Unrestricted	(895,092)	12,283,574	0	32,050,498	43,438,980
Total net assets	<u>13,745,447</u>	<u>18,265,264</u>	<u>0</u>	<u>32,050,498</u>	<u>64,061,209</u>
Total liabilities and net assets	<u>\$ 17,508,460</u>	<u>\$ 18,456,904</u>	<u>\$ 0</u>	<u>\$ 33,414,815</u>	<u>\$ 69,380,179</u>

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

Year Ended June 30, 2008

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Transportation Operating Fund	Redevelopment Programs Fund	Totals
Operating revenues:					
Charges for services	\$ 0	\$ 3,980,323	\$ 0	\$ 0	\$ 3,980,323
Other operating revenue	784,235	0	0	934,614	1,718,849
Total operating revenue	<u>784,235</u>	<u>3,980,323</u>	<u>0</u>	<u>934,614</u>	<u>5,699,172</u>
Operating expenses:					
Personnel services	0	1,652,929	0	0	1,652,929
Materials and supplies	0	148,923	0	0	148,923
Other services and charges	1,830,518	0	0	287,589	2,118,107
Heat, light and power	784,584	0	0	0	784,584
Depreciation	323,466	195,235	0	0	518,701
Bad debt expense	0	0	0	3,302,318	3,302,318
Total operating expenses	<u>2,938,568</u>	<u>1,997,087</u>	<u>0</u>	<u>3,589,907</u>	<u>8,525,562</u>
Operating income (loss)	<u>(2,154,333)</u>	<u>1,983,236</u>	<u>0</u>	<u>(2,655,293)</u>	<u>(2,826,390)</u>
Nonoperating revenues (expenses):					
Investment income	132,574	506,163	0	328,922	967,659
Gain (loss) from sale of assets	0	0	0	(2,927)	(2,927)
Interest expense	(99,235)	0	0	(21,862)	(121,097)
Other nonoperating expense	0	0	(433,773)	0	(433,773)
Intergovernmental expenses	0	(1,521,134)	0	0	(1,521,134)
Total nonoperating revenues (expenses)	<u>33,339</u>	<u>(1,014,971)</u>	<u>(433,773)</u>	<u>304,133</u>	<u>(1,111,272)</u>
Income (loss) before transfers	<u>(2,120,994)</u>	<u>968,265</u>	<u>(433,773)</u>	<u>(2,351,160)</u>	<u>(3,937,662)</u>
Transfers:					
Transfers in	0	1,000,000	0	1,998,794	2,998,794
Transfers out	0	0	(533,119)	0	(533,119)
Change in net assets	<u>(2,120,994)</u>	<u>1,968,265</u>	<u>(966,892)</u>	<u>(352,366)</u>	<u>(1,471,987)</u>
Net assets - beginning	<u>15,865,972</u>	<u>16,585,809</u>	<u>966,892</u>	<u>32,402,864</u>	<u>65,821,537</u>
Prior period adjustment	469	(288,810)	0	0	(288,341)
Net assets - beginning, as restated	<u>15,866,441</u>	<u>16,296,999</u>	<u>966,892</u>	<u>32,402,864</u>	<u>65,533,196</u>
Ending net assets	<u>\$ 13,745,447</u>	<u>\$ 18,265,264</u>	<u>\$ 0</u>	<u>\$ 32,050,498</u>	<u>\$ 64,061,209</u>

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUND
 For the Year Ended June 30, 2008

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Transportation Operating Fund	Redevelopment Programs Fund	Total Nonmajor Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,656,140	\$ 3,980,109	\$ 0	\$ 1,053,179	\$ 6,689,428
Payments to suppliers	(784,584)	(1,619,732)	0	(88,006)	(2,492,322)
Payments to employees	0	(1,947,152)	0	0	(1,947,152)
Net cash provided by operating activities	871,556	413,225	0	965,173	2,249,954
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Due to (from) others	0	0	0	(202,275)	(202,275)
Intergovernmental expenses	0	(1,521,134)	0	0	(1,521,134)
Transfers in	0	1,000,000	0	1,998,794	2,998,794
Transfers out	0	0	(533,119)	0	(533,119)
Net cash used by noncapital and related financing activities	0	(521,134)	(533,119)	1,796,519	742,266
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	0	(340,405)	0	0	(340,405)
Principal paid on bonds and notes	(870,039)	0	0	(520,000)	(1,390,039)
Interest paid on debt	(129,963)	0	0	(27,053)	(157,016)
Net cash used by capital and related financing activities	(1,000,002)	(340,405)	0	(547,053)	(1,887,460)
CASH FLOWS FROM INVESTING ACTIVITIES					
(Purchase) sale of investments, net	(19,740)	(42,276)	263,465	272,299	473,748
Increase in mortgage notes receivable, net	0	0	0	(4,308,094)	(4,308,094)
Interest received	164,840	506,871	2,467	332,186	1,006,364
Sale of real estate held for resale	0	0	0	72,075	72,075
Purchase of real estate held for resale	0	0	0	(98,801)	(98,801)
Net cash provided (used) by investing activities	145,100	464,595	265,932	(3,730,335)	(2,854,708)
Net increase (decrease) in cash and cash equivalents	16,654	16,281	(267,187)	(1,515,696)	(1,749,948)
Cash and cash equivalents, July 1, 2007	923,594	6,223,211	267,187	5,389,542	12,803,534
Cash and cash equivalents, June 30, 2008	<u>\$ 940,248</u>	<u>\$ 6,239,492</u>	<u>\$ 0</u>	<u>\$ 3,873,846</u>	<u>\$ 11,053,586</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (2,154,333)	\$ 1,983,236	\$ 0	\$ (2,655,293)	\$ (2,826,390)
Adjustment to reconcile operating income to net cash provided (used) by operating activities					
Depreciation	323,466	195,235	0	0	518,701
Bad debt expense	0	0	0	3,302,318	3,302,318
Change in operating assets and liabilities					
Accounts receivable	871,905	(214)	0	118,565	990,256
Accounts payable	1,830,518	(1,781,630)	0	199,583	248,471
Accrued salaries	0	12,336	0	0	12,336
Accrued vacation	0	4,262	0	0	4,262
Total adjustments	3,025,889	(1,570,011)	0	3,620,466	5,076,344
Net cash provided (used) by operating activities	<u>\$ 871,556</u>	<u>\$ 413,225</u>	<u>\$ 0</u>	<u>\$ 965,173</u>	<u>\$ 2,249,954</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, 2008

	Fleet Management	Support Services	Risk Management	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 6,885	\$ 128,541	\$ 13,589,620	\$ 13,725,046
Investments	0	1,549,841	7,934,078	9,483,919
Accounts receivable	114,490	0	225,425	339,915
Accrued interest receivable	0	291	72,819	73,110
Prepaid expenses	0	142,355	44,563	186,918
Inventory	0	665,025	0	665,025
Total current assets	121,375	2,486,053	21,866,505	24,473,933
Noncurrent assets:				
Deposits	0	0	78,745	78,745
Capital assets				
Buildings	903,586	84,695	0	988,281
Machinery and equipment	10,232,381	493,210	18,428	10,744,019
Less, accumulated depreciation	(5,328,856)	(328,720)	(18,428)	(5,676,004)
Total capital assets (net of accumulated depreciation)	5,807,111	249,185	0	6,056,296
Total assets	\$ 5,928,486	\$ 2,735,238	\$ 21,945,250	\$ 30,608,974
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 581,360	\$ 504,917	\$ 745,481	\$ 1,831,758
Accrued salaries and benefits	48,425	17,900	9,960	76,285
OPEB liability	0	0	6,078,747	6,078,747
Accrued vacation	137,660	80,660	31,610	249,930
Capital lease payable	0	748,814	0	748,814
Due to other funds	5,161,041	613,526	0	5,774,567
Accrued liability for claims	0	0	15,079,452	15,079,452
Total current liabilities	5,928,486	1,965,817	21,945,250	29,839,553
Non-Current Liabilities:				
Capital lease payable	0	769,421	0	769,421
Total long term liabilities	0	769,421	0	769,421
Total liabilities	5,928,486	2,735,238	21,945,250	30,608,974
NET ASSETS				
Investment in capital assets	5,807,111	249,185	0	6,056,296
Unrestricted	(5,807,111)	(249,185)	0	(6,056,296)
Total net assets	0	0	0	0
Total liabilities and net assets	\$ 5,928,486	\$ 2,735,238	\$ 21,945,250	\$ 30,608,974

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

Year Ended June 30, 2008

	Fleet Management	Support Services	Risk Management	Total
Operating revenues:				
Charges for services	\$ 11,958,776	\$ 2,478,768	\$ 40,042,569	\$ 54,480,113
Total operating revenues	<u>11,958,776</u>	<u>2,478,768</u>	<u>40,042,569</u>	<u>54,480,113</u>
Operating expenses:				
Personnel services	2,368,472	930,588	6,541,878	9,840,938
Materials and supplies	8,088,121	1,393,025	11,353	9,492,499
Contractual services	16,864	374,428	0	391,292
Heat, light and power	68,462	0	0	68,462
Other charges and services	54,990	2,508,321	2,344,495	4,907,806
Claims and premiums	0	0	23,259,359	23,259,359
Depreciation	1,223,224	110,524	0	1,333,748
Total operating expenses	<u>11,820,133</u>	<u>5,316,886</u>	<u>32,157,085</u>	<u>49,294,104</u>
Operating income (loss)	<u>138,643</u>	<u>(2,838,118)</u>	<u>7,885,484</u>	<u>5,186,009</u>
Non-operating revenues (expenses):				
Interest income	0	30,303	0	30,303
Loss on sale of assets	(6,885)	0	0	(6,885)
Total non-operating revenues (expenses)	<u>(6,885)</u>	<u>30,303</u>	<u>0</u>	<u>23,418</u>
Income (Loss) before transfers	<u>131,758</u>	<u>(2,807,815)</u>	<u>7,885,484</u>	<u>5,209,427</u>
Transfers in	0	4,279,819	6,449,712	10,729,531
Transfers out	(7,008,264)	(1,021,581)	(10,838,124)	(18,867,969)
Net Transfers	<u>(7,008,264)</u>	<u>3,258,238</u>	<u>(4,388,412)</u>	<u>(8,138,438)</u>
Change in net assets	<u>(6,876,506)</u>	<u>450,423</u>	<u>3,497,072</u>	<u>(2,929,011)</u>
Net assets - beginning	6,876,506	(438,709)	(3,497,072)	2,940,725
Prior period adjustment	0	(11,714)	0	(11,714)
Net assets - beginning, as restated	<u>6,876,506</u>	<u>(450,423)</u>	<u>(3,497,072)</u>	<u>2,929,011</u>
Net assets - ending	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

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

Year Ended June 30, 2008

	Fleet Management	Support Services	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 11,871,834	\$ 2,480,360	\$ 39,821,394	\$ 54,173,588
Payments to suppliers	(8,098,226)	(3,695,367)	(25,727,822)	(37,521,415)
Payments to employees	(2,347,938)	(919,125)	(482,667)	(3,749,730)
Net cash provided (used) by operating activities	<u>1,425,670</u>	<u>(2,134,132)</u>	<u>13,610,905</u>	<u>12,902,443</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to (from) others	5,161,041	471,171	(1,478,759)	4,153,453
Transfers in	0	4,279,819	6,449,712	10,729,531
Transfers out	(7,008,264)	(1,021,581)	(10,838,124)	(18,867,969)
Net cash provided (used) by noncapital and related financing activities	<u>(1,847,223)</u>	<u>3,729,409</u>	<u>(5,867,171)</u>	<u>(3,984,985)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(2,262,384)	0	0	(2,262,384)
Principal and interest paid on lease	0	(728,758)	0	(728,758)
Net cash used by capital and related financing activities	<u>(2,262,384)</u>	<u>(728,758)</u>	<u>0</u>	<u>(2,991,142)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (purchase) of investments, net	1,330,731	(996,952)	4,656,624	4,990,403
Interest received	12,451	35,185	44,989	92,625
Net cash provided (used) by investing activities	<u>1,343,182</u>	<u>(961,767)</u>	<u>4,701,613</u>	<u>5,083,028</u>
Net increase (decrease) in cash and cash equivalents	(1,340,755)	(95,248)	12,445,347	11,009,344
Cash and cash equivalents, July 1, 2007	<u>1,347,640</u>	<u>223,789</u>	<u>1,144,273</u>	<u>2,715,702</u>
Cash and cash equivalents, June 30, 2008	<u>\$ 6,885</u>	<u>\$ 128,541</u>	<u>\$ 13,589,620</u>	<u>\$ 13,725,046</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 138,643	\$ (2,838,118)	\$ 7,885,484	\$ 5,186,009
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	1,223,224	110,524	0	1,333,748
Change in operating assets and liabilities				
Accounts receivable	(86,942)	1,592	(221,175)	(306,525)
Inventory	0	553,528	0	553,528
Prepaid expenses	0	0	(1,476)	(1,476)
Accounts payable	130,211	26,879	711,222	868,312
Accrued salaries	12,751	3,029	2,020	17,800
Accrued vacation	7,783	8,434	(21,556)	(5,339)
OPEB liability	0	0	6,078,747	6,078,747
Accrued liability for claims	0	0	(822,361)	(822,361)
Total adjustments	<u>1,287,027</u>	<u>703,986</u>	<u>5,725,421</u>	<u>7,716,434</u>
Net cash provided (used) by operating activities	<u>\$ 1,425,670</u>	<u>\$ (2,134,132)</u>	<u>\$ 13,610,905</u>	<u>\$ 12,902,443</u>

SUPPLEMENTARY INFORMATION

**CITY OF COLUMBIA
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
YEAR ENDED JUNE 30, 2008**

Court Fines and Assessments

Fines Collected	\$ 1,036,021
Assessments	938,246
Surcharges	445,064
Total Court Fines and Assessments Collected	<u>\$ 2,419,331</u>

Fines, Surcharges and Assessments Remitted to State Treasurer

DUI/DUS/BUI	
Municipal DUI Assessment	\$ 3,096
Municipal DUI Surcharge	6,100
Municipal DUI DPS Pullout	2,800
Surcharges	
Municipal Drug Surcharge	2,700
Municipal Law Enforcement Surcharge	401,910
Other Assessments - State Shared	828,102
Total Revenue Remitted to State Treasurer	<u>\$ 1,244,708</u>

Fines, Surcharges and Assessments Retained by City

Fines	\$ 1,036,021
Assessments	104,248
Surcharges	34,354
Total Revenue Retained by City	<u>\$ 1,174,623</u>

Funds Allocated to Victims Service

Carryover Funds from Prior Year	\$ -
Assessments Retained	104,248
Surcharges Retained	34,354
Expenditures	(170,695)
Transfers from General Fund	32,093
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	Intergovernmental Expenses	(2)		Total
								Non-Departmental	Departmental	
1999	\$ 18,254,231	\$ 670,699	\$ 29,007,448	\$ 14,504,870	\$ 4,780,980	\$ 1,827,872	\$ 0	\$ 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	0	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	0	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	0	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	0	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	0	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	0	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	0	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	0	40,249,283	11,450,613	160,750,119
2008	32,949,833	2,583,820	56,694,907	21,341,887	11,172,199	3,873,214	6,462,450	30,699,723	21,584,613	187,362,646

(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	Sales 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)			
1999	\$ 29,994,261	\$ 0	\$ 18,581,361	\$ 1,264,924	\$ 765,599	\$ 19,858,343	\$ 8,957,722	\$ 3,501,962	\$	\$ 82,924,172	
2000	31,156,007	0	19,473,839	1,138,140	954,736	24,464,558	9,012,986	3,936,122		90,136,388	
2001	33,545,198	0	21,331,968	957,822	1,465,644	31,889,662	9,177,057	4,275,664		102,643,015	
2002	34,670,479	0	22,576,535	986,247	1,371,073	30,318,580	9,351,199	6,687,714		105,961,827	
2003	36,233,504	0	23,487,750	881,319	853,450	26,535,765	9,420,593	17,949,043		115,361,424	
2004	36,099,720	5,506,276	25,431,285	792,154	52,231	29,191,496	9,517,515	11,723,684		118,314,361	
2005	36,529,356	6,580,448	26,666,050	903,730	1,114,238	22,563,698	6,059,904	8,574,582		108,992,006	
2006	41,546,505	6,972,280	27,911,017	788,374	1,869,260	32,327,219	7,708,719	10,403,418		129,526,792	
2007	46,684,713	7,571,767	31,162,106	786,187	3,512,130	37,782,027	8,412,727	8,423,821		144,335,478	
2008	45,540,299	8,061,364	29,961,967	910,061	3,451,240	41,207,393	7,200,753	8,234,349		144,567,426	

(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		
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
2008	43,166,262	42,814,209	99.18	805,279	43,619,488		101.05	881,007	2.04

(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	
1999	1998	\$ 168,096,480	\$ 3,346,262,917	\$ 96,120,012	\$ 944,391,074	\$ 264,216,492	\$ 4,290,653,991	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
2008	2007	308,221,850	6,240,046,571	112,847,593	1,353,108,906	421,069,443	7,593,155,477	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 2005 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	Richland County											Richland / Lexington		
	County			School District No. 1 (1)			School District No. 2			School District No. 5 (2)			Total	Total
	Millage	Purposes	Millage	Overlapping	School	Overlapping	School	Overlapping	School	Overlapping	School	Overlapping		
1998	99.0	82.1	192.8	373.9	212.4	393.5	214.6	395.7	214.6	395.7	214.6	395.7	395.7	395.7
1999	90.0	80.6	183.9	354.5	197.5	368.1	197.2	367.8	197.2	367.8	197.2	367.8	367.8	367.8
2000	92.0	78.5	193.0	363.5	208.8	379.3	212.9	383.4	212.9	383.4	212.9	383.4	383.4	383.4
2001	92.0	65.7	215.1	372.8	230.0	387.7	235.4	393.1	235.4	393.1	235.4	393.1	393.1	393.1
2002	92.0	70.8	238.9	401.7	258.1	420.9	255.6	418.4	255.6	418.4	255.6	418.4	418.4	418.4
2003	92.0	76.3	280.4	448.8	281.8	450.2	267.5	435.9	267.5	435.9	267.5	435.9	435.9	435.9
2004	92.0	80.0	289.1	461.1	289.5	461.5	266.4	438.4	266.4	438.4	266.4	438.4	438.4	438.4
2005	83.6	78.0	266.0	427.6	279.0	440.6	234.6	396.2	234.6	396.2	234.6	396.2	396.2	396.2
2006	99.0	76.4	282.7	458.1	295.4	470.8	253.0	428.4	253.0	428.4	253.0	428.4	428.4	428.4
2007	102.5	77.9	299.1	479.5	311.1	491.5	274.7	455.1	274.7	455.1	274.7	455.1	455.1	455.1

(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, 2008

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
South Carolina Electric & Gas	Utility	\$ 11,144,210	2.65%
BellSouth Telecom, Inc.	Communications	9,621,400	2.28%
Cingular Wireless	Communications	4,215,830	1.00%
GGP Columbiana Trust	Investment	2,963,010	0.70%
Main Street Associates	Real Estate	2,334,900	0.55%
Baker & Baker	Insurance	2,279,890	0.54%
Time Warner Ent. - Advance	Cable	2,060,060	0.49%
Unumprovident Corporation	Insurance	1,774,758	0.42%
Colonial Life & Accident	Insurance	1,726,610	0.41%
Parkway Properties LP	Real Estate	1,696,410	0.40%
Totals		\$ 39,817,078	9.44%

CITY OF COLUMBIA, SOUTH CAROLINA

Computation of Legal Debt Margin
(Unaudited)

Year Ended June 30, 2008

Assessed value as of January 1, 2007	
City limits Richland County	\$ 396,736,293
City limits Lexington County	24,333,150
Total	421,069,443
Business inventory 1987 assessed value	6,667,290
Total assessed value (see note)	\$ 427,736,733
Debt limit - Eight (8%) percent of assessed value, without voters' approval	\$ 34,218,939
Amount of debt applicable to debt limit:	
Total general bonded debt	28,155,000
Legal debt margin without a referendum	\$ 6,063,939

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	
				Payable From Enterprise Revenues (4)	Net Bonded Debt		Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1999	126,828	\$ 264,216,492	\$ 10,679,837	\$ 1,539,837	\$ 9,140,000	3.46	72.07	
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	70.86	
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	
2008	124,818	421,069,443	28,155,000	0	28,155,000	6.69	225.57	

(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 Debt Service	Total		Ratio of Debt Service to General Governmental Expenditures
				General Governmental Expenditures (3)	General Governmental Expenditures	
*1999	\$ 640,000	\$ 424,689	\$ 1,064,689	\$ 76,666,071		1.4
*2000	635,000	468,740	1,103,740	83,898,646		1.3
*2001	725,000	430,123	1,155,123	95,709,228		1.2
2002	595,000	385,398	980,398	95,858,067		1.0
*2003	595,000	667,546	1,262,546	105,298,901		1.2
*2004	1,170,000	955,943	2,125,943	113,119,371		1.9
*2005	1,270,000	914,545	2,184,545	119,787,994		1.8
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
2008	1,410,000	986,607	2,396,607	187,362,646		1.3

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

(2) Excludes bond issuance and other costs.

(3) Includes total governmental funds.

* Change from prior year figures

CITY OF COLUMBIA, SOUTH CAROLINA

Computation of Direct and Overlapping Bonded Debt
 General Obligation Bonds
 (Unaudited)
 Year Ended June 30, 2008

Jurisdiction	City of Columbia			Total
	Direct General Obligation Bonded Debt Outstanding (1)	Overlapping General Obligation Debt Outstanding	General Bonded Debt Outstanding (1)	
Direct:				
City of Columbia	\$ 28,155,000	\$ -	\$ -	\$ 28,155,000
Overlapping:				
Richland County School District No. 1	310,049,326	225,400,674		535,450,000
General purposes- Richland County	16,375,606	35,584,394		51,960,000
Riverbanks Park District	2,647,719	11,172,281		13,820,000
Total Overlapping	329,072,651	272,157,349		601,230,000
Total	\$ 357,227,651	\$ 272,157,349		\$ 629,385,000

(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	
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	51,852,947	40,873,422	14,915,000	7,052,737	21,967,737	1.86
2007	101,657,409	53,436,775	48,220,634	9,275,000	7,889,584	17,164,584	2.81
2008	118,014,221	61,347,968	56,666,253	9,865,000	7,419,673	17,284,673	3.28

(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

* Change from prior year figures

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
				Principal	Interest	Total	
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
2008	8,694,118	3,664,050	5,030,068	740,000	2,429,153	3,169,153	1.59

(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 disposal of capital assets.

(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)
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%
2008	127,029	33,943	24,179	5.8%

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
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
2008	2,228,698,817	2,046,781,375	4,275,480,192	60	117,112,809	708	81,871,255	9,554,642

(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)

	2008	2007	2006
Governmental activities			
Invested in capital assets, net of related debt	\$ 133,392,515	\$ 170,666,468	\$ 97,571,357
Restricted	5,435	7,270	6,982
Unrestricted	47,236,381	25,607,280	75,615,450
Total governmental activities net assets	\$ 180,634,331	\$ 196,281,018	\$ 173,193,789
Business-type activities			
Invested in capital assets, net of related debt	\$ 402,973,904	\$ 441,526,920	\$ 412,723,624
Unrestricted	159,528,897	87,904,766	95,972,456
Total business-type activities net assets	\$ 562,502,801	\$ 529,431,686	\$ 508,696,080
Primary Government			
Invested in capital assets, net of related debt	\$ 536,366,419	\$ 612,193,388	\$ 510,294,981
Restricted	5,435	7,270	6,982
Unrestricted	206,765,278	113,512,046	171,587,906
Total primary government net assets	\$ 743,137,132	\$ 725,712,704	\$ 681,889,869

CITY OF COLUMBIA, SOUTH CAROLINA

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

	2008	2007	2006
Expenses			
Governmental activities:			
General government	\$ 37,178,955	\$ 35,358,581	\$ 51,296,220
Judicial	2,131,608	2,167,922	2,044,037
Finance department	2,474,302	1,982,964	1,360,869
Community development	4,012,966	3,904,174	3,396,497
Public safety	55,514,924	50,306,710	41,619,178
Parks and recreation	11,544,030	11,053,830	7,853,425
Public services	20,835,435	24,014,241	22,868,279
General services	4,018,322	3,382,092	5,791,988
Community promotions	9,744,750	9,926,673	7,946,764
Interest on bonds	4,459,396	4,081,910	2,275,464
Intergovernmental	6,462,450	-	-
Non departmental	5,441,551	3,433,419	1,147,254
Total governmental activities expenses	163,818,690	149,612,515	147,599,975
Business-type activities:			
Water/sewer facilities	85,963,177	83,849,936	80,189,801
Hydro-electric plant	3,037,803	1,020,132	1,010,483
Storm water operating	3,383,853	3,382,264	1,683,476
Parking facilities	5,213,105	5,139,583	6,149,446
Transportation operating	433,773	30,320	31,363
Redevelopment programs	3,611,769	774,935	901,209
Total business-type expenses	101,643,480	94,197,170	89,965,778
Total primary government expenses	\$ 265,462,170	\$ 243,809,685	\$ 237,565,753
Program revenues			
Governmental activities:			
Charges for services	\$ 57,359,483	\$ 56,583,922	\$ 51,943,738
Operating grants and contributions	27,663,920	22,841,837	23,235,979
Capital grants and contributions	5,649,457	8,291,673	2,165,766
Total governmental program revenues	90,672,860	87,717,432	77,345,483
Business-type activities:			
Charges for services	125,406,366	109,493,479	103,272,992
Capital grants and contributions	12,847,905	12,161,089	13,738,679
Total business-type program revenues:	138,254,271	121,654,568	117,011,671
Total primary government revenues	\$ 228,927,131	\$ 209,372,000	\$ 194,357,154
Net (Expense)/Revenue			
Governmental activities	\$ (73,145,830)	\$ (61,895,082)	\$ (70,254,492)
Business-type activities	36,610,791	27,457,398	27,045,893
Total primary government net revenue (expense)	\$ (36,535,039)	\$ (34,437,685)	\$ (43,208,599)
General Revenues			
Governmental activities:			
Taxes	\$ 30,888,940	\$ 31,728,223	\$ 26,933,379
Lost revenue	14,988,418	14,988,418	14,241,132
Sales taxes	8,061,364	7,571,767	6,972,280
Alcoholic beverages taxes	254,562	300,633	201,450
State shared revenue	3,796,780	3,435,403	3,204,139
Motor fuel taxes	1,275	7,715	9,241
Miscellaneous state taxes	0	0	10,383
Unrestricted investment earnings	3,481,543	4,670,483	2,478,194
Gain/Loss from disposal of capital assets	(1,159,745)	(7,426,558)	(2,950,480)
Transfers	2,788,348	8,736,903	5,832,436
Total general government revenues/transfers	\$ 63,101,485	\$ 64,012,987	\$ 56,932,154
Business-type activities:			
Unrestricted investment earnings	8,194,017	6,715,293	5,536,084
Gain/Loss from disposal of capital assets	(228,140)	(116,006)	22,080
Transfers	(2,788,348)	(8,736,903)	(5,832,436)
Total business-type activities:	5,177,529	(2,137,616)	(274,272)
Total primary government general revenues	\$ 68,279,014	\$ 61,875,371	\$ 56,657,882
Change in Net Assets			
Governmental activities	\$ (10,044,345)	\$ 2,117,905	\$ (13,322,338)
Business-type activities	41,788,320	25,319,782	25,319,782
Total primary government	\$ 31,743,975	\$ 27,437,687	\$ 13,449,282

CITY OF COLUMBIA, SOUTH CAROLINA

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

	2008		2007		2006
General Fund					
Reserved for encumbrances	\$ 1,901,955	\$	2,037,950	\$	1,126,443
Reserved for prepaid charges	181,481		0		0
Unreserved	10,463,453		21,687,149		22,394,019
Total General Fund	\$ <u>12,546,889</u>	\$	\$ <u>23,725,099</u>	\$	\$ <u>23,520,462</u>
All Other Governmental Funds					
Reserved for encumbrances	\$ 7,664,534	\$	17,972,849	\$	22,428,329
Reserved for prepaid charges	858		0		0
Reserved					
Nonexpendable	5,000		1,983		1,982
Expendable	435		5,287		5,000
Unreserved, reported in:					
Special revenue funds	7,018,168		12,579,898		9,751,796
Debt service funds	4,687,280		4,885,298		4,086,495
Capital projects funds	28,512,163		10,968,390		14,032,774
Total all other governmental funds	\$ <u>47,888,438</u>	\$	\$ <u>46,413,705</u>	\$	\$ <u>50,306,376</u>

CITY OF COLUMBIA, SOUTH CAROLINA

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

	2008	2007	2006
Revenues			
General property taxes	\$ 45,540,299	\$ 46,684,713	\$ 41,546,505
Sales taxes	8,061,364	7,571,767	6,972,280
Licenses and permits	29,961,967	31,162,106	27,911,017
Intergovernmental revenue	11,401,560	9,879,961	8,884,739
Charges for services	7,200,753	8,412,727	7,708,719
Fines and forfeitures	910,061	786,187	788,374
Federal government	8,143,042	6,296,982	7,364,346
State government	2,988,092	1,630,152	2,501,419
County government	18,674,699	19,974,932	13,576,715
Promotions	148,073	188,563	60,177
Confiscated drugs	192,623	44,057	143,818
Interest	3,451,240	3,512,130	1,869,260
Other revenues	5,158,653	4,991,201	6,999,423
Cost recovery fees	2,735,000	3,200,000	3,200,000
Total revenues	<u>144,567,426</u>	<u>144,335,478</u>	<u>129,526,793</u>
Expenditures			
Current			
General government	30,673,629	30,136,559	46,732,884
Judicial	2,276,204	1,874,399	1,833,635
Finance department	2,583,820	1,747,050	1,252,432
Community development	4,311,401	3,249,126	3,093,611
Public safety	56,694,907	42,204,031	37,555,878
Parks and recreation	11,172,199	8,959,135	6,857,319
Public services	21,341,887	20,907,423	21,433,541
General services	3,873,214	3,221,626	5,181,242
Community promotions	9,744,750	8,028,392	7,946,764
Intergovernmental	6,462,450	-	-
Non departmental	5,348,207	1,994,232	656,597
Other charges	1,983	1,567,941	483,367
Debt service			
Principle retirement	16,741,585	7,559,169	8,168,439
Interest on bonds	4,838,956	3,804,084	1,626,467
Fiscal agent charges	4,072	87,360	5,208
Capital outlay			
Capital outlay	11,293,382	25,409,592	6,027,774
Total expenditures	<u>187,362,646</u>	<u>160,750,119</u>	<u>148,855,158</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,795,220)</u>	<u>(16,414,641)</u>	<u>(19,328,365)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	57,336,108	23,252,127	25,167,313
Transfers (out)	(46,409,322)	(31,432,694)	(19,334,877)
Proceeds from disposal of capital assets	9,021,764	2,526,053	6,485,100
Proceeds from note payable issued	13,143,195	22,014,258	1,500,000
Total other financing sources (uses)	<u>33,091,745</u>	<u>16,359,744</u>	<u>13,817,536</u>
Net change in fund balances	<u>\$ (9,703,475)</u>	<u>\$ (54,897)</u>	<u>\$ (5,510,829)</u>
Debt service as a percentage of noncapital expenses	<u>12%</u>	<u>8%</u>	<u>7%</u>

CITY OF COLUMBIA, SOUTH CAROLINA

Miscellaneous Statistics

(UNAUDITED)

Year Ended June 30, 2008

<hr/>			
Date of Incorporation			
Town			December 21, 1805
City			December 21, 1854
Form of Government			Council-Manager
Area - Square Miles			136.20
Miles of Streets and Sidewalks			
Streets			473.70
Sidewalks			303.50
Miles of Sanitary Sewers			1036.90
Building Permits			
Permits issued			4,667
Estimated Cost - taxable property			346,319,269
Estimated Cost - nontaxable property			4,941,183
Fire Protection			
Number of stations			12
Number of employees			282
Police Protection			
Number of Stations			22
Authorized strength:			
Full-time sworn			340
Part-time civilians			2
Full-time civilians			58
Recreation			
Parks and playgrounds - acres			582.2
City owned parks and playgrounds			54
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	39,688	93,784	133,472
Sewer	32,479	35,846	68,325
Daily Average			
consumption billed			53,446,593
Plant Capacity			146,000,000
Miles of water mains			1,935.69
Number of fire hydrants (in-City)			3,307

CITY OF COLUMBIA, SOUTH CAROLINA

Miscellaneous Statistics

(UNAUDITED)

Year Ended June 30, 2008

Election Data	
Registered voters in the City (District 1C)	58,360
Number of votes cast last election	10,660
Percentage of registered voters voting	18.00%
Traffic Signals and Street Lights	
Controlled traffic signal intersections	262
Four-way flashing signal at intersections	16
	45
Number of street lights	9,259
Education (Public School System Only)	
City school system(Richland County School District 1)	
Number of school buildings	51
Number of teachers	2,195
Number of students registered	24,179
Average daily attendance:	
Elementary schools	10,556
Middle schools	4,959
High schools	6,740
Universities and Colleges	
Number of locations	8
Number of students registered	36,941
City of Columbia Permanent Employees	
Full-time	2,178
Part-time	88