

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

CITY OF COLUMBIA, SOUTH CAROLINA

FISCAL YEAR ENDED JUNE 30, 2010

**City Manager
Steven A. Gantt**

**Finance Director
William H. Ellis, CPA**

**Prepared by the
Finance Department**

TABLE OF CONTENTS

**CITY OF COLUMBIA, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended June 30, 2010**

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
City Leaders	5
Organizational Charts	6
 FINANCIAL SECTION	
Independent Auditors' 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/(Deficits) – 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
Statement of Net Assets – Discretely Presented Component Unit – Columbia Empowerment Zone, Inc.	37
Statement of Activities – Discretely Presented Component Unit – Columbia Empowerment Zone, Inc.	38
Notes to Financial Statements	39

TABLE OF CONTENTS (CONTINUED)

	PAGE
FINANCIAL SECTION (CONTINUED)	
Required Supplementary Information	
Schedules of Funding Progress and Employer Contributions – Other Postemployment Benefits	74
Budgetary Comparison Schedule - General Fund	75
Notes to Budgetary Comparison Schedule	76
Combining and Individual Fund Statements and Schedules	
Schedule of Revenues and Other Financing Sources – Budget and Actual – General Fund	77
Schedule of Expenditures and Other Financing Uses – Budget and Actual – General Fund	80
Combining Balance Sheet – Nonmajor Governmental Funds	87
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	89
Combining Statement of Net Assets – Nonmajor Proprietary Funds	91
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Proprietary Funds	92
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	93
Combining Statement of Net Assets/(Deficits) – Internal Service Funds	94
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets/(Deficits) - Internal Service Funds	95
Combining Statement of Cash Flows – Internal Service Funds	96
Supplementary Information	
Schedule of Fines, Assessments and Surcharges	97
STATISTICAL SECTION (UNAUDITED)	
General Governmental Expenditures by Function	98
General Governmental Revenues by Source	99
Property Tax Levies and Collections	100
Assessed and Estimated Actual Value of Property	101
Property Tax Rates--Direct and Overlapping Governments	102
Principal Taxpayers	103
Computation of Legal Debt Margin	104
Ratio of Net General Obligation Bonded Debt Per Capita to Assessed Value and Net General Obligation Bonded Debt Per Capita	105
Ratio of Annual Debt Service Expenditures--General Obligation Bonded Debt--Total General Governmental Expenditures	106
Computation of Direct and Overlapping Bonded Debt-- General Obligation Bonds	107
Revenue Bond Coverage--Water and Sewer Bonds	108
Revenue Bond Coverage--Parking Bonds	109
Demographic Statistics	110
Property Value, Construction and Bank Deposits	111
Net Assets by Component	112
Changes in Net Assets	113
Fund Balances, Governmental Funds	114
Changes in Fund Balances, Governmental Funds	115
Miscellaneous Statistics	116

INTRODUCTORY SECTION



**CITY OF COLUMBIA
SOUTH CAROLINA**

March 28, 2011

Honorable Stephen K. Benjamin, 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, 2010 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, 2010, 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, Required Supplementary Information, 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 136.23 square miles of land within the corporate boundaries of the City. The City's estimated population is 129,333 with 626,567 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 decreased from 351,230 to 346,214. Even a regional decrease in employment did not prevent the City from increasing the General Fund assets. 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.

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, 2010, all certificates of deposit were insured through the FDIC or collateralized with investments held by third party institutions. All investments are in compliance with South Carolina State Laws (S.C. Code of Laws, § 6-5-10).

Budgetary control

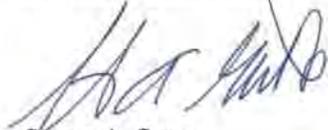
The City maintains budgetary controls, which are designed to ensure compliance with legal provisions of the annual budget adopted by Council. It is the City's objective to conduct an open budget process providing for input from department administrators, top management, elected officials and the public 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.

In closing, we are thankful for the leadership and support of the 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, CPA
Finance Director

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

As of July 2010

Mayor

Stephen K. Benjamin

Council Members

District 1
District 2
District 3
District 4
At Large
At Large

Sam Davis
Brian DeQuincey Newman
Belinda Gergel
Leona Plough
Tameika Isaac-Devine
Daniel J. Rickenmann

City Manager

Steven A. Gantt

Assistant City Managers

Senior Assistant City Manager for Operations
Assistant City Manager for Administrative Services
Assistant City Manager for Public Safety

S. Allison Baker
Gladys L. Brown
Michael King

Department Directors

City Attorney
Community Development
Court Administrator
Development Services
Economic Development
Emergency Communications
Finance
Fire
General Services
Governmental Affairs & Community Relations
Human Resources
Information Technology
Office of Business Opportunities
Parks and Recreation
Police
Public Relations
Public Works
Utilities & Engineering

Ken Gaines
Tony Lawton
Judge Dana Turner
Marc S. Mylott
James B. Gambrell
Michael King
William Ellis, CPA
Aubrey Jenkins (interim)
David Knoche
Teresa Florence
Jacques A. Gilliam
Vincent Simonowicz
Tony Lawton
S. Allison Baker
Carl Burke, Interim
Leshia Utsey
Melissa Smith Gentry, P.E.
Joseph Jaco

Development Corporation Directors

Columbia Development Corp
Columbia Housing/TN Development Corp
Eau Claire Development Corp

Fred Delk
Deborah Livingston
Michael Manis

Other Corporation Directors

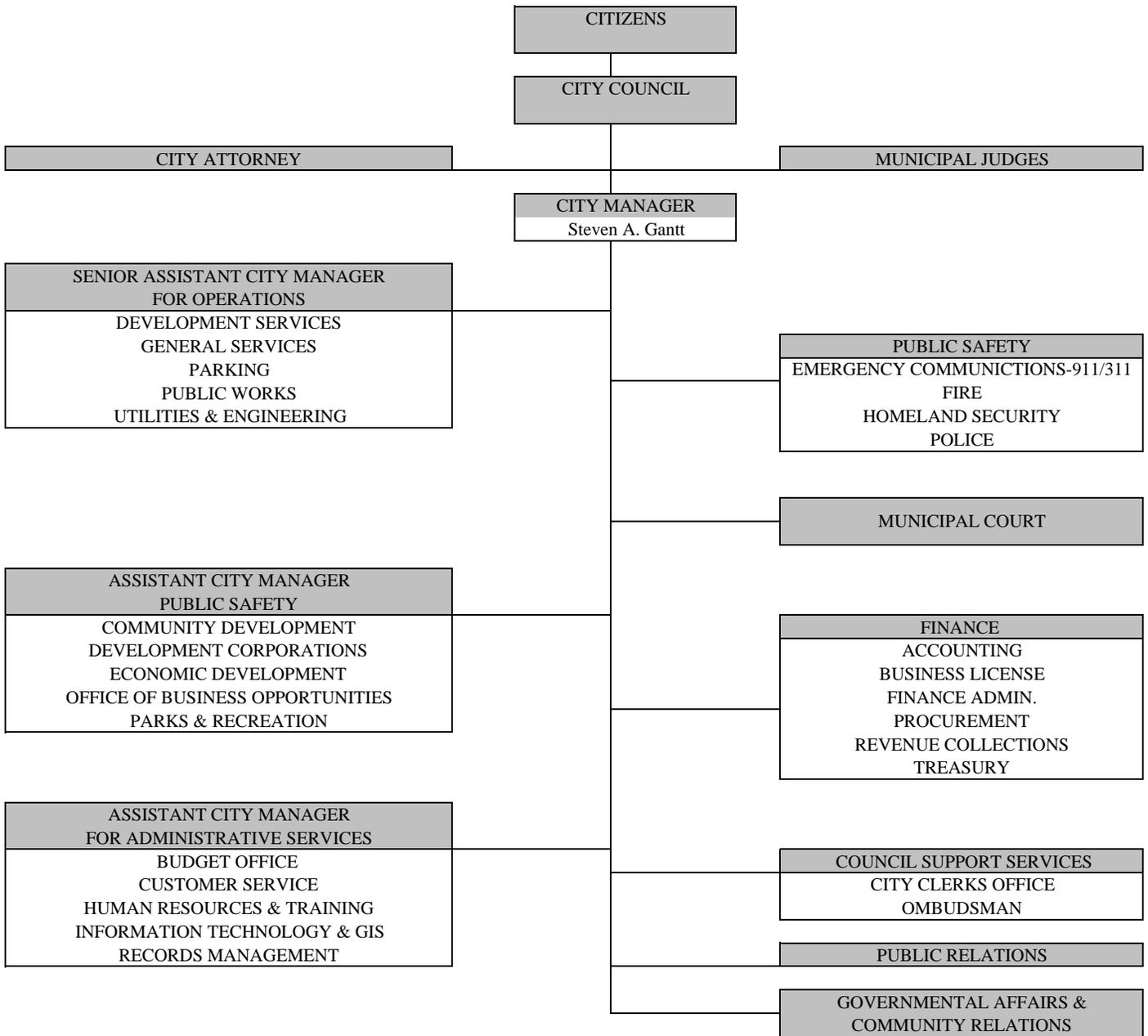
Columbia Empowerment Zone, Inc.
Midlands Convention Center Authority

Tony Lawton
Ric Lubber

CITY OF COLUMBIA, SOUTH CAROLINA

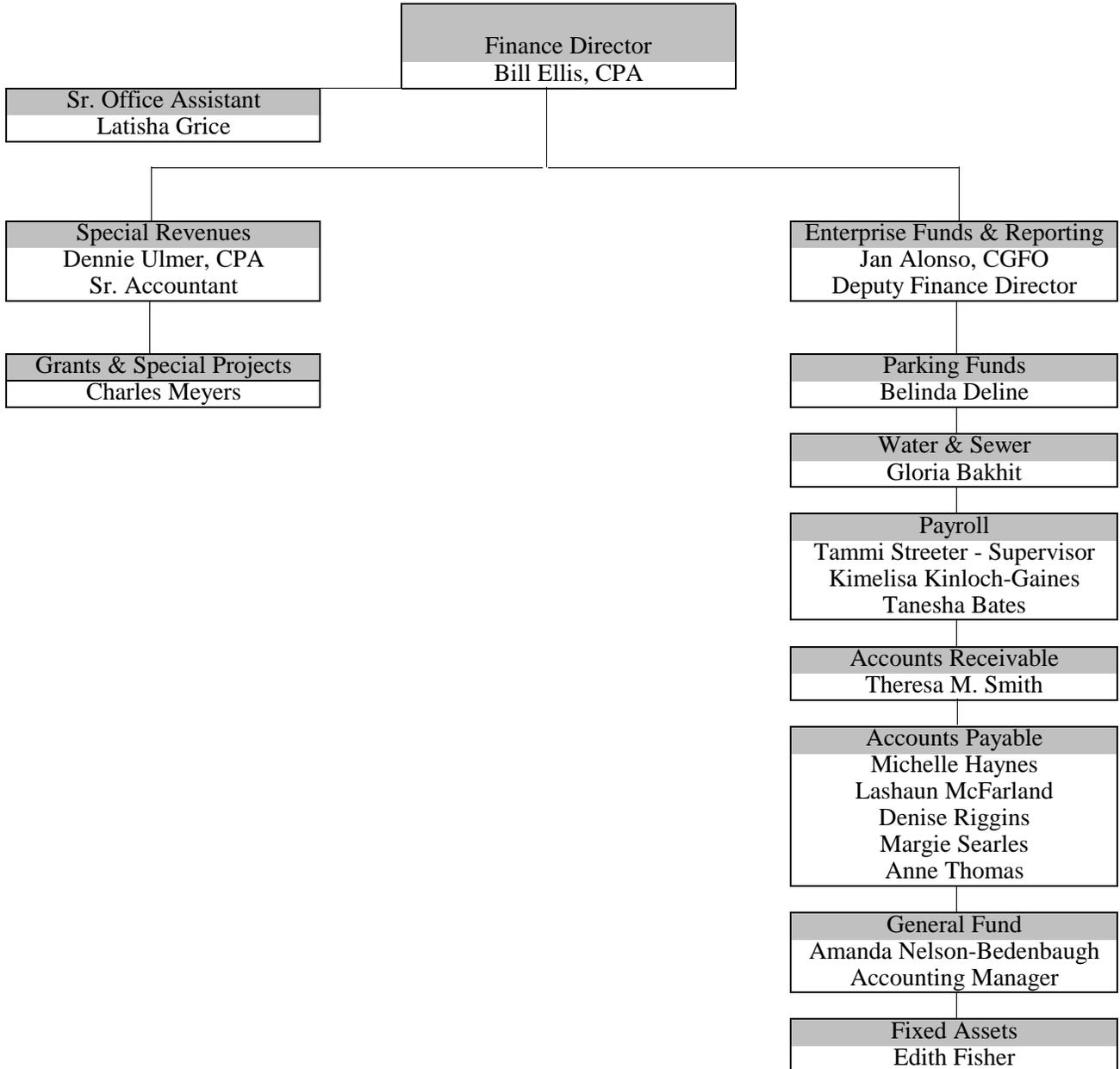
ORGANIZATIONAL CHART

As of July 2010



CITY OF COLUMBIA, SOUTH CAROLINA

ACCOUNTING DIVISION ORGANIZATIONAL CHART



Independent Auditors' Report

The Honorable Stephen K. Benjamin, Mayor
and Members of City Council
City of Columbia, South Carolina
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, 2010, 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 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, 2010, 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.

As discussed in Note I.F. to the basic financial statements, effective July 1, 2009, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

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

Members

SC Association of Certified Public Accountants

NC Association of Certified Public Accountants

Member

Division for CPA Firms, AICPA

RSM McGladrey Network
An Independently Owned Member

PO Box 6289 (29502)
1411 Second Loop Road (29505)
Florence, SC
843-665-5900, Fax 843-678-9523
www.websterrogers.com

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 Schedule of Fines, Assessments and Surcharges listed in the Table of Contents under Supplementary Information is presented for purposes of additional analysis as required by the State of South Carolina and is 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.

Handwritten signature of Webster Rogus LLP in cursive script.

Columbia, South Carolina
March 17, 2011

FINANCIAL SECTION

**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 three" financially significant facts, if you should read nothing further, these highlights are important for you to know and find confidence in the fact that your elected officials and appointed professionals are maintaining the City's long history of financial stewardship, integrity and strength.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$785.4 million (net assets), including \$580.0 million invested in capital assets, net of related debt.
- The government's total net assets increased by \$3.6 million when compared to the net assets on June 30, 2009.
- The Local Option Sales Tax was implemented in 2006. This alternative funding method provided \$15.7 million in revenue during the year ended June 30, 2010 as an "offset" to property taxes.

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, 2010 and 2009**

	Governmental Activities		Business-type Activities		Total	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Assets						
Current and other assets	\$ 126,791,575	\$ 95,601,087	\$ 377,334,953	\$ 186,479,152	\$ 504,126,528	\$ 282,080,239
Capital assets	<u>206,955,612</u>	<u>236,964,944</u>	<u>598,606,876</u>	<u>604,895,471</u>	<u>805,562,488</u>	<u>841,860,415</u>
Total assets	<u><u>333,747,187</u></u>	<u><u>332,566,031</u></u>	<u><u>975,941,829</u></u>	<u><u>791,374,623</u></u>	<u><u>1,309,689,016</u></u>	<u><u>1,123,940,654</u></u>
Liabilities						
Long-term liabilities						
outstanding	85,432,136	92,036,631	348,140,425	167,247,070	433,572,561	259,283,701
Other liabilities	<u>60,158,426</u>	<u>51,279,442</u>	<u>30,579,650</u>	<u>31,561,448</u>	<u>90,738,076</u>	<u>82,840,890</u>
Total liabilities	<u><u>145,590,562</u></u>	<u><u>143,316,073</u></u>	<u><u>378,720,075</u></u>	<u><u>198,808,518</u></u>	<u><u>524,310,637</u></u>	<u><u>342,124,591</u></u>
Net assets						
Invested in capital assets, net of related debt	141,865,590	150,922,216	438,133,821	445,685,893	579,999,411	596,608,109
Restricted	5,575	5,528	9,231,571	0	9,237,146	5,528
Unrestricted	<u>46,285,460</u>	<u>38,322,214</u>	<u>149,856,362</u>	<u>146,880,212</u>	<u>196,141,822</u>	<u>185,202,426</u>
Total net assets	<u><u>\$ 188,156,625</u></u>	<u><u>\$ 189,249,958</u></u>	<u><u>\$ 597,221,754</u></u>	<u><u>\$ 592,566,105</u></u>	<u><u>\$ 785,378,379</u></u>	<u><u>\$ 781,816,063</u></u>

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, 2010 and 2009**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues						
Charges for services	\$ 50,199,048	\$ 53,314,387	\$ 122,046,529	\$ 122,439,045	\$ 172,245,577	\$ 175,753,432
Operating grants & contributions	33,896,504	29,022,624	0	0	33,896,504	29,022,624
Capital grants & contributions	5,851,833	11,318,774	5,154,530	8,358,175	11,006,363	19,676,949
General revenues						
Property taxes	34,096,781	35,042,668	0	0	34,096,781	35,042,668
Other taxes	26,974,144	25,634,617	0	0	26,974,144	25,634,617
Unrestricted investment income	417,459	1,282,669	5,146,089	5,589,423	5,563,548	6,872,092
Gain on disposal of capital assets	-	1,891,037	17,476	3,843,432	17,476	5,734,469
Total revenues	151,435,769	157,506,776	132,364,624	140,230,075	283,800,393	297,736,851
Expenses						
General government	53,883,052	41,427,388	0	0	53,883,052	41,427,388
Judicial	2,360,125	2,364,353	0	0	2,360,125	2,364,353
Finance department	1,986,467	2,647,689	0	0	1,986,467	2,647,689
Community development	4,017,482	4,192,966	0	0	4,017,482	4,192,966
Public safety	50,615,722	57,138,835	0	0	50,615,722	57,138,835
Parks & recreation	8,681,126	11,142,423	0	0	8,681,126	11,142,423
Public services	17,884,065	20,798,283	0	0	17,884,065	20,798,283
General services	3,598,839	3,919,228	0	0	3,598,839	3,919,228
Community promotion	8,990,842	8,321,723	0	0	8,990,842	8,321,723
Interest on bonds	3,413,317	3,824,725	0	0	3,413,317	3,824,725
Non departmental	1,936,148	1,694,525	0	0	1,936,148	1,694,525
Water/sewer facilities	0	0	103,530,941	85,747,245	103,530,941	85,747,245
Hydro electric plant	0	0	3,310,407	5,989,066	3,310,407	5,989,066
Storm water operating	0	0	4,117,396	3,148,296	4,117,396	3,148,296
Parking facilities	0	0	6,959,024	5,740,304	6,959,024	5,740,304
Redevelopment programs	0	0	4,704,419	960,872	4,704,419	960,872
camp	0	0	248,705	0	248,705	0
Total expenses	157,367,185	157,472,138	122,870,892	101,585,783	280,238,077	259,057,921
Increase (decrease) in net assets before transfers	(5,931,416)	34,638	9,493,732	38,644,292	3,562,316	38,678,930
Transfers	4,838,083	8,580,988	(4,838,083)	(8,580,988)	0	0
Change in net assets	(1,093,333)	8,615,626	4,655,649	30,063,304	3,562,316	38,678,930
Net assets - beginning of year	189,249,958	180,634,332	592,566,105	562,502,801	781,816,063	743,137,133
Net assets - end of year	\$ 188,156,625	\$ 189,249,958	\$ 597,221,754	\$ 592,566,105	\$ 785,378,379	\$ 781,816,063

MANAGEMENT’S DISCUSSION & ANALYSIS – UNAUDITED (Continued)

In comparison to the prior year net assets, the City’s net assets decreased \$1.1 million in governmental activities and increased \$4.7 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 ended June 30, 2010.

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, 2010	\$188,157
Less: Net Assets June 30, 2009	<u>189,250</u>
Change in Assets	<u>\$ (1,093)</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	\$89,948		
General Revenues	61,488		
Other Revenues/Transfers	4,838		
General Government		\$58,029	
Judicial		2,360	
Finance		1,987	
Community Development		4,017	
Public Safety		50,616	
Parks and Recreation		8,681	
Public Services		17,884	
General Services		3,599	
Community Promotions		4,845	
Interest on Bonds		3,413	
Other		<u>1,936</u>	
Net Revenues	<u>\$156,274</u>		
Less: Expenses		<u>\$157,367</u>	
Total Net Change in Assets			<u>\$ (1,093)</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)

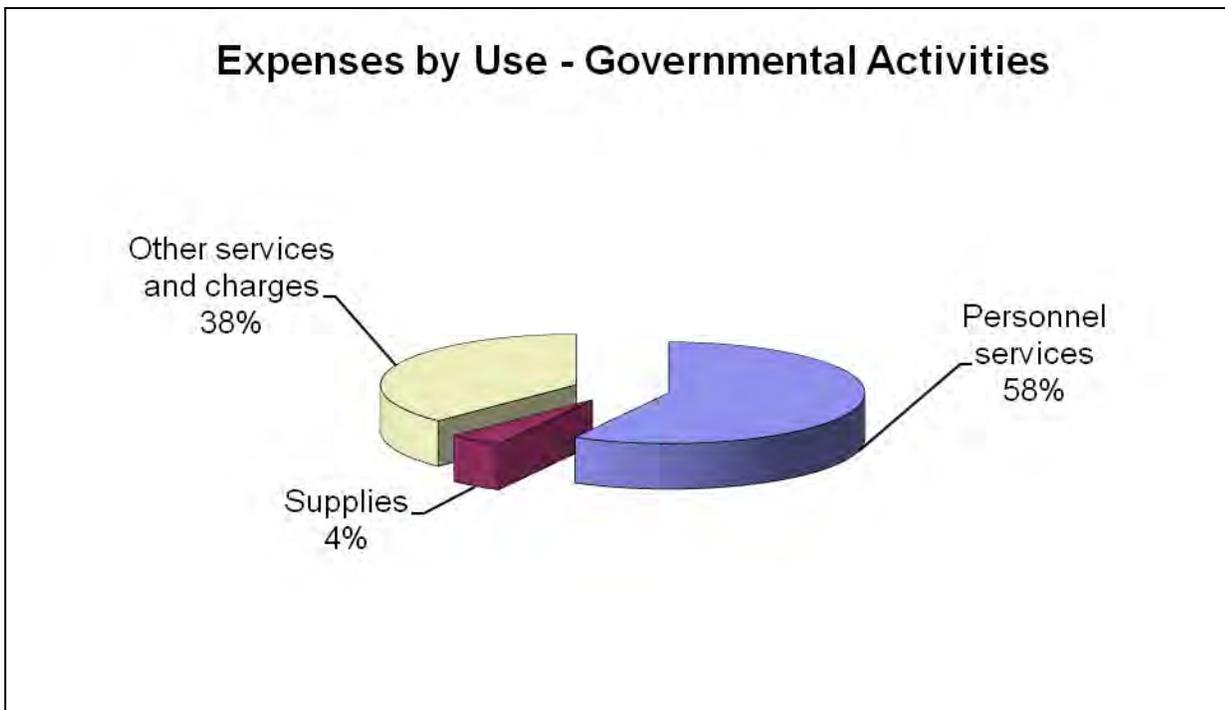
**Revenues by Source – Governmental Activities
(in thousands)**

Charges for services	\$ 50,199
Operating and capital grants and contributions	39,749
General property taxes	34,097
Other taxes	26,974
Unrestricted investment income	417
Other/Transfer	<u>4,838</u>
Total	<u><u>\$ 156,274</u></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	\$ 90,664
Supplies	5,686
Other services and charges	<u>61,017</u>
Total	<u><u>\$ 157,367</u></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, 2010	\$ 597,222
Less: Net Assets June 30, 2009	<u>592,566</u>
Change in Assets	<u>\$ 4,656</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)**

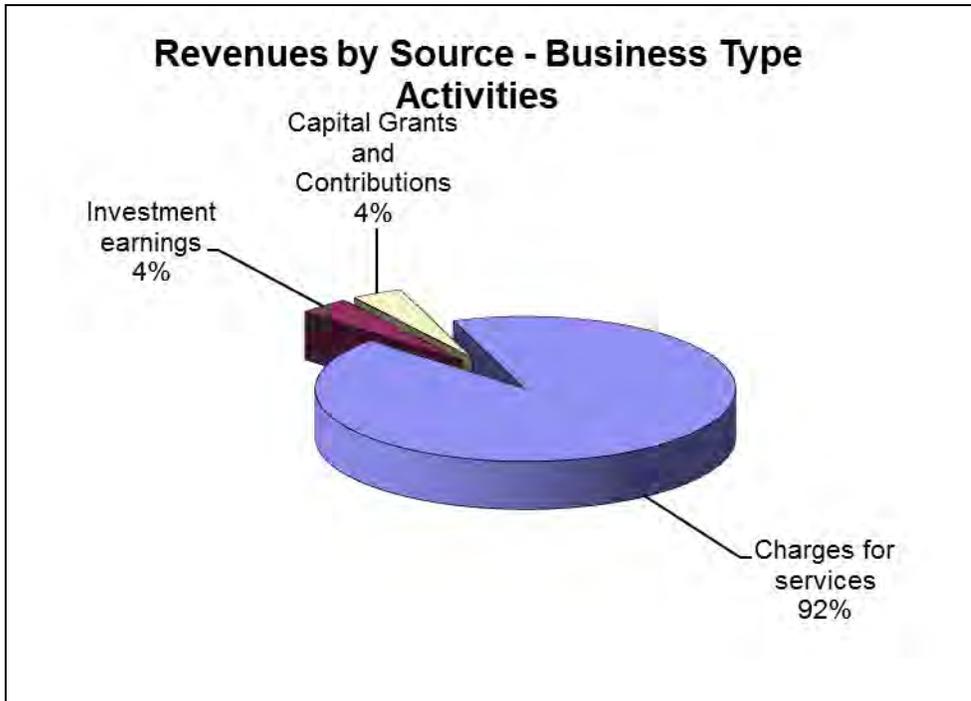
	<u>Revenues</u>	<u>Expenses</u>	<u>Net Change</u>
Charge for Services	\$122,047		
Capital Grants and Contributions	5,155		
Investment Income	5,146		
Gain on disposal	17		
Water & Sewer		\$103,531	
Hydro-Electric Plant		3,310	
Storm Water		4,117	
Parking Facilities		6,959	
Redevelopment		4,705	
Parks and Recreation Camp		249	
Other/Transfers		<u>4,838</u>	
Net Revenues	\$132,365		
Less: Expenses		<u>\$127,709</u>	
Total Net Change in Assets			<u>\$4,656</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	\$ 122,047
Investment Earnings	5,146
Capital Grants and Contributions	5,155
Gain on disposal	<u>17</u>
Total	<u>\$ 132,365</u>



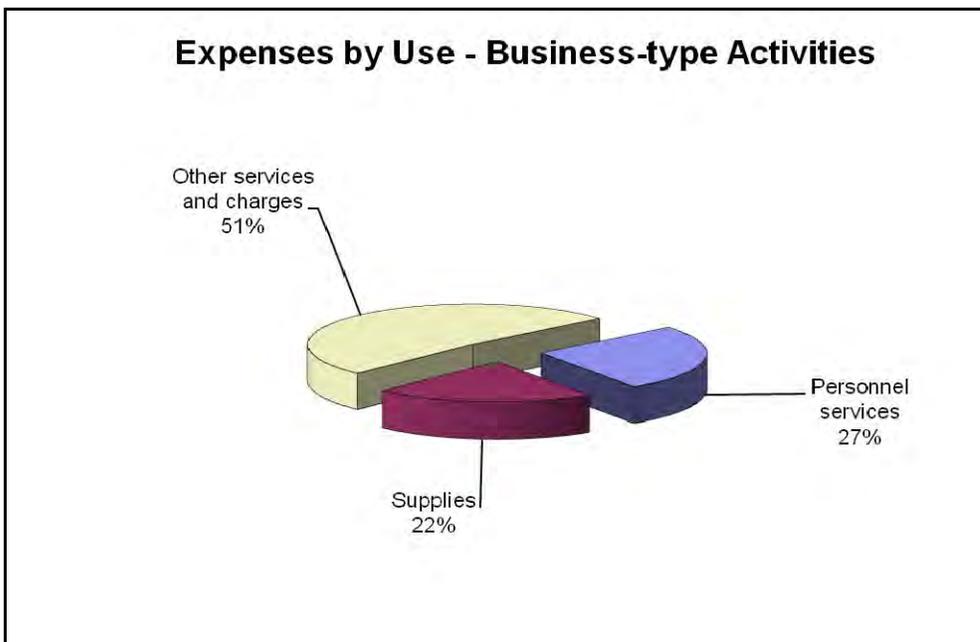
The previously displayed information shows that operating revenues are considerable and that the Water and Sewer department is the main contributor of total revenue for charges for services.

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	\$	33,973
Supplies		27,554
Other services and charges		66,182
Total	\$	127,709



MANAGEMENT'S DISCUSSION & ANALYSIS – UNAUDITED (Continued)

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

Financial Analysis of the City's Funds

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned 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 increase in fund balance of \$3.8 million in comparison with the prior year decrease of \$9.3 million. A portion of the total fund balance amount of \$55.0 million constitutes unassigned fund balance of \$14.0 million, which is available for allocation at the government's discretion. However, a significant part of the fund balance is assigned to indicate that it is not available because it has already been allocated 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 unassigned fund balance of \$13.7 million existed, which is a measure of the general fund's liquidity. This is the result of an increase of \$8.6 million during the current fiscal year. At the close of the same year the fund balance of the nonmajor special revenue funds decreased by \$3.7 million. Also of note is the nonmajor Capital Project funds that decreased by \$3.2 million due to significant capital outlay expenditures during the year.

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 primarily 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 \$831.1 million and operating revenues of \$108.9 million. Both of these measures reflect well upon the long-term management practices of the department.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2010 amounts to \$805.6 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”.
- \$16.7 million of improvements to the water and sewer projects were completed and added to capital assets.
- The Horizon and Discovery garages recorded in the Columbia Parking Facilities Corporation Fund for approximately \$30 million, were removed from the fund as a capital lease was executed with the University of South Carolina.
- 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 2010).

City’s Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 32,654,510	\$ 32,609,510	\$ 28,330,426	\$ 25,689,277	\$ 60,984,936	\$ 58,298,787
Construction						
work-in-progress	22,347,438	15,802,905	64,367,998	70,529,134	86,715,436	86,332,039
Infrastructure	12,040,179	11,756,781	0	0	12,040,179	11,756,781
Buildings	129,150,599	162,177,631	495,686,298	498,060,274	624,836,897	660,237,905
Equipment	10,762,886	14,618,117	10,222,154	10,616,786	20,985,040	25,234,903
Total	\$ 206,955,612	\$ 236,964,944	\$ 598,606,876	\$ 604,895,471	\$ 805,562,488	\$ 841,860,415

Additional information on the City’s capital assets can be found in note III. F. on pages 56-58 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 increased by \$176.1 million during the current fiscal year. This increase in debt is attributed to the issuance of 2009 and 2010 series of bonds by the Water and Sewer fund decreased by principal payments made during the year on outstanding debt. The 2009 series was issued in the amount of \$81.9 million and 2010 series was issued in the amount of \$105 million.

At the end of the current fiscal year, the City had total debt outstanding of \$448.0 million. Of this amount, \$23.1 million comprises debt backed by the full faith and credit of the government. 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. I. on pages 61-68 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, regarding postemployment benefits other than pensions, 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.

Due to the adoption of GASB Statement 45, in the year ended June 30, 2008, the City recognized the Annual Required Contribution ("ARC") of \$15.4 million 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. See Note III H. Other 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 continued use 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.

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
Finance Director

BASIC FINANCIAL STATEMENTS

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET ASSETS

June 30, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 74,816,277	\$ 38,770,548	\$ 113,586,825	\$ 4,946,248
Investments	13,245,307	68,176,561	81,421,868	8,631,794
Receivables				
Property taxes	1,828,030	0	1,828,030	0
Federal government	7,547,008	0	7,547,008	0
State government	3,748,146	0	3,748,146	0
County government	186,593	0	186,593	0
Accounts	1,763,666	9,432,755	11,196,421	631,656
Accrued interest	76,775	517,371	594,146	1,604
Notes, net of allowance	0	1,140,802	1,140,802	282,985
Inventory	436,339	2,588,884	3,025,223	0
Due from component units	0	500,000	500,000	0
Internal balances	(5,361,919)	5,361,919	0	0
Security deposit	0	0	0	2,500
Prepaid expenses	763,237	33,144	796,381	168,563
Capital lease receivable	535,000	0	535,000	0
Real estate held for sale and development	0	1,036,966	1,036,966	1,568,224
Total current assets	99,584,459	127,558,950	227,143,409	16,233,574
Noncurrent assets				
Cash	1,285,708	0	1,285,708	0
Investments	7,899,451	222,968,098	230,867,549	0
Mortgage notes receivable, net	0	22,340,680	22,340,680	773,917
Deposits	78,745	0	78,745	0
Other assets				
Unamortized bond issue costs	1,562,258	4,467,225	6,029,483	0
Deferred loan costs	0	0	0	4,340
Real estate held for sale and development	0	0	0	1,913,086
Capital lease receivable	16,380,954	0	16,380,954	0
Restricted assets				
Real estate held for sale and development	0	0	0	1,013,959
Capital assets not being depreciated:				
Land	32,654,510	28,330,426	60,984,936	710,326
Construction in progress	22,347,438	64,367,998	86,715,436	0
Capital assets net of accumulated depreciation:				
Buildings, improvements and utility plant	129,150,599	495,686,298	624,836,897	2,981,579
Office furniture and fixtures	0	0	0	353,044
Infrastructure	12,040,179	0	12,040,179	0
Machinery and equipment	10,762,886	10,222,154	20,985,040	0
Other capital assets	0	0	0	915
Total noncurrent assets	234,162,728	848,382,879	1,082,545,607	7,751,166
Total assets	\$ 333,747,187	\$ 975,941,829	\$ 1,309,689,016	\$ 23,984,740

(Continued)

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

June 30, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 5,692,313	\$ 5,938,317	\$ 11,630,630	\$ 1,493,832
Accrued salaries and benefits	3,458,659	979,297	4,437,956	0
OPEB liability	27,855,546	0	27,855,546	0
Accrued liability for claims	13,010,644	0	13,010,644	0
Accrued interest	544,574	5,237,934	5,782,508	0
Retainage payable	1,036,377	2,625,699	3,662,076	0
Deferred revenue	1,639,219	0	1,639,219	542,962
Due to primary government	0	0	0	500,000
Compensated absences	1,266,094	372,806	1,638,900	89,643
Current notes and mortgages payable	195,000	0	195,000	1,876,468
Current contracts payable	0	2,645,601	2,645,601	0
General obligation bonds (due in one year)	2,730,000	0	2,730,000	0
Revenue bonds payable (due in one year)	2,730,000	12,775,000	15,505,000	0
Customer deposits	0	4,996	4,996	1,000
Total current liabilities	60,158,426	30,579,650	90,738,076	4,503,905
Noncurrent liabilities				
Noncurrent notes payable	5,814,142	0	5,814,142	0
Compensated absences	5,064,378	1,491,221	6,555,599	0
Bonds (due after one year)	74,553,616	344,712,401	419,266,017	5,014,436
Contracts payable	0	1,936,803	1,936,803	0
Total noncurrent liabilities	85,432,136	348,140,425	433,572,561	5,014,436
Total liabilities	145,590,562	378,720,075	524,310,637	9,518,341
NET ASSETS				
Invested in capital assets, net of related debt	141,865,590	438,133,821	579,999,411	280,768
Restricted	5,575	9,231,571	9,237,146	1,035,842
Unrestricted	46,285,460	149,856,362	196,141,822	13,149,789
Total net assets	188,156,625	597,221,754	785,378,379	14,466,399
Total liabilities and net assets	\$ 333,747,187	\$ 975,941,829	\$ 1,309,689,016	\$ 23,984,740

See accompanying notes to financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2010

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Units
					Governmental Activities	Business-type Activities		
Primary government								
Governmental activities								
General government	\$ 53,883,052	\$ 6,461,975	\$ 34,156,520	\$ 1,126,700	\$ (12,137,857)	\$ 0	\$ (12,137,857)	\$ 0
Judicial	2,360,125	0	0	0	(2,360,125)	0	(2,360,125)	0
Finance department	1,986,467	26,306,361	0	0	24,319,894	0	24,319,894	0
Community development	4,017,482	1,112,332	0	0	(2,905,150)	0	(2,905,150)	0
Public safety	50,615,722	13,953,062	0	0	(36,662,660)	0	(36,662,660)	0
Parks and recreation	8,681,126	629,982	0	0	(8,051,144)	0	(8,051,144)	0
Public services	17,884,065	860,914	459,623	4,725,133	(11,838,395)	0	(11,838,395)	0
General services	3,598,839	0	0	0	(3,598,839)	0	(3,598,839)	0
Community promotion	8,990,842	0	0	0	(8,990,842)	0	(8,990,842)	0
Interest expense	3,413,317	0	0	0	(3,413,317)	0	(3,413,317)	0
Non departmental	1,936,148	154,783	0	0	(1,781,365)	0	(1,781,365)	0
Total governmental activities	157,367,185	49,479,409	34,616,143	5,851,833	(67,419,800)	0	(67,419,800)	0
Business-type activities								
Water/sewer facilities	103,530,941	109,044,457	0	5,154,530	0	10,668,046	10,668,046	0
Hydro-electric plant	3,310,407	1,346,041	0	0	0	(1,964,366)	(1,964,366)	0
Storm water operating	4,117,396	4,800,452	0	0	0	683,056	683,056	0
Parking facilities	6,959,024	5,765,996	0	0	0	(1,193,028)	(1,193,028)	0
Redevelopment programs	4,704,419	881,876	0	0	0	(3,822,543)	(3,822,543)	0
Parks and recreation camp	248,705	207,707	0	0	0	(40,998)	(40,998)	0
Total business-type activities	122,870,892	122,046,529	0	5,154,530	0	4,330,167	4,330,167	0
Total primary government	\$ 280,238,077	\$ 171,525,938	\$ 34,616,143	\$ 11,006,363	(67,419,800)	4,330,167	(63,089,633)	0
COMPONENT UNITS	\$ 11,133,383	\$ 5,727,810	\$ 6,298,898	\$ 0	0	0	0	893,325
General revenues								
General property taxes					34,096,781	0	34,096,781	0
Local Option Sales Tax					15,722,327	0	15,722,327	0
Sales taxes					7,941,705	0	7,941,705	0
Alcoholic beverage taxes					261,200	0	261,200	0
State shared revenue					3,037,888	0	3,037,888	0
Motor fuel taxes					11,024	0	11,024	0
Unrestricted investment earnings					417,459	5,146,089	5,563,548	74,308
Gain from disposal of capital assets					0	17,476	17,476	(70,279)
Transfers					4,838,083	(4,838,083)	0	0
Total general revenues and transfers					66,326,467	325,482	66,651,949	4,029
Change in net assets					(1,093,333)	4,655,649	3,562,316	897,354
Net assets - beginning					189,249,958	592,566,105	781,816,063	13,254,163
Prior period adjustment					0	0	0	314,882
Net assets - restated					189,249,958	592,566,105	781,816,063	13,569,045
Net assets - ending					\$ 188,156,625	\$ 597,221,754	\$ 785,378,379	\$ 14,466,399

See accompanying notes to financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2010

	General	County Services	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 8,111,779	\$ 1,294,782	\$ 30,340,437	\$ 39,746,998
Investments	8,684,097	0	12,460,661	21,144,758
Receivables:				
Property taxes	1,828,030	0	0	1,828,030
Federal government	0	0	7,547,008	7,547,008
State government	3,234,410	0	513,736	3,748,146
County	186,383	0	210	186,593
Accounts, net	437,375	0	400,700	838,075
Accrued interest receivable	63,804	0	12,971	76,775
Capital lease receivable	16,915,954	0	0	16,915,954
Prepaid charges	246,160	35,374	6,943	288,477
Total assets	\$ 39,707,992	\$ 1,330,156	\$ 51,282,666	\$ 92,320,814
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,152,723	\$ 276,743	\$ 2,224,704	\$ 4,654,170
Accrued salaries and benefits	2,584,595	714,422	60,611	3,359,628
Retainage payable	0	0	1,036,377	1,036,377
Deferred revenue	19,517,858	0	292,858	19,810,716
Due to other funds	0	0	8,488,005	8,488,005
Total liabilities	24,255,176	991,165	12,102,555	37,348,896
Fund balances:				
Nonspendable	246,160	35,374	6,943	288,477
Restricted	0	0	5,575	5,575
Assigned	1,538,430	0	39,198,661	40,737,091
Unassigned	13,668,226	303,617	(31,068)	13,940,775
Total fund balances	15,452,816	338,991	39,180,111	54,971,918
Total liabilities and fund balances	\$ 39,707,992	\$ 1,330,156	\$ 51,282,666	\$ 92,320,814

See accompanying notes to financial statements

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

June 30, 2010

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

Fund balance - total governmental funds	\$	54,971,918
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		(3,897,192)
Eliminations relating to the consolidation in Internal Service funds resulted in an amount due to business-type activities from governmental activities in the statement of net assets		3,290,336
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		206,955,612
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 \$196,000		1,255,543
Unamortized bond costs		1,562,258
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		(6,330,472)
Accrued interest		(544,574)
Accrued bonds and notes payable		(84,009,142)
Unamortized premium		(2,013,616)
Execution of capital lease for capital assets which does not provide current financial resources and, therefore, is not recorded in the funds		<u>16,915,954</u>
Net assets of governmental activities	\$	<u>188,156,625</u>

See accompanying notes to financial statements

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

For the Year Ended June 30, 2010

	General	County Services	Other Governmental Funds	Total Governmental Funds
REVENUES				
General property taxes	\$ 48,930,564	\$ 0	\$ 0	\$ 48,930,564
Sales taxes	0	0	7,941,705	7,941,705
License and permits	27,418,693	0	0	27,418,693
Intergovernmental revenue	11,961,868	0	0	11,961,868
Charges for services	7,004,130	33	0	7,004,163
Fines and forfeitures	864,112	0	0	864,112
Federal government	0	0	16,205,021	16,205,021
State government	0	0	1,634,625	1,634,625
County government	0	17,954,568	3,129,943	21,084,511
Promotions	0	0	144,639	144,639
Confiscated funds	0	0	74,057	74,057
Interest	275,145	0	142,313	417,458
Other revenues	421,389	0	2,933,887	3,355,276
Cost recovery fees	2,270,000	0	0	2,270,000
Total revenues	99,145,901	17,954,601	32,206,190	149,306,692
EXPENDITURES				
Current:				
General government	6,569,608	16,788,523	9,572,901	32,931,032
Judicial	2,264,446	0	0	2,264,446
Finance department	1,953,988	0	0	1,953,988
Planning and development	3,898,247	0	0	3,898,247
Public safety	48,395,798	0	386,890	48,782,688
Parks and recreation	9,133,653	0	0	9,133,653
Public services	17,039,160	0	218,370	17,257,530
General services	3,537,722	0	0	3,537,722
Community promotion	643,200	0	8,347,642	8,990,842
Non departmental	1,066,644	0	0	1,066,644
Other charges	0	0	729,482	729,482
Debt service:				
Principal payment on bonds	0	0	5,205,034	5,205,034
Interest on bonds	0	0	3,444,234	3,444,234
Fiscal agent charges	0	0	8,040	8,040
Capital outlay:				
Capital outlay	0	4,432	9,406,484	9,410,916
Total expenditures	94,502,466	16,792,955	37,319,077	148,614,498
Excess (deficiency) of revenues over (under) expenditures	4,643,435	1,161,646	(5,112,887)	692,194
OTHER FINANCING SOURCES (USES)				
Transfers in	10,230,780	0	12,571,083	22,801,863
Transfers (out)	(6,402,076)	(822,655)	(12,586,433)	(19,811,164)
Sale of capital assets	156,782	0	0	156,782
Total other financing sources (uses)	3,985,486	(822,655)	(15,350)	3,147,481
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	8,628,921	338,991	(5,128,237)	3,839,675
Beginning fund balance	6,823,895	0	44,308,348	51,132,243
Ending fund balance	\$ 15,452,816	\$ 338,991	\$ 39,180,111	\$ 54,971,918

See accompanying notes to 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, 2010

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

Net change in fund balance - total governmental funds	\$	3,839,675
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		(594,657)
Eliminations relating to the consolidation of internal service funds resulted in a net increase in expenses for the business type activities in the statement of activities		696,928
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		8,888,007
Depreciation expense		(7,991,812)
Disposition of capital assets		(13,177,456)
Proceeds from the sale of capital assets		156,782
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		229,939
Accrued interest		30,917
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources		1,126,700
Because certain receivables will not be collected soon enough after the City's fiscal year ends, the related revenues are not considered "available" and are deferred in the governmental funds		775,140
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		<u>4,926,504</u>
Net change in net assets - governmental activities	\$	<u><u>(1,093,333)</u></u>

See accompanying notes to financial statements

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

June 30, 2010

	Business-type Activities				Governmental Activities
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 16,446,390	\$ 3,798,276	\$ 18,525,882	\$ 38,770,548	\$ 36,354,987
Investments	62,702,733	3,145,973	2,327,855	68,176,561	0
Accounts receivable, net	7,285,773	146,982	2,000,000	9,432,755	925,591
Mortgage notes receivable, net	108,356	0	1,032,446	1,140,802	0
Accrued interest receivable	396,489	49,993	70,889	517,371	0
Due from other funds	17,325,088	0	0	17,325,088	0
Due from component units	500,000	0	0	500,000	0
Inventory	2,451,690	137,194	0	2,588,884	436,339
Prepaid expenses	28,206	2,828	2,110	33,144	474,760
Real estate held for resale	0	0	1,036,966	1,036,966	0
Total current assets	107,244,725	7,281,246	24,996,148	139,522,119	38,191,677
Noncurrent assets					
Investments	196,933,082	18,714,556	7,320,460	222,968,098	0
Mortgage notes receivable, net	0	0	22,340,680	22,340,680	0
Deposits	0	0	0	0	78,745
Unamortized bond costs	3,325,946	1,141,279	0	4,467,225	0
Capital assets:					
Land	9,827,001	18,163,566	339,859	28,330,426	0
Construction in progress	59,130,562	582,356	4,655,080	64,367,998	0
Buildings, improvements and utility plant	715,797,622	42,641,813	20,561,142	779,000,577	903,586
Machinery and equipment	28,860,151	1,513,983	698,266	31,072,400	12,185,675
Less, accumulated depreciation	(290,003,147)	(10,286,336)	(3,875,042)	(304,164,525)	(7,760,112)
Net capital assets	523,612,189	52,615,382	22,379,305	598,606,876	5,329,149
Total noncurrent assets	723,871,217	72,471,217	52,040,445	848,382,879	5,407,894
Total assets	\$ 831,115,942	\$ 79,752,463	\$ 77,036,593	\$ 987,904,998	\$ 43,599,571

(Continued)

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

June 30, 2010

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds	Total	Internal Service Funds
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 5,169,638	\$ 143,136	\$ 625,543	\$ 5,938,317	\$ 1,038,143
Accrued salaries and benefits	815,525	66,205	97,567	979,297	99,031
OPEB liability	0	0	0	0	27,855,546
Compensated absences	336,013	24,709	12,084	372,806	48,317
Retainage	2,481,981	0	143,718	2,625,699	0
Due to other funds	0	0	3,585,270	3,585,270	5,251,813
Accrued liability for claims	0	0	0	0	13,010,644
Contracts payable	0	0	2,645,601	2,645,601	0
Accrued interest payable	4,322,428	915,506	0	5,237,934	0
Revenue bonds payable	11,905,000	870,000	0	12,775,000	0
Customer deposits	0	4,996	0	4,996	0
Total current liabilities payable from current assets	<u>25,030,585</u>	<u>2,024,552</u>	<u>7,109,783</u>	<u>34,164,920</u>	<u>47,303,494</u>
Long-term liabilities:					
Contracts payable	0	0	1,936,803	1,936,803	0
Compensated absences	1,344,050	98,834	48,337	1,491,221	193,269
Revenue bonds payable, net	298,648,321	46,064,080	0	344,712,401	0
Total long-term liabilities	<u>299,992,371</u>	<u>46,162,914</u>	<u>1,985,140</u>	<u>348,140,425</u>	<u>193,269</u>
Total liabilities	<u>325,022,956</u>	<u>48,187,466</u>	<u>9,094,923</u>	<u>382,305,345</u>	<u>47,496,763</u>
Net Assets:					
Invested in capital assets, net of related debt	395,905,915	19,848,601	22,379,305	438,133,821	5,329,149
Restricted for debt service	9,231,571	0	0	9,231,571	0
Unrestricted	100,955,500	11,716,396	45,562,365	158,234,261	(9,226,341)
Total net assets/(deficits)	<u>506,092,986</u>	<u>31,564,997</u>	<u>67,941,670</u>	<u>605,599,653</u>	<u>(3,897,192)</u>
Total liabilities and net assets	<u>\$ 831,115,942</u>	<u>\$ 79,752,463</u>	<u>\$ 77,036,593</u>	<u>987,904,998</u>	<u>\$ 43,599,571</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund				<u>(8,377,899)</u>	
Net assets of business type activities				<u>\$ 597,221,754</u>	

See accompanying notes to financial statements

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

For the Year Ended June 30, 2010

	Business-type Activities				Governmental Activities
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds	Total	Internal Service Funds
Operating revenues:					
Charges for services	\$ 108,568,066	\$ 4,105,279	\$ 5,008,159	\$ 117,681,504	\$ 46,664,939
Other operating revenue	355,062	1,602,601	2,227,917	4,185,580	0
Total operating revenues	<u>108,923,128</u>	<u>5,707,880</u>	<u>7,236,076</u>	<u>121,867,084</u>	<u>46,664,939</u>
Operating expenses:					
Personnel services	29,180,296	2,426,564	2,365,642	33,972,502	14,675,712
Materials and supplies	27,156,394	198,607	198,925	27,553,926	6,575,302
Contractual services	0	0	0	0	274,019
Other services and charges	11,351,968	276,712	7,461,976	19,090,656	4,364,757
Heat, light and power	5,770,578	304,570	1,125,271	7,200,419	50,264
Claims and premiums	0	0	0	0	21,832,562
Indirect costs	2,270,000	0	0	2,270,000	0
Depreciation	19,732,608	1,257,799	642,382	21,632,789	1,402,820
Bad debt expense	664,651	0	497,718	1,162,369	0
Total operating expenses	<u>96,126,495</u>	<u>4,464,252</u>	<u>12,291,914</u>	<u>112,882,661</u>	<u>49,175,436</u>
Operating income (loss)	<u>12,796,633</u>	<u>1,243,628</u>	<u>(5,055,838)</u>	<u>8,984,423</u>	<u>(2,510,497)</u>
Nonoperating revenues (expenses):					
Investment income	4,329,922	350,586	465,581	5,146,089	0
Other nonoperating revenue	121,329	58,116	0	179,445	0
Gain (loss) from sale of assets	15,006	855	1,615	17,476	68,546
Interest expense	(6,660,713)	(2,336,120)	(11,337)	(9,008,170)	0
Intergovernmental expenses	0	0	(21,914)	(21,914)	0
Amortization of bond costs	(157,351)	(103,868)	0	(261,219)	0
Total nonoperating revenues (expenses)	<u>(2,351,807)</u>	<u>(2,030,431)</u>	<u>433,945</u>	<u>(3,948,293)</u>	<u>68,546</u>
Income (loss) before contributions and transfers	<u>10,444,826</u>	<u>(786,803)</u>	<u>(4,621,893)</u>	<u>5,036,130</u>	<u>(2,441,951)</u>
Capital contributions and transfers:					
Transfers in	342,783	0	5,349,039	5,691,822	3,146,287
Transfers out	(7,094,469)	(1,333,763)	(2,101,673)	(10,529,905)	(1,298,903)
Development contributions	5,154,530	0	0	5,154,530	0
Total capital contributions and transfers:	<u>(1,597,156)</u>	<u>(1,333,763)</u>	<u>3,247,366</u>	<u>316,447</u>	<u>1,847,384</u>
Change in net assets	<u>8,847,670</u>	<u>(2,120,566)</u>	<u>(1,374,527)</u>	<u>5,352,577</u>	<u>(594,567)</u>
Net assets/(deficits) - beginning	<u>497,245,316</u>	<u>33,685,563</u>	<u>69,316,197</u>		<u>(3,302,625)</u>
Net assets/(deficits) - ending	<u>\$ 506,092,986</u>	<u>\$ 31,564,997</u>	<u>\$ 67,941,670</u>		<u>\$ (3,897,192)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund				<u>(696,928)</u>	
Change in net assets of business-type activities				<u>\$ 4,655,649</u>	

See accompanying notes to financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	Business-type Activities			Governmental Activities	
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 108,190,382	\$ 5,783,609	\$ 12,568,270	\$ 126,542,261	\$ 46,497,584
Payments to suppliers	(46,254,604)	(726,025)	(12,543,237)	(59,523,866)	(34,773,151)
Payments to employees	(29,153,795)	(2,418,537)	(2,279,843)	(33,852,175)	(3,557,790)
Net cash (used in) provided by operating activities	32,781,983	2,639,047	(2,254,810)	33,166,220	8,166,643
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Due to (from) others	1,608,617	0	(1,429,161)	179,456	(1,848,957)
Intergovernmental expenses	0	0	(21,914)	(21,914)	0
Transfers in	342,783	0	5,349,039	5,691,822	3,146,287
Transfers out	(7,094,469)	(1,333,763)	(2,101,673)	(10,529,905)	(1,298,903)
Net cash (used in) provided by noncapital financing activities	(5,143,069)	(1,333,763)	1,796,291	(4,680,541)	(1,573)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(6,486,681)	(2,525,154)	(1,512,418)	(10,524,253)	(7,720)
Proceeds from sale of capital assets	15,006	0	0	15,006	0
Proceeds from bond issuance	191,685,220	0	0	191,685,220	345,983
Principal paid on bonds and notes	(11,295,000)	(826,943)	0	(12,121,943)	0
Interest paid on debt	(4,974,411)	(2,344,612)	(45,347)	(7,364,370)	0
Net cash (used in) provided by capital and related financing activities	168,944,134	(5,696,709)	(1,557,765)	161,689,660	338,263
CASH FLOWS FROM INVESTING ACTIVITIES					
(Purchases) proceeds from sale of investments	(216,469,691)	(15,793,975)	(2,136,709)	(234,400,375)	0
Advances on mortgage receivable	0	0	(4,314,593)	(4,314,593)	0
Collections on mortgage receivable	10,862	0	6,413,731	6,424,593	0
Interest received	4,400,233	371,267	475,923	5,247,423	0
Rent received	121,329	58,116	0	179,445	0
Purchase of real estate held for resale	0	0	(597,758)	(597,758)	0
Net cash used in investing activities	(211,937,267)	(15,364,592)	(159,406)	(227,461,265)	0
Net increase (decrease) in cash and cash equivalents	(15,354,219)	(19,756,017)	(2,175,690)	(37,285,926)	8,503,333
Cash and cash equivalents, July 1, 2009	31,800,609	23,554,293	20,701,572	76,056,474	27,851,654
Cash and cash equivalents, June 30, 2010	\$ 16,446,390	\$ 3,798,276	\$ 18,525,882	\$ 38,770,548	\$ 36,354,987

(continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2010
(continued)

	Business-type Activities				Governmental Activities
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 12,796,633	\$ 1,243,628	\$ (5,055,838)	\$ 8,984,423	\$ (2,510,497)
Adjustment to reconcile operating income to net cash provided by (used in) operating activities					
Depreciation	19,732,608	1,257,799	642,382	21,632,789	1,402,820
Bad debt expense	664,651	0	497,718	1,162,369	0
Change in operating assets and liabilities					
Accounts receivable	(1,397,397)	66,166	5,408,526	4,077,295	(167,355)
Prepaid expenses	(19,994)	(323)	(2,110)	(22,427)	(257,273)
Accounts payable	632,866	54,186	(4,439,733)	(3,752,681)	(488,410)
Contracts payable	0	0	627,750	627,750	0
Accrued salaries and benefits	100,596	11,049	45,044	156,689	4,339
Compensated absences	(74,095)	(3,022)	21,451	(55,666)	(25,878)
Customer deposits	0	4,000	0	4,000	0
OPEB liability	0	0	0	0	11,139,461
Accrued liability for claims	0	0	0	0	(993,296)
Inventory	346,115	5,564	0	351,679	62,732
Total adjustments	19,985,350	1,395,419	2,801,028	24,181,797	10,677,140
Net cash provided by (used in) operating activities	\$ 32,781,983	\$ 2,639,047	\$ (2,254,810)	\$ 33,166,220	\$ 8,166,643
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Water and Sewer development contributions	\$ 5,154,530	\$ -	\$ -	\$ 5,154,530	\$ -

See accompanying notes to financial statements

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

June 30, 2010

Private-Purpose Trust Funds

	Breast Cancer Awareness	Police Canteen	Inspections Education Program	Mayor's Committee Corporate Citizen of the Year	Mayor's Commission Employ People with Disabilities	Restricted Donations	Total Private- Purpose Trust Funds	Agency Funds
ASSETS								
Cash and cash equivalents	\$ 2,230	\$ 1,066	\$ 100	\$ 0	\$ 4,853	\$ 0	\$ 8,249	\$ 138,058
Total assets	2,230	1,066	100	0	4,853	0	8,249	138,058
LIABILITIES								
Accounts payable	0	0	0	0	0	0	0	\$ 138,058
Total liabilities	0	0	0	0	0	0	0	138,058
NET ASSETS								
Held in trust - other purposes	\$ 2,230	\$ 1,066	\$ 100	\$ 0	\$ 4,853	\$ 0	\$ 8,249	

See accompanying notes to financial statements

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

For the Year Ended June 30, 2010

Private-Purpose Trust Funds

	Breast Cancer Awareness	Police Canteen	Inspections Education Program	Mayor's Committee Corporate Citizen of the Year	Mayor's Commission Employ People with Disabilities	Restricted Donations	Total Private- Purpose Trust Funds
ADDITIONS							
Contributions:							
Private donations	\$ 5,197	\$ 3,029	\$ 5,934	\$ 15,580	\$ 5,828	\$ 6,207	\$ 41,775
Total contributions	<u>5,197</u>	<u>3,029</u>	<u>5,934</u>	<u>15,580</u>	<u>5,828</u>	<u>6,207</u>	<u>41,775</u>
Investment earnings:							
Interest	0	1	0	2	0	0	3
Total investment earnings	<u>0</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>3</u>
Total additions	<u>5,197</u>	<u>3,030</u>	<u>5,934</u>	<u>15,582</u>	<u>5,828</u>	<u>6,207</u>	<u>41,778</u>
DEDUCTIONS							
Administrative expenses	10,674	3,167	5,934	17,940	2,579	6,207	46,501
Total deductions	<u>10,674</u>	<u>3,167</u>	<u>5,934</u>	<u>17,940</u>	<u>2,579</u>	<u>6,207</u>	<u>46,501</u>
Change in net assets	(5,477)	(137)	0	(2,358)	3,249	0	(4,723)
Net assets - beginning	<u>7,707</u>	<u>1,203</u>	<u>100</u>	<u>2,358</u>	<u>1,604</u>	<u>0</u>	<u>12,972</u>
Net assets - ending	<u>\$ 2,230</u>	<u>\$ 1,066</u>	<u>\$ 100</u>	<u>\$ 0</u>	<u>\$ 4,853</u>	<u>\$ 0</u>	<u>\$ 8,249</u>

See accompanying notes to 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 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.

Columbia Empowerment Zone, Inc. initiates, develops, and maintains projects and programs in economically depressed or blighted areas that encourage the attraction and utilization of both public and private investment capital.

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF NET ASSETS
 DISCRETELY PRESENTED COMPONENT UNITS
 June 30, 2010

	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
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 0	\$ 1,120,307	\$ 125,305	\$ 193,229	\$ 2,528,539	\$ 478,868	\$ 4,446,248
Certificates of deposit	0	200,000	100,000	100,000	0	100,000	500,000
Investments	0	0	68,562	0	8,563,232	0	8,631,794
Accounts receivable	0	0	18,773	0	540,714	72,169	631,656
Accrued interest receivable	0	1,604	0	0	0	0	1,604
Mortgage notes receivable, current portion	0	199,985	83,000	0	0	0	282,985
Security deposits	0	0	0	0	2,500	0	2,500
Prepaid expenses	0	54,042	5,549	7,012	83,820	18,140	168,563
Real estate held for sale and development	0	771,889	796,335	0	0	0	1,568,224
Total current assets	0	2,347,827	1,197,524	300,241	11,718,805	669,177	16,233,574
Restricted assets:							
Real estate held for sale and development	0	0	1,013,959	0	0	0	1,013,959
Capital assets:							
Land	0	0	0	43,000	0	667,326	710,326
Buildings	0	0	0	378,500	0	4,163,541	4,542,041
Office furniture & fixtures	0	5,387	0	13,049	619,259	365,578	1,003,273
Other capital assets	0	0	0	0	0	24,093	24,093
Accumulated depreciation	0	(4,712)	0	(100,628)	(373,087)	(1,755,442)	(2,233,869)
Net capital assets	0	675	0	333,921	246,172	3,465,096	4,045,864
Other assets:							
Mortgage note receivable, net of allowance	0	0	773,917	0	0	0	773,917
Real estate held for sale and development	0	0	0	1,093,779	0	819,307	1,913,086
Other	0	0	0	0	0	4,340	4,340
Total other assets	0	0	773,917	1,093,779	0	823,647	2,691,343
Total assets	\$ 0	\$ 2,348,502	\$ 2,985,400	\$ 1,727,941	\$ 11,964,977	\$ 4,957,920	\$ 23,984,740

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF NET ASSETS
 DISCRETELY PRESENTED COMPONENT UNITS
 (Continued)
 June 30, 2010

	Columbia Action Council	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism (Restated)	TN Development Corporation	Total
LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	\$ 0	\$ 17,498	\$ 29,460	\$ 32,481	\$ 1,290,491	\$ 123,902	\$ 1,493,832
Compensated absences	0	22,243	14,913	16,248	0	36,239	89,643
Customer deposits	0	0	0	1,000	0	0	1,000
Due to primary government	0	200,000	100,000	100,000	0	100,000	500,000
Mortgage/bonds/notes payable - current portion	0	0	206,263	1,033,726	0	636,479	1,876,468
Deferred revenue	0	0	142,868	0	395,918	4,176	542,962
Total current liabilities	0	239,741	493,504	1,183,455	1,686,409	900,796	4,503,905
Other liabilities:							
Mortgage/bonds payable	0	0	261,489	563,450	0	4,189,497	5,014,436
Total other liabilities	0	0	261,489	563,450	0	4,189,497	5,014,436
Total liabilities	0	239,741	754,993	1,746,905	1,686,409	5,090,293	9,518,341
NET ASSETS							
Invested in capital assets, net of related debt	0	675	0	33,921	246,172	0	280,768
Restricted	0	0	1,013,959	0	21,883	0	1,035,842
Unrestricted	0	2,108,086	1,216,448	(52,885)	10,010,513	(132,373)	13,149,789
Total net assets (deficit)	0	2,108,761	2,230,407	(18,964)	10,278,568	(132,373)	14,466,399
Total liabilities and net assets (deficit)	\$ 0	\$ 2,348,502	\$ 2,985,400	\$ 1,727,941	\$ 11,964,977	\$ 4,957,920	\$ 23,984,740

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, 2010

	Program Revenue			Net (Expense) Revenues and Changes in Net Assets						Totals
	Expenses	Charges for Services	Operating 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	\$ 13,806	\$ 0	\$ 0	\$ (13,806)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (13,806)
Columbia Development Corporation Community development	986,472	16,000	295,267	0	(675,205)	0	0	0	0	(675,205)
Columbia Housing Development Corporation Community development	388,275	29,388	1,241,519	0	0	882,632	0	0	0	882,632
Eau Claire Development Corporation Community development	387,175	87,866	214,413	0	0	0	(84,896)	0	0	(84,896)
Midlands Regional Convention Center Authority Community promotions	7,739,219	4,729,155	3,612,957	0	0	0	0	602,893	0	602,893
TN Development Corporation Community development	1,618,436	865,401	934,742	0	0	0	0	0	181,707	181,707
Total component units	\$ 11,133,383	\$ 5,727,810	\$ 6,298,898	(13,806)	(675,205)	882,632	(84,896)	602,893	181,707	893,325
General revenues:										
Investment earnings (losses)				0	44,987	76	2,121	26,383	741	74,308
(Loss) gain from disposal of capital assets				0	1,127	0	(71,406)	0	0	(70,279)
Total general revenues				0	46,114	76	(69,285)	26,383	741	4,029
Change in net assets				(13,806)	(629,091)	882,708	(154,181)	629,276	182,448	897,354
Beginning net assets (deficit)				13,806	2,737,852	1,347,699	135,217	9,334,410	(314,821)	13,254,163
Prior period adjustment				0	0	0	0	314,882	0	314,882
Beginning net assets (deficit), as restated				13,806	2,737,852	1,347,699	135,217	9,649,292	(314,821)	13,569,045
Ending net assets (deficit)				\$ 0	\$ 2,108,761	\$ 2,230,407	\$ (18,964)	\$ 10,278,568	\$ (132,373)	\$ 14,466,399

See accompanying notes to financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
COLUMBIA EMPOWERMENT ZONE, INC.
June 30, 2010

ASSETS

Current assets:	
Cash and cash equivalents	\$ 760,768
Accounts receivable, net	0
Due from primary government	466,039
Deposits	5,000
Loans receivable - current portion	67,584
Prepaid expenses	<u>1,587</u>
Total current assets	<u>1,300,978</u>
Capital assets:	
Construction in progress	266,473
Land	1,477,764
Buildings	296,814
Office furniture & fixtures	2,445
Accumulated depreciation	<u>(13,719)</u>
Net capital assets	<u>2,029,777</u>
Other assets:	
Loans receivable, net of allowance	2,825,724
Organizational costs, net	8,232
Utility deposits	1,592
Development costs	351,473
Cash and cash equivalents - restricted	<u>1,098</u>
Total other assets	<u>3,188,119</u>
Total assets	<u>\$ 6,518,874</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 220,728
Deferred revenue	728,579
Accrued property taxes	<u>4,550</u>
Total current liabilities	953,857
Long-term liabilities payable from restricted assets	<u>1,098</u>
Total liabilities	<u>954,955</u>
Net Assets	
Unrestricted	<u>5,563,919</u>
Total Net Assets	<u>5,563,919</u>
Total Liabilities and Net Assets	<u>\$ 6,518,874</u>

See accompanying notes to financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES-
DISCRETELY PRESENTED COMPONENT UNITS
COLUMBIA EMPOWERMENT ZONE, INC.
For the year ended June 30, 2010

UNRESTRICTED NET ASSETS

Support and revenues	
Grant and contract revenue	\$ 1,163,138
Contributions	2,952,649
Rental income	90,315
Sponsorship revenue	8,050
Other income	<u>3,483</u>
Total unrestricted support and revenues	<u>4,217,635</u>
Expenses	
Program services	
Economic development	299,578
Supporting services	
Management and general	<u>144,676</u>
Total operating expenses	<u>444,254</u>
Change in unrestricted net assets	3,773,381
Net assets, beginning of period	1,790,538
Net assets, end of period	<u><u>\$ 5,563,919</u></u>

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, 2010

INDEX

<u>Note</u>	<u>Page</u>
I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
A. Reporting Entity	39
B. Basis of Presentation	41
C. Measurement Focus and Basis of Accounting	45
D. Assets and Liabilities	46
E. Revenues, Expenditures and Expenses	49
F. Fund Balance	50
II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY	
A. Encumbrances	51
B. Deficit Fund Equity	51
C. Risk Management	52
III. DETAIL NOTES ON ALL FUNDS	
A. Deposits and Investments	53
B. Receivables	54
C. Mortgage Notes Receivable and Revolving Loan Pools	54
D. Interfund Receivables, Payables, and Transfers	55
E. Operating Leases	56

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
Index to Notes to Financial Statements
Year Ended June 30, 2010

INDEX (Continued)

<u>Note</u>	<u>Page</u>
III. DETAIL NOTES ON ALL FUNDS (Continued)	
F. Capital Assets	57
G. Deferred Compensation Plan	59
H. Other Postemployment Benefits	59
I. Long-Term Debt	63
IV. PENSION PLANS	70
V. RECENT ACCOUNTING PRONOUNCEMENTS	69
VI. COMMITMENTS AND CONTINGENCIES	
A. Federal Grants	71
B. Litigation	71
C. Central Midlands Regional Transit Authority	71
VII. INTEREST RATE SWAP AGREEMENTS	72
VIII. SUBSEQUENT EVENTS	73

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

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 129,333 living within an area of 136.23 square miles. The Greater Columbia Metropolitan Area consists of Lexington and Richland Counties and has an estimated population of 626,567. 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. I. The balances of this Corporation are reported in a nonmajor special revenue fund as well as a nonmajor capital projects fund.

Columbia Parking Facilities Corporation

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. F.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Discretely Presented Component Units

Columbia Empowerment Zone, Inc. (CEZ)

Incorporated in 2009, the CEZ, Inc. was formed to carry out the mission of the Columbia Empowerment Zone (CEZ), a federally designated area (1999-2009). The purpose of CEZ, Inc. is to initiate, develop and maintain projects and programs in economically depressed or blighted areas that encourage the attraction and utilization of both public and private investment capital. The nine member Board of Directors promotes: the fostering of sustainable business; government and community alliances to help lessen the burdens of Government; reduction of physical and economic blight; combating community deterioration by fostering business attraction, retention and expansion in areas in need of permanent job opportunities; workforce advancement and general growth opportunities. CEZ, Inc. is not a governmental entity and therefore uses a different reporting model. As such, its balances and transactions are reported on separate financial statements.

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 a grant from the Environmental Protection Agency for pollution site identification and cleanup.

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. During fiscal year 2010, MACST management discovered cash, deferred revenue, and revenue that had been understated in the prior year. Accordingly, MACST recorded a prior period adjustment in its financial statements to account for the understated account balances which restated beginning net assets.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Discretely Presented Component Units (Continued)

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 subrecipient 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 discretely presented individual Component Units can be requested from the City's Finance Director.

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 a cost allocation of shared services and are combined with the governmental funds to produce the government wide financial statements. These statements 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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

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.
- 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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

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:

- Columbia 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 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.

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 Facilities Fund -- accounts for hydro electric plant activities.
- Storm Water Facilities Fund -- accounts for storm water utility activities.
- Redevelopment Programs Fund -- accounts for various home rehabilitation and mortgage lending programs funded from various sources.
- Parks and Recreation Camp Fund -- accounts for parks and recreation camp activities. The City added this fund during the year ended June 30, 2010.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

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.

Major Funds

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 and 911 emergency communication service provided to citizens outside the City limits and the reimbursement for expenditures from Richland County.

The government reports the following major proprietary funds:

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

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 unassigned 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 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. The City considers 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.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

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 general obligation bonds and repurchase agreements collateralized 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.

Real Estate

Real estate held for resale is recorded at the lower of cost or net realizable value.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS AND LIABILITIES (Continued)

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 estimated uncollectible accounts, 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. Interest is accrued monthly on notes receivable and stops when the notes go into default.

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."

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 to the present are depreciated from the date of acquisition.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS AND LIABILITIES (Continued)

Capital Assets (continued)

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

Capital Lease Receivable

The City leases two parking garages to the University of South Carolina under a capital lease agreement. The City receives lease payments on the garages in installments equal to the corresponding debt service requirements on the bonds used to fund the construction of the garages.

Restricted Assets

Restricted assets consist of real estate that is held for sale and development.

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, 2010. The change in this calculated amount from the previous year is expensed in current operations.

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 which does not significantly differ from the effective interest 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 expenditures.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 immediately but can be paid 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.

Local Option 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. In the governmental fund financial statements this revenue is included in the general fund property tax revenue. On the government wide financial statements, this revenue is reported as a general revenue separate from general property taxes. The tax generated \$15.7 million during the year ended June 30, 2010, and was capped in order to prevent a windfall effect of taxes collected. This “cap” created deferred revenue of approximately \$2.6 million in the General Fund as of June 30, 2010.

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 month end balance in pooled cash and investments to the total month end balance in 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.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. FUND BALANCE (Continued)

Committed fund balance

The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The City recognizes committed fund balances that have been approved for specific purposes by City Council before the fiscal year end.

Assigned fund balance

The assigned fund balance classification includes amounts that are constrained by the City's intent to be used for specific purposes but are not restricted or committed. The authority for making an assignment is not required to be the City's highest level of decision-making authority and as such, the nature of the actions necessary to remove or modify an assignment does not require the City's highest level of authority. Assigned fund balance amounts in the City's financial statements represent amounts approved by City Council to be transferred and spent after year end. In the special revenue fund, assigned fund balances represent amounts to be spent for specific purposes.

Unassigned fund balance

The unassigned fund balance classification includes amounts that have not been assigned to other funds and has not been restricted, committed, or assigned for specific purposes within the general fund.

Based on the City's policies regarding fund balance classifications as noted above, the City considers amounts that are restricted, committed, or assigned to be spent when the corresponding expenditure that has been designated by City Council or donors has been made. After these fund balances have been depleted, unassigned fund balance will be considered to have been spent.

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

Risk Management Internal Service Fund and Other Programs Special Revenue Fund had a combined deficit fund balance of \$3,921,317 at June 30, 2010. Revenues and transfers from other funds in subsequent years will fund these deficits.

TN Development Corporation, a component unit, has a total deficit net assets of \$132,323. Revenues from other funds in subsequent years will fund these deficits. TN Development Corporation has a \$250,000 promissory note due to the City due June 30, 2011.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. DEFICIT FUND EQUITY (Continued)

Eau Claire Development Corporation (“ECDC”), a component unit, has a total deficit fund balance of \$18,964. Revenues from other funds in subsequent years will fund these deficits. ECDC also has a line of credit with the City of Columbia. The line of credit will be used by ECDC to fund a construction commitment to build twelve houses in the amount of \$1,399,421. The terms of the line of credit provide for reimbursement from ECDC to the City at the time each house is sold.

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, 2010. Some of these claims were reported at June 30, 2010, 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
2009	\$ 15,079,452	\$ 19,815,099	\$ (20,890,611)	\$ 14,003,940
2010	\$ 14,003,940	\$ 20,418,456	\$ (21,411,752)	\$13,010,644

Fiscal year 2010 aggregate liability includes the following amounts for legal claims: \$7,647,140 beginning liability, \$899,888 current year claims and changes in estimates, and \$1,331,138 claims payments. The ending liability for legal claims is \$7,215,890. See also Note VI. B.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. RISK MANAGEMENT (Continued)

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, 2010, the City, excluding component units, had the following investments (in thousands):

Investment Type	Investment Maturities (in Years)		
	Fair Value	Less Than 1	Greater Than 1
Certificates of Deposit / Money Market	\$ 230,528	\$ 74,539	\$ 155,989
Treasuries	36,405	4,199	32,206
Agencies	45,356	16,851	28,505
Total	\$ 312,289	\$ 95,589	\$ 216,700

Investment Classification

Investments are classified as current or noncurrent on the Statements of Net Assets based on the maturity date of the investment. Investments with maturity dates of less than one year from June 30, 2010 are classified as current while those with maturity dates of greater than one year from June 30, 2010 are classified as noncurrent. Investments purchased with bond proceeds that will be used to purchase capital assets are classified as noncurrent regardless of the maturity date.

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, 2010

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 or Agency 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, 2010 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, 2010 are as follows:

General Fund	\$ 1,163,297
Water/Sewer Facilities	\$ 1,497,237
Parking Facilities	\$ 1,534,369
Nonmajor Business-type activities	\$ 2,674,781

Receivables for the Component Units consist of items totaling \$778,710 at June 30, 2010. As of June 30, 2010, the allowance for doubtful accounts was approximately \$147,054.

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. On July 9, 2009, this agreement was amended and required that two \$2,000,000 installments be made to the City. The first installment was made contemporaneously with the amendment and the second payment is due 365 days from that date. The second installment has been recorded as a receivable in the Hydro-Electric Facilities Fund. A corresponding payable has also been recorded in the Hydro-Electric Facilities Fund for payment of those funds according to the amended agreement. Further details of the contract can be found in Note VI. C.

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. Delinquent mortgages receivable are estimated to be \$2,324,178 of the total net mortgage notes receivable of \$20,340,680 as of June 30, 2010.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

III. DETAIL NOTES ON ALL FUNDS (Continued)

C. MORTGAGE NOTES RECEIVABLE AND REVOLVING LOAN POOLS

Component units

The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of \$856,917, which is net of allowance for uncollectible loans of \$83,874. 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 amounting to \$199,985. 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.

Columbia Empowerment Zone, Inc. (CEZ) is provided the majority of its funding from the City. On June 28, 2010 the City transferred all of the net assets of the Sumter/Columbia Empowerment Zone to CEZ. These net assets were primarily comprised of various outstanding loans, equity in a pooled cash held by the City, and an allowance for doubtful accounts. The gross amount of loans receivable was \$3,295,201, equity in pooled cash was \$ 273,539, and the allowance for doubtful accounts was \$616,091 for a net transfer of \$2,952,649 reflected as contribution support in these financial statements.

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The interfund receivables and payables at June 30, 2010 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Funds:		
Water/Sewer Facilities	\$ 17,325,088	\$ 0
Other Governmental	0	8,488,005
Other Proprietary	0	3,585,270
Internal Service	0	5,251,813
Total	<u>\$ 17,325,088</u>	<u>\$ 17,325,088</u>

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

The interfund transfers at June 30, 2010 are as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General	\$ 6,402,076	\$ 10,230,780
County Services	822,655	0
Nonmajor governmental funds	12,586,433	12,571,083
Water/Sewer	7,094,469	342,783
Parking	1,333,763	0
Nonmajor proprietary funds	2,101,673	5,349,039
Internal service funds	<u>1,298,903</u>	<u>3,146,287</u>
	<u>\$ 31,639,972</u>	<u>\$ 31,639,972</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

III. DETAIL NOTES ON ALL FUNDS (Continued)

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

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 real estate, office and copier equipment. Operating lease expenditures for the year ended June 30, 2010, were \$1,108,159. Future minimum lease payments for these leases are as follows:

<u>Year Ending June 30.</u>	<u>Amount</u>
2011	\$ 981,416
2012	687,825
2013	259,517
2014	262,070
2015	<u>267,177</u>
Total	\$ <u><u>2,458,005</u></u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

III. DETAIL NOTES ON ALL FUNDS (Continued)

F. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010, is as follows (in thousands):

Governmental activities	Balance				Balance
	June 30, 2009	Increases	Transfers	Decreases	June 30, 2010
Capital assets, not being depreciated:					
Land	\$ 32,609	\$ 45	\$ 0	\$ 0	\$ 32,654
Construction in progress	15,803	8,514	0	(1,969)	22,348
Total capital assets, not being depreciated:	<u>48,412</u>	<u>8,559</u>	<u>0</u>	<u>(1,969)</u>	<u>55,002</u>
Capital assets, being depreciated:					
Buildings and improvements	192,570	2,009	0	(30,308)	164,271
Machinery and equipment	40,637	311	(454)	(1,495)	38,999
Infrastructure	18,520	1,127	0	0	19,647
Total capital assets, being depreciated:	<u>251,727</u>	<u>3,447</u>	<u>(454)</u>	<u>(31,803)</u>	<u>222,917</u>
Less accumulated depreciation:					
Buildings and improvements	(30,393)	(4,738)	0	10	(35,121)
Machinery and equipment	(26,019)	(3,813)	288	1,309	(28,235)
Infrastructure	(6,763)	(843)	0	0	(7,606)
Total accumulated depreciation	<u>(63,175)</u>	<u>(9,394)</u>	<u>288</u>	<u>1,319</u>	<u>(70,962)</u>
Total capital assets, being depreciated, net	<u>188,552</u>	<u>(5,947)</u>	<u>(166)</u>	<u>(30,484)</u>	<u>151,955</u>
Governmental activities capital assets, net	<u>\$ 236,964</u>	<u>\$ 2,612</u>	<u>\$ (166)</u>	<u>\$ (32,453)</u>	<u>\$ 206,957</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

III. DETAIL NOTES ON ALL FUNDS (Continued)

F. CAPITAL ASSETS (Continued)

Business-type activities	Balance				Balance
Capital assets, not being depreciated:	June 30, 2009	Increases	Transfers	Decreases	June 30, 2010
Land	\$ 25,689	\$ 2,641	\$ 0	\$ 0	\$ 28,330
Construction in progress	70,529	13,565	0	(19,727)	64,367
Total capital assets, not being depreciated:	<u>96,218</u>	<u>16,206</u>	<u>0</u>	<u>(19,727)</u>	<u>92,697</u>
Capital assets, being depreciated:					
Buildings and improvements	761,998	17,004	0	0	779,002
Machinery and equipment	29,222	1,700	454	(304)	31,072
Total capital assets, being depreciated:	<u>791,220</u>	<u>18,704</u>	<u>454</u>	<u>(304)</u>	<u>810,074</u>
Less accumulated depreciation:					
Buildings and improvements	(263,937)	(19,378)	0	0	(283,315)
Machinery and equipment	(18,605)	(2,255)	(288)	298	(20,850)
Total accumulated depreciation	<u>(282,542)</u>	<u>(21,633)</u>	<u>(288)</u>	<u>298</u>	<u>(304,165)</u>
Total capital assets, being depreciated, net	<u>508,678</u>	<u>(2,929)</u>	<u>166</u>	<u>(6)</u>	<u>505,909</u>
Business-type activities capital assets, net	<u>\$ 604,896</u>	<u>\$ 13,277</u>	<u>\$ 166</u>	<u>\$ (19,733)</u>	<u>\$ 598,606</u>

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

Governmental activities:	
General government	\$ 5,107,571
Public safety	1,364,525
Parks and recreation	987,317
Public services	392,197
Judicial	50,161
Community development	37,122
General services	34,450
Non departmental	16,276
Finance department	2,188
Internal service funds	1,402,820
Total depreciation expense – governmental activities	<u>\$ 9,394,627</u>
Business-type activities:	
Water/Sewer facilities	\$ 19,732,608
Storm Water facilities	318,916
Parking facilities	1,257,799
Hydro electric plant	323,466
Total depreciation expense – business-type activities	<u>\$ 21,632,789</u>

During the year ended June 30, 2010, \$2,701,497 of interest expense in the Business-type activities was capitalized. Construction commitments as of June 30, 2010 totaled approximately \$143,839,000.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

III. DETAIL NOTES ON ALL FUNDS (Continued)

F. CAPITAL ASSETS (Continued)

Columbia Parking Facilities Corporation

In 2008, construction was completed on the Innovista parking garages. The parking garages and corresponding long term debt were recorded by the Columbia Parking Facilities Corporation (the Corporation), a blended component unit as noted in Note III I. The Corporation entered into an agreement with the University of South Carolina (the University) that provided the University use of the garages and, in return, the University would pay the debt service on the associated long term debt. A review of the terms of the agreement during 2010 determined that the agreement represented a capital lease with the University and therefore, the parking garages were removed from the Corporation and recorded by the University. Additionally, a lease receivable from the University was also recorded in the amount of the outstanding associated debt. See Note III. I. for details of the related debt. Total future minimum rentals to be received from the University under the capital lease agreement will be \$16,915,954.

Future capital lease payments to be received from the University in the next five fiscal years are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 805,000
2012	845,000
2013	865,000
2014	905,000
2015	905,000
2016-2020	3,950,000
2021-2025	4,650,000
2026-2030	5,350,000
2031-2035	935,000
Total	<u>19,210,000</u>
Less: Amounts representing interest	<u>2,294,046</u>
Total minimum future rentals	<u>\$ 16,915,954</u>

G. 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.

H. OTHER POSTEMPLOYMENT BENEFITS

The City provides postemployment 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, 662 retirees meet those requirements. The City pays all Medicare supplemental insurance premiums for all qualifying retirees. For the year ended June 30, 2010 premiums totaled \$478,940. Retirees paid dependent coverage of \$558,329. Currently, the City is financing the postemployment retirement benefits on a pay-as-you-go basis and expenditures for these insurance premiums are recorded in all of the City's funds.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

III. DETAIL NOTES ON ALL FUNDS (Continued)

H. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

	<u>Year Ended June 30, 2010</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Participants:					
Active	2,234	2,179	2,197	2,162	2,069
Retired	662	589	650	610	514
Total Employee Claims					
Active	\$13,043,628	\$11,714,190	\$11,156,966	\$10,754,287	\$8,699,735
Retired	5,811,854	5,219,495	5,524,277	4,909,064	4,683,189
% of Active Payroll:					
Active	15.04%	12.61%	12.32%	12.73%	10.91%
Retired	<u>6.70%</u>	<u>5.62%</u>	<u>6.10%</u>	<u>5.81%</u>	<u>5.87%</u>
Total	<u>21.74%</u>	<u>18.23%</u>	<u>18.42%</u>	<u>18.54%</u>	<u>16.78%</u>

For the fiscal year ended 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, which are offered under a single employer defined benefit plan.

From an accrual perspective, the cost of other postemployment 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, 2010

III. DETAIL NOTES ON ALL FUNDS (Continued)

H. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB costs and Net OPEB Obligation

The City first had an actuarial valuation performed for the plan as of July 1, 2008 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, 2010. The City's annual OPEB costs and the net OPEB obligation for the year ended June 30, 2010 on the Statement of Net Assets was as follows:

Employer Normal Cost	\$ 5,140,977
Amortization of UAAL*	10,290,057
Annual Required Contribution (ARC)	15,431,034
Interest on Net Obligation	877,594
Adjustment to the ARC	0
Annual OPEB Cost	16,308,628
Contributions made	(5,169,167)
Increase in Net OPEB Obligation	11,139,461
Net OPEB Obligation, July 1, 2009	16,716,085
Net OPEB Obligation, June 30, 2010	\$ 27,855,546

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

A summary of the annual OPEB cost, percentage of the annual OPEB cost contributed, and the year end net OPEB obligation for the year ended June 30, 2010 and the two preceding years is as follows:

Trend Information			
Year ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$ 11,978,747	49.25%	\$ 6,078,747
2009	16,308,628	30.63	16,716,085
2010	16,308,628	49.25	27,855,546

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

III. DETAIL NOTES ON ALL FUNDS (Continued)

H. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB costs and Net OPEB Obligation (Continued)

Funded status and Funding Progress of the plan as of June 30, 2010 was as follows:

Present Value of Future Benefits:	
Retirees & Beneficiaries	\$ 69,803,814
Covered Spouses of Retirees	21,917,988
Participants Fully Eligible for Benefits	17,364,704
Participants Not Fully Eligible for Benefits	52,760,198
Total Present Value of Future Benefits	<u>\$ 161,846,704</u>
Present Value of Future Normal Costs	<u>\$ 5,140,977</u>
Actuarial Accrued Liabilities (AAL)	\$ 161,846,704
Actuarial Value of Plan Assets	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$ 161,846,704
Funded Ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 86,752,201
UAAL as a percentage of covered payroll	186.56%

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, thus reflecting a long-term perspective. 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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

In the June 30, 2010 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. As of June 30, 2010, 27 years of amortization remain on the UAAL. The actuarial assumptions included 5.25% rate of investment return. The valuation assumes a 10% health care trend inflation rate for 2010 and decreases 1% each year until 2014. General inflation is assumed to be 3% per year.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT

	Balance 6/30/2009	Additions	Reductions	Balance 6/30/2010	Amount Due in 2011
Governmental activities:					
Notes Payable	\$ 6,747,474	\$ 0	\$ (738,332)	\$ 6,009,142	\$ 195,000
GO Bonds	25,695,000	0	(2,570,000)	23,125,000	2,730,000
Revenue Bonds	57,510,000	0	(2,635,000)	54,875,000	2,730,000
Unamortized bond premiums	2,168,400	0	(154,784)	2,013,616	0
Compensated absences	6,586,289	6,330,472	(6,586,289)	6,330,472	1,266,094
	<u>98,707,163</u>	<u>6,330,472</u>	<u>(12,684,405)</u>	<u>92,353,230</u>	<u>6,921,094</u>
Total governmental activities					
	<u>98,707,163</u>	<u>6,330,472</u>	<u>(12,684,405)</u>	<u>92,353,230</u>	<u>6,921,094</u>
Business-Type activities:					
Revenue Bonds	173,500,000	186,860,000	(12,120,000)	348,240,000	12,775,000
Contracts Payable	3,954,654	4,582,404	(3,954,654)	4,582,404	2,645,601
Unamortized bond premiums	2,362,492	7,136,525	(251,616)	9,247,401	0
Compensated absences	1,919,693	1,864,027	(1,919,693)	1,864,027	372,806
	<u>181,736,839</u>	<u>200,442,956</u>	<u>(18,245,963)</u>	<u>363,933,832</u>	<u>15,793,407</u>
Total business-type activities					
	<u>181,736,839</u>	<u>200,442,956</u>	<u>(18,245,963)</u>	<u>363,933,832</u>	<u>15,793,407</u>
Total all long term debt	<u>\$ 280,444,002</u>	<u>\$ 206,773,428</u>	<u>\$ (30,930,368)</u>	<u>\$ 456,287,062</u>	<u>\$ 22,714,501</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$241,586 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, 2010

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

The annual requirements to amortize all outstanding debt of the City as of June 30, 2010, including interest payments but excluding contracts payable, accrued vacation payable and amortization of bond premiums, are as follows:

Governmental Activities:

Year Ending June 30,	General Obligation		Revenue		Note Payable	Interest	Total	Total
	Bonds	Interest	Bonds	Interest			Principal	Interest
2011	\$ 2,730,000	\$ 926,225	\$ 2,730,000	\$ 2,305,205	\$ 195,000	\$ 150,000	\$ 5,655,000	\$ 3,381,430
2012	2,060,000	832,987	2,885,000	2,194,205	195,000	150,000	5,140,000	3,177,192
2013	1,205,000	762,653	3,020,000	2,075,855	195,000	150,000	4,420,000	2,988,508
2014	1,260,000	715,515	3,195,000	1,943,855	195,000	150,000	4,650,000	2,809,370
2015	1,310,000	666,228	3,325,000	1,811,593	195,000	150,000	4,830,000	2,627,821
2016-2020	7,505,000	2,470,143	19,330,000	6,764,300	4,584,142	300,000	31,419,142	9,534,443
2021-2025	5,545,000	862,733	15,470,000	2,487,350	375,000	0	21,390,000	3,350,083
2026-2030	1,510,000	92,340	4,200,000	1,075,000	75,000	0	5,785,000	1,167,340
2031-2035	0	0	720,000	215,000	0	0	720,000	215,000
	<u>\$ 23,125,000</u>	<u>\$ 7,328,824</u>	<u>\$ 54,875,000</u>	<u>\$ 20,872,363</u>	<u>\$ 6,009,142</u>	<u>\$ 1,050,000</u>	<u>\$ 84,009,142</u>	<u>\$ 29,251,187</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

Business-type activities:

Year Ending June 30,	Revenue Bonds	Interest
2011	\$ 12,775,000	\$ 15,022,526
2012	13,070,000	16,015,859
2013	5,795,000	15,323,307
2014	6,070,000	15,047,790
2015	6,335,000	14,779,670
2016-2020	36,490,000	69,097,096
2021-2025	46,360,000	59,265,290
2026-2030	58,980,000	46,809,842
2031-2035	75,435,000	31,424,389
2036-2040	86,930,000	12,598,132
	<u>\$ 348,240,000</u>	<u>\$ 295,383,901</u>

Notes Payable

Governmental Activities:

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

Annual principal installments of \$75,000

through August 14, 2026

Interest rate: 0.0%

\$ 1,200,000

\$5,185,000 Construction 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 (0.347%)

Maximum draw amount: \$5,185,000

4,809,142

Total Governmental Activities Notes Payable

\$ 6,009,142

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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

General Obligation Bonds outstanding as of June 30, 2010, are as follows:

Governmental Activities:

\$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%	\$ 11,125,000
\$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 %	9,085,000
\$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%	1,070,000
\$3,625,000 City of Columbia General Obligation Bonds, Series 2008 Proceeds for: Refund Series 1998A General Obligation Bonds Annual principal installments of \$865,000 to \$940,000 through February 1, 2012 Interest Rate: 2.78%	<u>1,845,000</u>
<i>Total Government Activities General Obligation Bonds</i>	<u>\$ 23,125,000</u>

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.

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, 08/09, and 10/11 debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The defeased balance related to these bonds is approximately \$590,000.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

Revenue Bonds, Notes and Certificates of Participation (Continued)

The construction of the second of two Innovista garages was 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. 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 operated by the University, and the revenues from them are remitted by USC to the Corporation to retire this debt. This arrangement constitutes a capital lease agreement with the University, and as such, a receivable has been recorded for the amount of future debt service. The garages have been recorded by the University (See Note III. F. for more details). 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 0.347% at June 30, 2010. The Corporation entered into a interest rate swap agreement in relation to the bond issue as detailed in Note VII.

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 (0.347%, at June 30, 2010). At June 30, 2010, \$4,809,142 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.

Revenue bonds outstanding as of June 30, 2010 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%	\$ 16,150,000
\$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%	26,205,000
\$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 (0.347%)	<u>12,520,000</u>
	 <i>Total Government Activities Revenue Bonds</i>	 <u>\$ 54,875,000</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

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% \$ 2,505,000

\$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

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% 4,580,000

Total Parking Facilities Revenue Bonds 46,980,000

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% 16,750,000

\$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 Series 1999 (\$36,045,000)
Annual principal installments of \$255,000 to \$1,120,000 through February 1, 2010
Interest rate: 3.6 to 6.0% 37,325,000

\$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 beginning February 1, 2020 through February 1, 2030
Interest rate: 3.6 to 5.0% 60,000,000

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

<p>\$650,000 Waterworks and Sewer System Revenue Bonds, Junior Lien, Series 2009 Payable from revenues derived from the City's water and sewer system. Proceeds for: Cost of improvements to the System Annual principal installments of \$325,000 through July 12, 2010 Interest rate: 0%</p>	<p>\$ 325,000</p>
<p>\$81,860,000 Waterworks and Sewer System Revenue Bonds, Series 2009 Payable from revenues derived from the City's water and sewer system. Proceeds for: Cost of improvements to the System Annual principal installments of \$525,000 to \$10,840,000 through February 1, 2038 Interest rate: 4.354%</p>	<p>81,860,000</p>
<p>\$105,000,000 Waterworks and Sewer System Revenue Bonds, Series 2010 Payable from revenues derived from the City's water and sewer system. Proceeds for: Cost of improvements to the System Annual principal installments of \$1,090,000 to \$17,855,000 through February 1, 2040 Interest rate: 3 to 5%</p>	<p><u>105,000,000</u></p>
<p><i>Total Water and Sewer Revenue Bonds</i></p>	<p><u>301,260,000</u></p>
<p><i>Total Business-type Activities Revenue Bonds</i></p>	<p><u>\$ 348,240,000</u></p>

Defeasance Debt

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On June 30, 2010, revenue bonds outstanding, considered defeased in previous years, are approximately \$1,600,000 in the Water and Sewer Facilities Fund.

Conduit Debt

Resolution 2006-027 passed June 28, 2006 was issued in support of the issuance of not exceeding \$4,500,000 in revenue bonds by JEDA for the Palmetto Health Foundation Project. While the City is not obligated for the repayment of conduit type debt, disclosure is required in the notes to the financial statements. As of June 30, 2010, the balance of this conduit debt was \$3,415,002.

Arbitrage

In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the City must rebate to the federal government "arbitrage profits" earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings, if any.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

IV. PENSION PLANS

The City's retirement plans are as follows:

Description of Plans

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

Basic Provisions

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

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

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

Funding Policy

South Carolina Retirement System (SCRS)

Effective July 1, 2007, the employer contribution rate became 9.39 percent which includes 0.15 percent towards group life insurance. City contributions to SCRS for the years ended June 30, 2008, 2009 and 2010 were \$4,902,695, \$5,253,110 and \$5,038,156, respectively equal to the actuarially required contributions for each year.

Police Officers Retirement System (SCPORS)

Effective July 1, 2007, the employer contribution rate became 10.85 percent which includes 0.20 percent towards group life insurance. Contributions to SCPORS for the years ended June 30, 2008, 2009 and 2010 were \$3,818,658, \$4,144,042, and \$3,860,867, respectively, equal to the actuarially required contribution rates for each year.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

V. RECENT ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. However, early implementation is allowed and the City elected to implement the provisions of this statement during the year ended June 30, 2010. See footnote I. F. for further information.

The GASB has issued Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards". The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the AICPA's Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles - related party transactions, going concern considerations, and subsequent events. The presentation of principles used in the preparation of financial statements is more appropriately included in accounting and financial reporting standards rather than in the auditing literature. This Statement does not establish new accounting standards but rather incorporates the existing guidance (to the extent appropriate in a governmental environment) into the GASB standards. The City has implemented the provisions of this statement.

The GASB has issued Statement No. 59, "Financial Instruments Omnibus". The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2010. The City has not yet determined the impact on its financial statements for this standard.

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).

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:

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

VI. COMMITMENTS AND CONTINGENCIES

C. CENTRAL MIDLANDS REGIONAL TRANSIT AUTHORITY ("CMRTA") (Continued)

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, 2010, no dedicated tax or dedicated source of revenue has been approved. The payments continue in perpetuity until an alternate source of revenue is 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, 2010, no dedicated tax or dedicated source of revenue has been approved.

On July 9, 2009, the City and SCE&G amended the conveyance agreement. The amendment requires that SCE&G remit \$4,000,000 to the City in two equal installments of \$2,000,000 in lieu of conveying the Huger Street bus barn property. The first installment was made contemporaneously with the execution of the amendment and the second will be due 365 days from that date. If needed, these payments will be available for payment to CMRTA. As discussed in Note III.B., the second installment has been recorded as a receivable in the Hydro-Electric Facilities Fund. A corresponding payable has also been recorded in the Hydro-Electric Facilities Fund for payment of those funds according to the amended agreement.

VII. 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, 2010, the notional amounts were \$12,520,000 and \$4,809,142.

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, 2010, 95% of LIBOR was 0.347%. 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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

VII. INTEREST RATE SWAP AGREEMENTS (Continued)

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 2010, the Corporation made variable interest payments of \$113,026 and the net settlement of variable receiver and fixed payer payments of \$881,715. The market value of the swaps was (\$2,142,007) and (\$899,557) at June 30, 2010, respectively.

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. As such, the City has decided not to implement the provisions of GASB Statement No. 53 for this interest rate swap.

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

VIII. SUBSEQUENT EVENTS

In September 2009, the City issued \$81,860,000 of Series 2009 Waterworks and Sewer System Revenue Bonds. During 2010 and subsequent to year ended June 30, 2010, the City approved contracts and agreements for materials and services in the amount of approximately \$86 million which will be paid primarily from the proceeds of the bond issue. Details of the revenue bond issue can be found at Note III.I.

In January 2011, Columbia City Council approved an ordinance authorizing the City Manager to execute a lease between the City of Columbia and Lockhart Power Company for the Canal Hydroelectric Plant. The lease would allow Lockhart Power Company to take over the operations of the plant with lease payments being paid to the City for the term of the lease.

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, SOUTH CAROLINA
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS -
OTHER POSTEMPLOYMENT BENEFITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(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						
7/1/2009	\$ -	\$ 161,846,704	\$ 161,846,704	0%	\$ 86,752,201	186.56%
7/1/2008	-	161,846,704	161,846,704	0%	92,885,005	174.24%
7/1/2007	-	95,609,296	95,609,296	0%	90,545,291	105.59%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30	Annual Required Contribution	Actual Contribution	Net OPEB Liability	Percent Contributed
Primary Government				
2010	\$ 15,431,034	\$ 5,169,167	\$ 27,855,546	33.50%
2009	15,431,034	4,726,349	16,716,085	30.63%
2008	11,978,747	5,900,000	6,078,747	49.25%

CITY OF COLUMBIA, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property taxes	\$ 48,785,696	\$ 48,785,696	\$ 48,930,564	\$ 144,868
License and permits	26,763,600	26,763,600	27,418,693	655,093
Intergovernmental revenue	10,692,340	10,692,340	11,961,868	1,269,528
Charges for services	6,670,856	6,670,856	7,004,130	333,274
Fines and forfeitures	880,000	880,000	864,112	(15,888)
Interest	329,050	329,050	275,145	(53,905)
Other revenues	270,000	270,000	421,389	151,389
Cost recovery fees	2,270,000	2,270,000	2,270,000	0
Total revenues	<u>96,661,542</u>	<u>96,661,542</u>	<u>99,145,901</u>	<u>2,484,359</u>
EXPENDITURES				
Current				
General government	7,078,989	7,047,847	6,569,608	478,239
Judicial	2,513,950	2,513,950	2,264,446	249,504
Finance department	2,148,577	2,148,577	1,953,988	194,589
Development services and planning	4,111,355	4,111,355	3,898,247	213,108
Public safety	50,130,012	50,239,119	48,395,798	1,843,321
Parks and recreation	9,241,878	9,241,878	9,133,653	108,225
Public works	19,658,264	19,594,439	17,039,160	2,555,279
General services	3,772,644	3,836,469	3,537,722	298,747
Community promotion	635,625	647,915	643,200	4,715
Nondepartmental	1,809,732	990,000	1,066,644	(76,644)
Total expenditures	<u>101,101,026</u>	<u>100,371,549</u>	<u>94,502,466</u>	<u>5,869,083</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,439,484)</u>	<u>(3,710,007)</u>	<u>4,643,435</u>	<u>8,353,442</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,641,526	9,675,204	10,230,780	555,576
Transfers (out)	(5,202,042)	(5,965,197)	(6,402,076)	(436,879)
Sale of property	0	0	156,782	156,782
Total other financing sources (uses)	<u>4,439,484</u>	<u>3,710,007</u>	<u>3,985,486</u>	<u>275,479</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	<u>0</u>	<u>0</u>	<u>8,628,921</u>	<u>8,628,921</u>
Fund balance-beginning	<u>6,823,895</u>	<u>6,823,895</u>	<u>6,823,895</u>	<u>0</u>
Fund balance- ending	<u>\$ 6,823,895</u>	<u>\$ 6,823,895</u>	<u>\$ 15,452,816</u>	<u>\$ 8,628,921</u>

See accompanying notes to budgetary comparison schedule

**CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2010**

BUDGETS AND BUDGETARY ACCOUNTING

A legal operating budget is prepared annually for the General Fund on the 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.

The final budget amendments presented are necessary based on the operating activities of the City. These amendments have been approved by City Council authorizations. These amendments have not been funded, however, they have been absorbed within the current years appropriated budget.

**SCHEDULE OF CHANGES IN APPROPRIATED BUDGET
FOR YEAR ENDED JUNE 30, 2010**

		Original Adopted Budget		Final Budget Amendments		Revised Budget
General Fund	\$	106,303,068	\$	33,678	\$	106,336,746

**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, 2010

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property taxes				
General property taxes - current	\$ 46,176,599	\$ 46,176,599	\$ 44,729,066	\$ (1,447,533)
General property taxes - prior	800,000	800,000	0	(800,000)
Real estate tax - Lexington County - current	0	0	2,336,978	2,336,978
Real estate tax - Lexington County - prior	0	0	21,173	21,173
Personal tax - Lexington County - current	0	0	28,542	28,542
Homestead exemption	1,050,000	1,050,000	1,042,448	(7,552)
Payment in lieu of taxes	56,145	56,145	60,117	3,972
Merchants inventory tax	702,952	702,952	712,240	9,288
Total general property taxes	48,785,696	48,785,696	48,930,564	144,868
License and permits				
Business license	7,000,000	7,000,000	7,951,145	951,145
Business license - Telecommunications	1,200,000	1,200,000	1,182,228	(17,772)
Business license - Insurance	10,000,000	10,000,000	9,460,954	(539,046)
Delinquent business license	970,000	970,000	951,119	(18,881)
Delinquent business license - prior year	85,000	85,000	88,845	3,845
Business license franchise fees	6,155,000	6,155,000	6,475,667	320,667
Franchise fees - vendors	600	600	1,950	1,350
Business license sales tax audit	0	0	28,469	28,469
Audited license fees	58,000	58,000	131,816	73,816
Arts and craft permits	2,300	2,300	1,980	(320)
New business list sales	600	600	443	(157)
Business license contractor's decals	19,500	19,500	24,610	5,110
Group event license/permit	5,700	5,700	7,135	1,435
Building permits	720,000	720,000	681,141	(38,859)
Electrical permits	126,000	126,000	127,191	1,191
Plumbing permits	45,600	45,600	39,734	(5,866)
Gas permits	7,800	7,800	7,471	(329)
Sign permits	10,800	10,800	14,171	3,371
Heat permits	114,000	114,000	87,426	(26,574)
Zoning permits	32,400	32,400	42,983	10,583
Dog license	81,600	81,600	30,825	(50,775)
Chauffeur license	6,600	6,600	4,383	(2,217)
Other miscellaneous - business	120,000	120,000	74,675	(45,325)
Other miscellaneous - non business	2,100	2,100	2,332	232
Total license and permits	26,763,600	26,763,600	27,418,693	655,093
Intergovernmental revenues				
State shared	3,038,000	3,038,000	3,037,888	(112)
School resource officer services	0	0	170,715	170,715
SC Motor fuel tax reimbursement	0	0	11,024	11,024
Highway signal maintenance	322,590	322,590	288,908	(33,682)
Fire Rebate - Richland County	7,331,750	7,331,750	8,453,333	1,121,583
Total intergovernmental revenues	10,692,340	10,692,340	11,961,868	1,269,528

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance
Charges for services				
Trade publication renewals	\$ 6,600	\$ 6,600	\$ 7,965	\$ 1,365
Election filing fees	0	0	2,700	2,700
Return check service charges	0	0	2,045	2,045
Regulation code books	100	100	0	(100)
Duplicated business licenses	350	350	405	55
Project work	0	0	423	423
Project work street division	7,700	7,700	0	(7,700)
Compost sales	5,000	5,000	8,142	3,142
Recycling sales	85,000	85,000	107,619	22,619
Solid waste disposal fees	15,000	15,000	26,152	11,152
Commercial bulk container disposal	0	0	25,615	25,615
Commercial roll cart disposal	59,000	59,000	46,589	(12,411)
Eleemosynary bulk container collection	0	0	4,044	4,044
Eleemosynary bulk container disposal	0	0	3,968	3,968
Eleemosynary roll cart collection	35,000	35,000	32,080	(2,920)
Eleemosynary roll cart disposal	10,000	10,000	7,451	(2,549)
Eleemosynary homeowner collection	10,000	10,000	8,028	(1,972)
Eleemosynary homeowner disposal	2,500	2,500	1,990	(510)
Six night service disposal	23,000	23,000	19,328	(3,672)
Tree and forestry lot clearance fees	0	0	23,779	23,779
Animal shelter fees - Richland County	318,000	318,000	373,226	55,226
Animal shelter fees	206,000	206,000	171,680	(34,320)
Employee animal clinic fees	1,000	1,000	1,223	223
Hydrant fees	5,375,756	5,375,756	5,446,138	70,382
Police accident report copies	20,000	20,000	22,061	2,061
Reimbursement police services	550	550	16,997	16,447
False fire alarm charges	11,500	11,500	14,500	3,000
Maxcy Gregg admissions fees	25,000	25,000	27,189	2,189
Drew Park admissions fees	300,000	300,000	380,767	80,767
Greenview pool admissions fees	15,000	15,000	12,862	(2,138)
Recreation athletics	45,800	45,800	60,958	15,158
Tennis court fees	25,000	25,000	43,724	18,724
Golf Center	14,000	14,000	12,894	(1,106)
Other parks/recreation fees	54,000	54,000	79,588	25,588
Ticket rebate - Capital City Ball Park	0	0	12,000	12,000
Total charges for services	6,670,856	6,670,856	7,004,130	333,274
Fines and forfeitures				
Criminal court fines	80,000	80,000	155,759	75,759
Traffic court fines	775,000	775,000	673,057	(101,943)
Bond forfeiture from county courts	0	0	2,213	2,213
Uniform ordinance inspections	0	0	4,985	4,985
Uniform ordinance animal control	25,000	25,000	4,959	(20,041)
Uniform ordinance business license	0	0	10,699	10,699
Uniform ordinance fire department	0	0	10,271	10,271
Uniform ordinance zoning	0	0	2,169	2,169
Total fines and forfeitures	880,000	880,000	864,112	(15,888)
Revenues from use of money and property				
Interest on investments general	250,000	250,000	118,636	(131,364)
Interest gain/loss cost /market	0	0	70,529	70,529
Rents and Royalties	79,050	79,050	85,980	6,930
Total revenues from use of money and property	329,050	329,050	275,145	(53,905)

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance
Other revenues				
Miscellaneous revenue	\$ 95,000	\$ 95,000	\$ 350,807	\$ 255,807
Reimbursement property damage	5,000	5,000	24,085	19,085
Collection agency	25,000	25,000	0	(25,000)
From other sources	5,000	5,000	25,325	20,325
Auction sales	140,000	140,000	0	(140,000)
Donations	0	0	21,172	21,172
Total other revenues	<u>270,000</u>	<u>270,000</u>	<u>421,389</u>	<u>151,389</u>
Cost recovery fees	<u>2,270,000</u>	<u>2,270,000</u>	<u>2,270,000</u>	<u>0</u>
OTHER FINANCING SOURCES				
Sale of property	<u>0</u>	<u>0</u>	<u>156,782</u>	<u>156,782</u>
Transfers from				
Water and sewer operating fund	4,500,000	4,500,000	4,500,000	0
Parking operating fund	1,250,000	1,250,000	1,250,000	0
Hospitality fund	2,300,000	2,300,000	2,300,000	0
Accomodations fund	85,000	85,000	25,000	(60,000)
Other funds	1,506,526	1,506,526	2,155,780	649,254
Unappropriated surplus transfer	0	33,678	0	(33,678)
Total transfers from other funds	<u>9,641,526</u>	<u>9,675,204</u>	<u>10,230,780</u>	<u>555,576</u>
Total revenues and other financing sources	<u>\$ 106,303,068</u>	<u>\$ 106,336,746</u>	<u>\$ 109,533,463</u>	<u>\$ 3,196,717</u>

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
General Government				
Legislative				
Personnel services	\$ 333,842	\$ 333,849	\$ 338,895	\$ (5,046)
Supplies	13,850	19,814	13,491	6,323
Other services and charges	246,788	263,204	169,048	94,156
Total Legislative	594,480	616,867	521,434	95,433
Executive/Administration				
Personnel services	341,986	341,986	363,637	(21,651)
Supplies	18,784	12,024	4,153	7,871
Other services and charges	61,500	66,700	46,310	20,390
Total Executive/Administration	422,270	420,710	414,100	6,610
Governmental Affairs				
Personnel services	220,874	220,874	228,567	(7,693)
Supplies	16,600	16,612	6,574	10,038
Other services and charges	227,161	174,619	153,861	20,758
Total Governmental Affairs	464,635	412,105	389,002	23,103
Administrative Operations				
Personnel services	240,679	240,679	307,346	(66,667)
Supplies	4,700	8,750	5,010	3,740
Other services and charges	12,920	8,870	1,366	7,504
Total Administrative Operations	258,299	258,299	313,722	(55,423)
Administrative Services				
Personnel services	392,410	392,410	391,033	1,377
Supplies	6,200	8,150	5,014	3,136
Other services and charges	17,198	15,248	4,512	10,736
Total Administrative Services	415,808	415,808	400,559	15,249
Neighborhood and Community Service Administration				
Personnel services	274,778	274,778	284,711	(9,933)
Supplies	7,000	3,700	3,327	373
Other services and charges	21,111	24,411	22,747	1,664
Total Neighborhood and Community Service Administration	302,889	302,889	310,785	(7,896)
Citizen's Support Services				
Personnel services	288,796	318,176	364,364	(46,188)
Supplies	23,500	24,030	13,537	10,493
Other services and charges	64,055	34,145	19,996	14,149
Total Citizen's Support Services	376,351	376,351	397,897	(21,546)
Business Enterprise Office				
Personnel services	377,325	377,700	371,468	6,232
Supplies	10,550	15,550	12,214	3,336
Other services and charges	71,420	66,045	33,232	32,813
Total Business Enterprise Office	459,295	459,295	416,914	42,381

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance
Human Resources and Training				
Personnel services	\$ 724,623	\$ 724,623	\$ 770,051	\$ (45,428)
Supplies	41,019	39,869	34,492	5,377
Other services and charges	32,468	33,618	17,166	16,452
Total Human Resources and Training	798,110	798,110	821,709	(23,599)
Legal				
Personnel services	957,004	957,004	925,384	31,620
Supplies	55,412	55,442	32,753	22,689
Other services and charges	963,740	963,710	597,009	366,701
Capital outlay	5,000	5,000	0	5,000
Total Legal	1,981,156	1,981,156	1,555,146	426,010
Homeless Shelter				
Personal services	419,273	29,315	27,006	2,309
Supplies	29,027	1,921	2,488	(567)
Other services and charges	82,846	499,911	562,293	(62,382)
Total Homeless Shelter	531,146	531,147	591,787	(60,640)
Public Information				
Personnel services	383,078	384,243	376,806	7,437
Supplies	55,603	35,488	21,780	13,708
Other services and charges	35,869	36,704	17,984	18,720
Capital outlay	0	18,675	19,983	(1,308)
Total public information	474,550	475,110	436,553	38,557
Total General Government	7,078,989	7,047,847	6,569,608	478,239
Judicial				
Municipal Court				
Personnel services	2,139,818	2,162,728	2,123,262	39,466
Supplies	63,534	57,477	42,909	14,568
Other services and charges	182,147	166,576	83,541	83,035
Capital outlay	128,451	127,169	14,734	112,435
Total Municipal Court	2,513,950	2,513,950	2,264,446	249,504
Total Judicial	2,513,950	2,513,950	2,264,446	249,504
Finance Department:				
Administration				
Personnel services	18,852	18,852	25,640	(6,788)
Supplies	5,625	5,625	4,057	1,568
Other services and charges	87,590	87,590	49,981	37,609
Total Administration	112,067	112,067	79,678	32,389
Accounting				
Personnel services	905,169	905,169	859,036	46,133
Supplies	25,272	25,272	25,725	(453)
Other services and charges	120,173	120,173	82,029	38,144
Total Accounting	1,050,614	1,050,614	966,790	83,824

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance
Business License				
Personnel services	\$ 706,332	\$ 706,332	\$ 655,666	\$ 50,666
Supplies	23,905	23,905	20,111	3,794
Other services and charges	27,495	27,495	26,265	1,230
Total Business License	757,732	757,732	702,042	55,690
Treasury				
Personnel services	156,783	156,783	144,197	12,586
Supplies	3,353	3,353	690	2,663
Other services and charges	68,028	68,028	60,591	7,437
Total Treasury	228,164	228,164	205,478	22,686
Total Finance Department	2,148,577	2,148,577	1,953,988	194,589
Development Services and Planning				
Development Services				
Personnel services	3,727,650	3,727,650	3,586,485	141,165
Supplies	170,395	170,395	116,265	54,130
Other services and charges	211,510	211,510	195,045	16,465
Capital outlay	1,800	1,800	452	1,348
Total Development Services	4,111,355	4,111,355	3,898,247	213,108
Total Development Services and Planning	4,111,355	4,111,355	3,898,247	213,108
Public Safety				
Police Department				
Administrative Services				
Personnel services	2,489,861	2,489,861	2,353,069	136,792
Supplies	423,643	430,843	345,492	85,351
Other services and charges	624,271	715,078	697,396	17,682
Total Administrative Services	3,537,775	3,635,782	3,395,957	239,825
Operations				
Personnel services	15,799,781	15,799,781	15,196,346	603,435
Supplies	511,285	511,935	584,492	(72,557)
Other services and charges	530,710	530,710	611,666	(80,956)
Total Operations	16,841,776	16,842,426	16,392,504	449,922
Special Services				
Personnel services	5,837,504	5,837,504	1,778,119	4,059,385
Supplies	100,679	100,042	4,059,301	(3,959,259)
Other services and charges	87,447	88,084	120,849	(32,765)
Capital outlay	0	0	65,120	(65,120)
Total Special Services	6,025,630	6,025,630	6,023,389	2,241
Total Police Department	26,405,181	26,503,838	25,811,850	691,988

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance
Fire Department - City Administration				
Personnel services	\$ 632,725	\$ 632,725	\$ 743,915	\$ (111,190)
Supplies	21,444	21,444	13,311	8,133
Other services and charges	19,648	19,648	5,043	14,605
Total Administration	673,817	673,817	762,269	(88,452)
Fire Prevention				
Personnel services	1,044,489	1,044,489	983,737	60,752
Supplies	34,200	32,360	23,680	8,680
Other services and charges	23,711	25,551	22,216	3,335
Total Fire Prevention	1,102,400	1,102,400	1,029,633	72,767
Fire Suppression				
Personnel services	15,514,122	15,514,122	15,011,503	502,619
Supplies	484,083	449,573	401,704	47,869
Other services and charges	1,435,142	1,456,232	1,356,281	99,951
Capital outlay	64,485	77,905	12,154	65,751
Total Fire Suppression	17,497,832	17,497,832	16,781,642	716,190
Fire Logistics				
Personnel services	304,196	304,196	308,523	(4,327)
Supplies	60,300	60,300	49,628	10,672
Other services and charges	79,915	79,915	51,917	27,998
Capital outlay	2,500	2,500	0	2,500
Total Fire Logistics	446,911	446,911	410,068	36,843
Total Fire Department - City	19,720,960	19,720,960	18,983,612	737,348
Homeland Security				
Personnel services	1,485,338	1,485,338	1,360,478	124,860
Supplies	82,134	103,284	54,839	48,445
Other services and charges	70,193	49,043	37,665	11,378
Total Homeland Security	1,637,665	1,637,665	1,452,982	184,683
911 Emergency and 311 Center				
Personnel services	2,217,765	2,217,765	2,069,526	148,239
Supplies	34,725	34,725	21,445	13,280
Other services and charges	107,641	118,091	56,383	61,708
Capital outlay	6,075	6,075	0	6,075
Total 911 Emergency and 311 Center	2,366,206	2,376,656	2,147,354	229,302
Total Public Safety	50,130,012	50,239,119	48,395,798	1,843,321
Parks and Recreation Recreation				
Personnel services	5,583,815	5,503,873	5,297,117	206,756
Supplies	145,513	140,398	163,330	(22,932)
Other services and charges	526,208	628,265	764,360	(136,095)
Capital outlay	0	0	285	(285)
Total Recreation	6,255,536	6,272,536	6,225,092	47,444

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance
Parks				
Personnel services	\$ 2,397,808	\$ 2,377,808	\$ 2,208,243	\$ 169,565
Supplies	56,613	59,613	70,277	(10,664)
Other services and charges	223,919	223,919	284,857	(60,938)
Capital outlay	2,500	2,500	1,076	1,424
Special Events	0	0	20,467	(20,467)
Community Promotion	0	0	16,132	(16,132)
Total Parks	2,680,840	2,663,840	2,601,052	62,788
Swimming Pools				
Personnel services	118,758	118,758	117,016	1,742
Supplies	2,087	2,087	1,770	317
Other services and charges	600	600	1,236	(636)
Total Swimming Pools	121,445	121,445	120,022	1,423
Tennis Courts				
Personnel services	183,057	183,057	186,994	(3,937)
Supplies	1,000	1,000	493	507
Total Tennis Courts	184,057	184,057	187,487	(3,430)
Total Parks and Recreation	9,241,878	9,241,878	9,133,653	108,225
Public Works				
Administration				
Personnel services	319,113	319,113	301,703	17,410
Supplies	27,054	18,425	12,635	5,790
Other services and charges	112,583	95,067	90,407	4,660
Capital outlay	0	12,320	11,955	365
Total Administration	458,750	444,925	416,700	28,225
Solid Waste				
Personnel services	5,630,115	5,630,115	4,933,766	696,349
Supplies	1,207,998	1,211,498	789,876	421,622
Other services and charges	3,530,789	3,396,816	2,967,268	429,548
Capital outlay	0	10,473	2,584	7,889
Total Solid Waste	10,368,902	10,248,902	8,693,494	1,555,408
Streets and Storm Drains				
Personnel services	1,156,810	1,156,810	1,122,774	34,036
Supplies	198,746	197,896	142,778	55,118
Other services and charges	107,750	108,600	80,954	27,646
Total Street and Storm Drains	1,463,306	1,463,306	1,346,506	116,800
Animal Control				
Personnel services	1,026,732	1,026,732	951,467	75,265
Supplies	168,541	172,615	154,307	18,308
Other services and charges	250,258	243,684	122,023	121,661
Capital outlay	0	72,500	48,962	23,538
Total Animal Control	1,445,531	1,515,531	1,276,759	238,772

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance
Forestry and Beautification				
Personnel services	\$ 1,878,763	\$ 1,878,763	\$ 1,637,279	\$ 241,484
Supplies	236,535	231,285	141,699	89,586
Other services and charges	249,722	249,972	208,785	41,187
Capital outlay	0	5,000	4,603	397
Total Forestry and Beautification	2,365,020	2,365,020	1,992,366	372,654
Traffic Engineering				
Personnel services	1,354,546	1,354,546	1,346,413	8,133
Supplies	152,004	157,604	117,582	40,022
Other services and charges	2,004,276	2,002,676	1,821,369	181,307
Capital outlay	45,929	41,929	27,971	13,958
Total Traffic Engineering	3,556,755	3,556,755	3,313,335	243,420
Total Public Works	19,658,264	19,594,439	17,039,160	2,555,279
General Services				
Information Technology				
Personnel services	1,502,928	1,562,174	1,620,478	(58,304)
Supplies	33,250	42,523	42,586	(63)
Other services and charges	733,616	753,638	576,884	176,754
Capital outlay	73,109	48,393	44,893	3,500
Total Information Technology	2,342,903	2,406,728	2,284,841	121,887
Public Buildings				
Personnel services	398,463	398,463	366,034	32,429
Supplies	55,750	55,750	31,984	23,766
Other services and charges	925,528	925,528	828,808	96,720
Capital outlay	50,000	50,000	26,055	23,945
Total Public Buildings	1,429,741	1,429,741	1,252,881	176,860
Total General Services	3,772,644	3,836,469	3,537,722	298,747
Community Promotion				
Other services and charges	0	2,215	0	2,215
Community Promotion	635,625	645,700	643,200	2,500
Total Community Promotion	635,625	647,915	643,200	4,715
Nondepartmental Contingencies				
Other services and charges	1,319,732	500,000	467,104	32,896
Community Promotions	25,000	25,000	25,039	(39)
Total Contingencies	1,344,732	525,000	492,143	32,857
Administration				
Other services and charges	465,000	465,000	460,514	4,486
Total Administration	465,000	465,000	460,514	4,486

(Continued)

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

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance
Bank Service Charges				
Other services and charges	\$ 0	\$ 0	\$ 21,487	\$ (21,487)
Total Bank Service Charges	<u>0</u>	<u>0</u>	<u>21,487</u>	<u>(21,487)</u>
Land Transactions				
Other services and charges	0	0	92,500	(92,500)
Total Land Transactions	<u>0</u>	<u>0</u>	<u>92,500</u>	<u>(92,500)</u>
Total Nondepartmental	<u>1,809,732</u>	<u>990,000</u>	<u>1,066,644</u>	<u>(76,644)</u>
OTHER FINANCING USES				
Transfers to Other Funds				
Debt service	3,662,657	3,662,657	3,665,659	(3,002)
Transfers Interfund	1,539,385	2,302,540	2,736,417	(433,877)
Total Transfers to Other Funds	<u>5,202,042</u>	<u>5,965,197</u>	<u>6,402,076</u>	<u>(436,879)</u>
Total Expenditures and Other Financing Uses	<u>\$ 106,303,068</u>	<u>\$ 106,336,746</u>	<u>\$ 100,904,542</u>	<u>\$ 5,432,204</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Accommodations Tax accounts for a 2% State Hotel Accommodations Tax receipts to promote activities of City organizations.

Tourism Development Convention Center accounts for a 3% 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 various community services 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.

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

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.

Columbia Parking Facilities Corporation accounts for activities of two Innovista parking garages

Streetscaping accounts for capital improvements to street landscaping.

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, 2010

	Special Revenue									Totals
	Accommodations Tax	Tourism Development Convention Center	Business Improvement District	Hospitality Tax	Confiscated Drug Program	Other Programs	Community Development	Justice Department Grants	Other Grants	
ASSETS										
Cash and cash equivalents	\$ 0	\$ 345,382	\$ 2,961	\$ 1,100,393	\$ 148,238	\$ 165,928	\$ 0	\$ 0	\$ 4,833	\$ 1,767,735
Investments	0	1,799,258	0	1,727,324	261,692	0	0	0	0	3,788,274
Receivables, net:										
Federal government	0	0	0	0	0	41,085	3,749,676	49,674	2,166,190	6,006,625
State government	461,068	27,750	0	0	0	24,918	0	0	0	513,736
County	0	0	210	0	0	0	0	0	0	210
Accounts	0	370,523	0	0	0	0	0	0	1,001	371,524
Accrued interest	0	77	0	12,691	0	0	0	0	0	12,768
Prepaid charges	0	0	0	0	0	0	0	2,939	4,004	6,943
Total assets	\$ 461,068	\$ 2,542,990	\$ 3,171	\$ 2,840,408	\$ 409,930	\$ 231,931	\$ 3,749,676	\$ 52,613	\$ 2,176,028	\$ 12,467,815
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 0	\$ 32,743	\$ 3,171	\$ 0	\$ 4,562	\$ 30,566	\$ 314,604	\$ 17,422	\$ 894,471	\$ 1,297,539
Accrued salaries and benefits	0	0	0	0	0	9,682	14,558	7,557	28,814	60,611
Retainage payable	0	0	0	0	0	0	0	0	42,241	42,241
Deferred revenue	0	0	0	0	261,692	1,652	3,889	14,593	11,032	292,858
Due to other funds	25,956	0	0	0	0	214,156	3,416,625	13,041	1,199,470	4,869,248
Total liabilities	25,956	32,743	3,171	0	266,254	256,056	3,749,676	52,613	2,176,028	6,562,497
Fund balances:										
Nonspendable	0	0	0	0	0	0	0	2,939	4,004	6,943
Restricted	0	0	0	0	0	0	0	0	0	0
Assigned	435,112	2,510,247	0	2,840,408	143,676	0	0	0	0	5,929,443
Unassigned	0	0	0	0	0	(24,125)	0	(2,939)	(4,004)	(31,068)
Total fund balances	435,112	2,510,247	0	2,840,408	143,676	(24,125)	0	0	0	5,905,318
Total liabilities and fund balances	\$ 461,068	\$ 2,542,990	\$ 3,171	\$ 2,840,408	\$ 409,930	\$ 231,931	\$ 3,749,676	\$ 52,613	\$ 2,176,028	\$ 12,467,815

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 June 30, 2010

	Debt Service			Capital Projects						Permanent Trust	Total Nonmajor Governmental Funds
	G. O. Bonds	Special District Bonds	Total	Tax Increment District	Columbia Parking Facilities Corporation	Streetscaping	General Capital Projects	Miscellaneous Projects	Total	Dickson Trust	
ASSETS											
Cash and cash equivalents	\$ 0	\$ 2,224,807	\$ 2,224,807	\$ 10,018,695	\$ 0	\$ 12,497,346	\$ 2,527,476	\$ 1,304,378	\$ 26,347,895	\$ 0	\$ 30,340,437
Investments	788,325	0	788,325	0	0	0	0	7,878,487	7,878,487	5,575	12,460,661
Receivables, net:											
Federal government	0	0	0	0	0	1,540,383	0	0	1,540,383	0	7,547,008
State government	0	0	0	0	0	0	0	0	0	0	513,736
County	0	0	0	0	0	0	0	0	0	0	210
Accounts	0	0	0	0	0	0	29,176	0	29,176	0	400,700
Accrued interest	0	0	0	0	0	0	0	203	203	0	12,971
Prepaid charges	0	0	0	0	0	0	0	0	0	0	6,943
Total assets	\$ 788,325	\$ 2,224,807	\$ 3,013,132	\$ 10,018,695	\$ 0	\$ 14,037,729	\$ 2,556,652	\$ 9,183,068	\$ 35,796,144	\$ 5,575	\$ 51,282,666
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 239,109	\$ 0	\$ 649,224	\$ 36,604	\$ 2,228	\$ 927,165	\$ 0	\$ 2,224,704
Accrued salaries and benefits	0	0	0	0	0	0	0	0	0	0	60,611
Retainage payable	0	0	0	190,000	0	804,136	0	0	994,136	0	1,036,377
Deferred revenue	0	0	0	0	0	0	0	0	0	0	292,858
Due to other funds	0	0	0	0	0	0	0	3,618,757	3,618,757	0	8,488,005
Total liabilities	0	0	0	429,109	0	1,453,360	36,604	3,620,985	5,540,058	0	12,102,555
Fund balances:											
Nonspendable	0	0	0	0	0	0	0	0	0	0	6,943
Restricted	0	0	0	0	0	0	0	0	0	5,575	5,575
Assigned	788,325	2,224,807	3,013,132	9,589,586	0	12,584,369	2,520,048	5,562,083	30,256,086	0	39,198,661
Unassigned	0	0	0	0	0	0	0	0	0	0	(31,068)
Total fund balances	788,325	2,224,807	3,013,132	9,589,586	0	12,584,369	2,520,048	5,562,083	30,256,086	5,575	39,180,111
Total liabilities and fund balances	\$ 788,325	\$ 2,224,807	\$ 3,013,132	\$ 10,018,695	\$ 0	\$ 14,037,729	\$ 2,556,652	\$ 9,183,068	\$ 35,796,144	\$ 5,575	\$ 51,282,666

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

For the Year Ended June 30, 2010

	Special Revenue									
	Accommodation Tax	Tourism Development Convention Center	Business Improvement District	Hospitality Tax	Confiscated Drug Program	Other Programs	Community Development	Justice Department Grants	Other Grants	Totals
REVENUES										
Federal government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,929,491	\$ 311,854	\$ 5,491,686	\$ 11,733,031
State government	1,373,425	261,200	0	0	0	0	0	0	0	1,634,625
County government	0	1,777,544	719,639	0	0	0	0	0	0	2,497,183
Promotions	0	0	0	0	0	144,639	0	0	0	144,639
Confiscated funds	0	0	0	0	74,057	0	0	0	0	74,057
Sales taxes	0	0	0	7,941,705	0	0	0	0	0	7,941,705
Interest	0	1,355	0	112,005	0	0	0	0	0	113,360
Other revenues	0	2,425,981	0	0	0	254,763	0	0	0	2,680,744
Total revenues	1,373,425	4,466,080	719,639	8,053,710	74,057	399,402	5,929,491	311,854	5,491,686	26,819,344
EXPENDITURES										
Current										
General government	0	0	0	112,101	0	411,500	4,257,267	0	4,748,271	9,529,139
Public safety	0	0	0	2,333	127,868	0	0	256,689	0	386,890
Parks and recreation	0	0	0	0	0	0	0	0	0	0
Public services	0	0	0	0	0	0	0	0	0	0
Community promotion	1,188,419	3,013,807	0	4,145,416	0	0	0	0	0	8,347,642
Other charges	0	0	720,028	0	0	0	0	0	0	720,028
Debt Service										
Principal payment on bonds	0	1,600,000	0	0	0	0	0	0	0	1,600,000
Interest on bonds	0	1,341,625	0	0	0	0	0	0	0	1,341,625
Fiscal agent charges	0	6,465	0	0	0	0	0	0	0	6,465
Capital outlay										
Capital outlay	0	0	0	0	33,471	0	0	61,963	405,090	500,524
Total expenditures	1,188,419	5,961,897	720,028	4,259,850	161,339	411,500	4,257,267	318,652	5,153,361	22,432,313
Excess (deficiency) of revenues over (under) expenditures	185,006	(1,495,817)	(389)	3,793,860	(87,282)	(12,098)	1,672,224	(6,798)	338,325	4,387,031
OTHER FINANCING SOURCES (USES)										
Transfers in	0	0	389	0	0	138,466	424,898	8,511	11,357	583,621
Transfers (out)	(30,000)	(480,000)	0	(5,561,142)	0	(130,592)	(2,097,122)	(1,713)	(349,682)	(8,650,251)
Total other financing sources (uses)	(30,000)	(480,000)	389	(5,561,142)	0	7,874	(1,672,224)	6,798	(338,325)	(8,066,630)
Net change in fund balances	155,006	(1,975,817)	0	(1,767,282)	(87,282)	(4,224)	0	0	0	(3,679,599)
Beginning fund balances(deficits)	280,106	4,486,064	0	4,607,690	230,958	(19,901)	0	0	0	9,584,917
Ending fund balances (deficits)	\$ 435,112	\$ 2,510,247	\$ 0	\$ 2,840,408	\$ 143,676	\$ (24,125)	\$ 0	\$ 0	\$ 0	\$ 5,905,318

(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, 2010

	Debt Service			Tax Increment District	Capital Projects					Permanent Trust	Total Nonmajor Governmental Funds
	G. O. Bonds	Special District Bonds	Total		Columbia Parking Facilities Corporation	Streetscaping	General Capital Projects	Miscellaneous Projects	Total 2010	Dickson Trust	
REVENUES											
Federal government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,471,990	\$ 0	\$ 0	\$ 4,471,990	\$ 0	\$ 16,205,021
State government	0	0	0	0	0	0	0	0	0	0	1,634,625
County government	0	0	0	0	632,760	0	0	0	632,760	0	3,129,943
Promotions	0	0	0	0	0	0	0	0	0	0	144,639
Confiscated funds	0	0	0	0	0	0	0	0	0	0	74,057
Sales taxes	0	0	0	0	0	0	0	0	0	0	7,941,705
Interest	0	25,953	25,953	0	1,363	0	0	1,590	2,953	47	142,313
Other revenues	0	0	0	0	0	0	253,143	0	253,143	0	2,933,887
Total revenues	0	25,953	25,953	0	634,123	4,471,990	253,143	1,590	5,360,846	47	32,206,190
EXPENDITURES											
Current											
General government	0	0	0	0	2,948	0	38,451	2,363	43,762	0	9,572,901
Public safety	0	0	0	0	0	0	0	0	0	0	386,890
Parks and recreation	0	0	0	0	0	0	0	0	0	0	0
Public services	0	0	0	0	0	0	203,309	15,061	218,370	0	218,370
Community promotion	0	0	0	0	0	0	0	0	0	0	8,347,642
Other charges	0	3,000	3,000	0	0	0	0	6,454	6,454	0	729,482
Debt Service											
Principal payment on bonds	2,570,000	810,000	3,380,000	0	225,034	0	0	0	225,034	0	5,205,034
Interest on bonds	1,017,659	826,143	1,843,802	0	258,807	0	0	0	258,807	0	3,444,234
Fiscal agent charges	0	1,575	1,575	0	0	0	0	0	0	0	8,040
Capital outlay											
Capital outlay	0	0	0	2,195,974	0	5,609,855	1,100,131	0	8,905,960	0	9,406,484
Total expenditures	3,587,659	1,640,718	5,228,377	2,195,974	486,789	5,609,855	1,341,891	23,878	9,658,387	0	37,319,077
Excess (deficiency) of revenues over (under) expenditures	(3,587,659)	(1,614,765)	(5,202,424)	(2,195,974)	147,334	(1,137,865)	(1,088,748)	(22,288)	(4,297,541)	47	(5,112,887)
OTHER FINANCING SOURCES (USES)											
Transfers in	3,584,705	3,342,096	6,926,801	1,558,337	0	1,857,821	1,212,800	431,703	5,060,661	0	12,571,083
Transfers (out)	0	0	0	0	(1,215,705)	0	0	(2,720,477)	(3,936,182)	0	(12,586,433)
Total other financing sources (uses)	3,584,705	3,342,096	6,926,801	1,558,337	(1,215,705)	1,857,821	1,212,800	(2,288,774)	1,124,479	0	(15,350)
Net change in fund balances	(2,954)	1,727,331	1,724,377	(637,637)	(1,068,371)	719,956	124,052	(2,311,062)	(3,173,062)	47	(5,128,237)
Beginning fund balances(deficits)	791,279	497,476	1,288,755	10,227,223	1,068,371	11,864,413	2,395,996	7,873,145	33,429,148	5,528	44,308,348
Ending fund balances (deficits)	\$ 788,325	\$ 2,224,807	\$ 3,013,132	\$ 9,589,586	\$ 0	\$ 12,584,369	\$ 2,520,048	\$ 5,562,083	\$ 30,256,086	\$ 5,575	\$ 39,180,111

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.

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

Parks and Recreation Camp Fund accounts for the parks and recreations camp activities.

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

June 30, 2010

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 2,450,913	\$ 9,731,740	\$ 6,097,414	\$ 245,815	\$ 18,525,882
Investments	0	2,327,855	0	0	2,327,855
Accounts receivable, net	2,000,000	0	0	0	2,000,000
Mortgage notes receivable, net	0	0	1,032,446	0	1,032,446
Accrued interest receivable	0	70,889	0	0	70,889
Prepaid expenses	0	1,656	0	454	2,110
Real estate held for resale	0	0	1,036,966	0	1,036,966
Total current assets	4,450,913	12,132,140	8,166,826	246,269	24,996,148
Noncurrent assets:					
Investments	0	7,320,460	0	0	7,320,460
Capital assets:					
Land	327,169	12,690	0	0	339,859
Buildings, improvements and utility plant	16,173,300	4,387,842	0	0	20,561,142
Machinery and equipment	0	698,266	0	0	698,266
Less, accumulated depreciation	(2,506,862)	(1,368,180)	0	0	(3,875,042)
Construction in progress	0	4,655,080	0	0	4,655,080
Net capital assets	13,993,607	8,385,698	0	0	22,379,305
Mortgage notes receivable, net	0	0	22,340,680	0	22,340,680
Total noncurrent assets	13,993,607	15,706,158	22,340,680	0	52,040,445
Total assets	\$ 18,444,520	\$ 27,838,298	\$ 30,507,506	\$ 246,269	\$ 77,036,593
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 5,955	\$ 320,637	\$ 294,317	\$ 4,634	\$ 625,543
Accrued salaries and benefits	0	68,088	0	29,479	97,567
Compensated absences	0	12,084	0	0	12,084
Retainage payable	0	143,718	0	0	143,718
Due to other funds	0	3,585,270	0	0	3,585,270
Contract payable	2,645,601	0	0	0	2,645,601
Total current liabilities	2,651,556	4,129,797	294,317	34,113	7,109,783
Noncurrent liabilities:					
Contract payable	1,936,803	0	0	0	1,936,803
Compensated absences	0	48,337	0	0	48,337
Total non-current liabilities	1,936,803	48,337	0	0	1,985,140
Total liabilities	4,588,359	4,178,134	294,317	34,113	9,094,923
Net Assets:					
Investment in capital assets, net of related debt	13,993,607	8,385,698	0	0	22,379,305
Unrestricted	(137,446)	15,274,466	30,213,189	212,156	45,562,365
Total net assets	13,856,161	23,660,164	30,213,189	212,156	67,941,670
Total liabilities and net assets	\$ 18,444,520	\$ 27,838,298	\$ 30,507,506	\$ 246,269	\$ 77,036,593

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

For the Year Ended June 30, 2010

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Totals
Operating revenues:					
Charges for services	\$ 0	\$ 4,800,452	\$ 0	\$ 207,707	\$ 5,008,159
Other operating revenue	1,346,041	0	881,876	0	2,227,917
Total operating revenue	<u>1,346,041</u>	<u>4,800,452</u>	<u>881,876</u>	<u>207,707</u>	<u>7,236,076</u>
Operating expenses:					
Personnel services	0	2,216,899	0	148,743	2,365,642
Materials and supplies	0	173,179	0	25,746	198,925
Other services and charges	1,850,333	1,330,726	4,206,701	74,216	7,461,976
Heat, light and power	1,125,271	0	0	0	1,125,271
Depreciation	323,466	318,916	0	0	642,382
Bad debt expense	0	0	497,718	0	497,718
Total operating expenses	<u>3,299,070</u>	<u>4,039,720</u>	<u>4,704,419</u>	<u>248,705</u>	<u>12,291,914</u>
Operating income (loss)	<u>(1,953,029)</u>	<u>760,732</u>	<u>(3,822,543)</u>	<u>(40,998)</u>	<u>(5,055,838)</u>
Nonoperating revenues (expenses):					
Investment income (loss)	0	449,611	15,970	0	465,581
Gain (loss) from sale of assets	0	1,615	0	0	1,615
Interest expense	(11,337)	0	0	0	(11,337)
Intergovernmental expenses	0	(21,914)	0	0	(21,914)
Total nonoperating revenues (expenses)	<u>(11,337)</u>	<u>429,312</u>	<u>15,970</u>	<u>0</u>	<u>433,945</u>
Income (loss) before transfers	<u>(1,964,366)</u>	<u>1,190,044</u>	<u>(3,806,573)</u>	<u>(40,998)</u>	<u>(4,621,893)</u>
Transfers:					
Transfers in	0	1,142,990	3,952,895	253,154	5,349,039
Transfers out	0	0	(2,101,673)	0	(2,101,673)
Total transfers:	<u>0</u>	<u>1,142,990</u>	<u>1,851,222</u>	<u>253,154</u>	<u>3,247,366</u>
Change in net assets	<u>(1,964,366)</u>	<u>2,333,034</u>	<u>(1,955,351)</u>	<u>212,156</u>	<u>(1,374,527)</u>
Net assets - beginning	<u>15,820,527</u>	<u>21,327,130</u>	<u>32,168,540</u>	<u>0</u>	<u>69,316,197</u>
Net assets - ending	<u>\$ 13,856,161</u>	<u>\$ 23,660,164</u>	<u>\$ 30,213,189</u>	<u>\$ 212,156</u>	<u>\$ 67,941,670</u>

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 For the Year Ended June 30, 2010

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 6,678,235	\$ 4,800,452	\$ 881,876	\$ 207,707	\$ 12,568,270
Payments to suppliers	(6,194,774)	(1,668,816)	(4,583,865)	(95,782)	(12,543,237)
Payments to employees	0	(2,160,579)	0	(119,264)	(2,279,843)
Net cash provided by (used in) operating activities	483,461	971,057	(3,701,989)	(7,339)	(2,254,810)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Due to (from) others	0	(506,675)	(922,486)	0	(1,429,161)
Intergovernmental expenses	0	(21,914)	0	0	(21,914)
Transfers in	0	1,142,990	3,952,895	253,154	5,349,039
Transfers out	0	0	(2,101,673)	0	(2,101,673)
Net cash provided by noncapital and related financing activities	0	614,401	928,736	253,154	1,796,291
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	0	(1,512,418)	0	0	(1,512,418)
Interest paid on debt	(45,347)	0	0	0	(45,347)
Net cash used by capital and related financing activities	(45,347)	(1,512,418)	0	0	(1,557,765)
CASH FLOWS FROM INVESTING ACTIVITIES					
(Purchase) sale of investments, net	0	(2,136,709)	0	0	(2,136,709)
Advances of mortgage notes receivable	0	0	6,413,731	0	6,413,731
Collections of mortgage notes receivable	0	0	(4,314,593)	0	(4,314,593)
Interest received	0	459,953	15,970	0	475,923
Purchase of real estate held for resale	0	0	(597,758)	0	(597,758)
Net cash provided by (used in) investing activities	0	(1,676,756)	1,517,350	0	(159,406)
Net increase (decrease) in cash and cash equivalents	438,114	(1,603,716)	(1,255,903)	245,815	(2,175,690)
Cash and cash equivalents, July 1, 2009	2,012,799	11,335,456	7,353,317	0	20,701,572
Cash and cash equivalents, June 30, 2010	\$ 2,450,913	\$ 9,731,740	\$ 6,097,414	\$ 245,815	\$ 18,525,882
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ (1,953,029)	\$ 760,732	\$ (3,822,543)	\$ (40,998)	\$ (5,055,838)
Adjustment to reconcile operating income to net cash provided by (used in) operating activities					
Depreciation	323,466	318,916	0	0	642,382
Bad debt expense	0	0	497,718	0	497,718
Change in operating assets and liabilities					
Accounts receivable	5,332,194	0	76,332	0	5,408,526
Prepaid expenses	0	(1,656)	0	(454)	(2,110)
Accounts payable	(3,846,920)	(143,951)	(453,496)	4,634	(4,439,733)
Contracts payable	627,750	0	0	0	627,750
Accrued salaries	0	15,565	0	29,479	45,044
Accrued compensated absences	0	21,451	0	0	21,451
Total adjustments	2,436,490	210,325	120,554	33,659	2,801,028
Net cash provided by (used in) operating activities	\$ 483,461	\$ 971,057	\$ (3,701,989)	\$ (7,339)	\$ (2,254,810)

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
 COMBINING STATEMENT OF NET ASSETS/(DEFICITS)
 INTERNAL SERVICE FUNDS

June 30, 2010

	Fleet Management	Support Services	Risk Management	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 0	\$ 35,300	\$ 36,319,687	\$ 36,354,987
Accounts receivable	31,205	0	894,386	925,591
Prepaid expenses	0	175,878	298,882	474,760
Inventory	0	436,339	0	436,339
Total current assets	31,205	647,517	37,512,955	38,191,677
Noncurrent assets:				
Deposits	0	0	78,745	78,745
Capital assets				
Buildings	903,586	0	0	903,586
Machinery and equipment	11,581,483	585,764	18,428	12,185,675
Less, accumulated depreciation	(7,243,192)	(498,492)	(18,428)	(7,760,112)
Total capital assets (net of accumulated depreciation)	5,241,877	87,272	0	5,329,149
Total noncurrent assets	5,241,877	87,272	78,745	5,407,894
Total assets	\$ 5,273,082	\$ 734,789	\$ 37,591,700	\$ 43,599,571
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 323,372	\$ 124,020	\$ 590,751	\$ 1,038,143
Accrued salaries and benefits	67,818	21,138	10,075	99,031
OPEB liability	0	0	27,855,546	27,855,546
Accrued compensated absences	28,458	15,484	4,375	48,317
Due to other funds	4,739,604	512,209	0	5,251,813
Accrued liability for claims	0	0	13,010,644	13,010,644
Total current liabilities	5,159,252	672,851	41,471,391	47,303,494
Non-Current Liabilities:				
Accrued compensated absences	113,830	61,938	17,501	193,269
Total long term liabilities	113,830	61,938	17,501	193,269
Total liabilities	5,273,082	734,789	41,488,892	47,496,763
NET ASSETS				
Investment in capital assets	5,241,877	87,272	0	5,329,149
Unrestricted	(5,241,877)	(87,272)	(3,897,192)	(9,226,341)
Total net assets (deficit)	0	0	(3,897,192)	(3,897,192)
Total liabilities and net assets	\$ 5,273,082	\$ 734,789	\$ 37,591,700	\$ 43,599,571

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS/(DEFICITS)
 INTERNAL SERVICE FUNDS

Year Ended June 30, 2010

	Fleet Management	Support Services	Risk Management	Total
Operating revenues:				
Charges for services	\$ 10,034,067	\$ 2,135,260	\$ 34,495,612	\$ 46,664,939
Total operating revenues	<u>10,034,067</u>	<u>2,135,260</u>	<u>34,495,612</u>	<u>46,664,939</u>
Operating expenses:				
Personnel services	2,301,400	867,290	11,507,022	14,675,712
Materials and supplies	6,302,469	257,390	15,443	6,575,302
Contractual services	18,938	255,081	0	274,019
Heat, light and power	50,264	0	0	50,264
Other charges and services	214,414	1,819,342	2,331,001	4,364,757
Claims and premiums	0	0	21,832,562	21,832,562
Depreciation	1,330,994	71,826	0	1,402,820
Total operating expenses	<u>10,218,479</u>	<u>3,270,929</u>	<u>35,686,028</u>	<u>49,175,436</u>
Operating loss	<u>(184,412)</u>	<u>(1,135,669)</u>	<u>(1,190,416)</u>	<u>(2,510,497)</u>
Non-operating revenues:				
Gain on sale of assets	68,546	0	0	68,546
Total non-operating revenues	<u>68,546</u>	<u>0</u>	<u>0</u>	<u>68,546</u>
Loss before transfers	<u>(115,866)</u>	<u>(1,135,669)</u>	<u>(1,190,416)</u>	<u>(2,441,951)</u>
Transfers in	258,859	1,135,669	1,751,759	3,146,287
Transfers out	(142,993)	0	(1,155,910)	(1,298,903)
Net Transfers	<u>115,866</u>	<u>1,135,669</u>	<u>595,849</u>	<u>1,847,384</u>
Change in net assets	0	0	(594,567)	(594,567)
Net assets (deficit) - beginning	<u>0</u>	<u>0</u>	<u>(3,302,625)</u>	<u>(3,302,625)</u>
Net assets (deficit) - ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,897,192)</u>	<u>\$ (3,897,192)</u>

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

Year Ended June 30, 2010

	Fleet Management	Support Services	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 10,044,548	\$ 2,135,260	\$ 34,317,776	\$ 46,497,584
Payments to suppliers	(6,479,515)	(2,499,077)	(25,794,559)	(34,773,151)
Payments to employees	(2,291,423)	(879,974)	(386,393)	(3,557,790)
Net cash provided by (used in) operating activities	<u>1,273,610</u>	<u>(1,243,791)</u>	<u>8,136,824</u>	<u>8,166,643</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to (from) others	(1,915,580)	66,623	0	(1,848,957)
Transfers in	258,859	1,135,669	1,751,759	3,146,287
Transfers out	(142,993)	0	(1,155,910)	(1,298,903)
Net cash provided by (used in) noncapital financing activities	<u>(1,799,714)</u>	<u>1,202,292</u>	<u>595,849</u>	<u>(1,573)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	0	(7,720)	0	(7,720)
Proceeds from sale of capital assets	345,983	0	0	345,983
Net cash provided by (used in) capital and related financing activities	<u>345,983</u>	<u>(7,720)</u>	<u>0</u>	<u>338,263</u>
Net increase (decrease) in cash and cash equivalents	(180,121)	(49,219)	8,732,673	8,503,333
Cash and cash equivalents, July 1, 2009	<u>180,121</u>	<u>84,519</u>	<u>27,587,014</u>	<u>27,851,654</u>
Cash and cash equivalents, June 30, 2010	<u>\$ 0</u>	<u>\$ 35,300</u>	<u>\$ 36,319,687</u>	<u>\$ 36,354,987</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating loss	\$ (184,412)	\$ (1,135,669)	\$ (1,190,416)	\$ (2,510,497)
Adjustment to reconcile operating loss to net cash provided by (used in) operating activities				
Depreciation	1,330,994	71,826	0	1,402,820
Change in operating assets and liabilities				
Accounts receivable	10,481	0	(177,836)	(167,355)
Inventory	0	62,732	0	62,732
Prepaid expenses	0	0	(257,273)	(257,273)
Accounts payable	106,570	(229,996)	(364,984)	(488,410)
Accrued salaries	8,050	(2,339)	(1,372)	4,339
Accrued compensated absences	1,927	(10,345)	(17,460)	(25,878)
OPEB liability	0	0	11,139,461	11,139,461
Accrued liability for claims	0	0	(993,296)	(993,296)
Total adjustments	<u>1,458,022</u>	<u>(108,122)</u>	<u>9,327,240</u>	<u>10,677,140</u>
Net cash provided by (used in) operating activities	<u>\$ 1,273,610</u>	<u>\$ (1,243,791)</u>	<u>\$ 8,136,824</u>	<u>\$ 8,166,643</u>

SUPPLEMENTARY INFORMATION

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
YEAR ENDED JUNE 30, 2010**

Court Fines and Assessments

Fines Collected	\$ 908,702
Assessments	796,010
Surcharges	436,212
Total Court Fines and Assessments Collected	<u>\$ 2,140,924</u>

Surcharges and Assessments Remitted to State Treasurer

DUI/DUS/BUI	
Municipal DUI Assessment	\$ 2,427
Municipal DUI Surcharge	4,300
DUI/DUAC Breathalyzer Test Conviction Fee - SLED	100
Surcharges	
Municipal Drug Surcharge	1,200
Municipal Law Enforcement Surcharge	345,675
Criminal Justice Academy Surcharge	58,840
Other Assessments - State Shared	703,787
Total Revenue Remitted to State Treasurer	<u>\$ 1,116,329</u>

Fines, Surcharges and Assessments Retained by City

Fines	\$ 908,702
Assessments	89,696
Surcharges	26,197
Total Revenue Retained by City	<u>\$ 1,024,595</u>

Funds Allocated to Victims Service

Carryover Funds from Prior Year	\$ 0
Assessments Retained	89,696
Surcharges Retained	26,197
Expenditures	(243,067)
Transfers from General Fund	127,174
Total Unexpended Victims Rights Assistance	<u>\$ 0</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) Non-Departmental	Debt Service	Total
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
2009	34,409,327	2,601,962	54,665,050	19,926,127	9,889,048	3,847,700	0	30,526,620	13,071,798	168,937,632
2010	35,195,478	1,953,988	48,782,688	17,257,530	9,133,653	3,537,722	0	24,096,131	8,657,308	148,614,498

(1) Includes total governmental funds.

(2) Includes non-departmental, community promotions, planning, 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	Property Taxes (2)	Sales Taxes	Licenses and Permits	Fines and Forfeitures (3)	Revenues From Use of Money and Property	Inter-governmental Revenues	Charges for Services (4)	Grants and Other Revenues (5)	Total
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
2009	48,292,387	8,070,790	29,591,085	922,675	1,282,669	49,177,437	7,166,064	7,543,001	152,046,108
2010	48,930,564	7,941,705	27,418,693	864,112	417,458	50,886,025	7,004,163	5,843,972	149,306,692

- (1) Includes total governmental funds. Transfers from enterprise funds are excluded
- (2) Includes Local Option Sales Tax revenues
- (3) Certain parking fees and fines were pledged to the parking enterprise fund.
- (4) Includes indirect cost reimbursement from water and sewer facilities fund.
- (5) Includes sale of property.

CITY OF COLUMBIA, SOUTH CAROLINA

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

Fiscal Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Taxes Collected	Delinquent Tax Collections (2)	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy (2)	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
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	42,270,086	97.92	1,348,627	43,618,713	101.05	1,642,910	3.81
2009	48,642,762	46,502,075	95.60	1,322,443	47,824,518	98.32	2,255,637	4.64
2010	49,514,889	46,637,386	94.19	2,293,178	48,930,564	98.82	2,408,694	4.86

(1) Includes only 80% of taxes levied on real property on which the assessment has been appealed.

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

* Change from prior year figures

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	
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
2009*	2008	344,361,680	7,060,929,803	113,237,212	1,354,280,788	457,598,892	8,415,210,591	5.44
2010	2009	386,566,370	7,933,397,705	111,006,869	1,308,826,126	497,573,239	9,242,223,831	5.38

(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. The merchant inventory assessment is not included in the total assessed value, however, it is included when calculating the legal bond debt limit.

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

* Change from prior year amounts

Note: The Act, which provides for statewide uniform assessment ratios, established assessment rates of 10.5% for manufacturers' equipment, furniture, and fixtures; 6% for autos; and either 6% or 4% for real estate. A county-wide reassessment of real property and manufacturers was completed in 2009 tax year for Richland County. 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	Millage	County Purposes Millage	Richland County School District No. 1 (1)		Richland County School District No. 2		Richland / Lexington School District No. 5	
			School Millage	Overlapping District 1CC	School Millage	Overlapping District 2CC	School Millage	Overlapping District 6CC
2000	92.0	78.5	193.0	363.5	208.8	379.3	212.9	383.4
2001	92.0	65.7	215.1	372.8	230.0	387.7	235.4	393.1
2002	92.0	70.8	238.9	401.7	258.1	420.9	255.6	418.4
2003	92.0	76.3	280.4	448.8	281.8	450.2	267.5	435.9
2004	92.0	80.0	289.1	461.1	289.5	461.5	266.4	438.4
2005	83.6	78.0	266.0	427.6	279.0	440.6	234.6	396.2
2006	99.0	76.4	282.7	458.1	295.4	470.8	253.0	428.4
2007	102.5	77.9	299.1	479.5	311.1	491.5	274.7	455.1
2008	106.3	81.1	306.1	493.5	324.2	511.6	284.4	471.8
2009	98.1	78.7	307.5	484.3	365.4	542.2	275.8	452.6

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

CITY OF COLUMBIA, SOUTH CAROLINA

**Principal Taxpayers
(Unaudited)**

Year Ended June 30, 2010

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
South Carolina Electric & Gas	Electric & Gas Utility	\$ 11,788,860	2.37%
BellSouth Telecom, Inc.	Communications	10,906,520	2.19%
US REIF/MJW Capital Center Fee	Real Estate	2,287,170	0.46%
Time Warner Ent. - Advance	Communications	2,066,170	0.42%
Unumprovident Corporation	Insurance	1,968,100	0.40%
Bank of America Plaza LLC	Real Estate	1,968,100	0.40%
Colonial Life & Accident	Insurance	1,923,598	0.39%
Parkway Properties LLC	Real Estate	1,588,470	0.32%
Adesso/Columbia LLC	Real Estate	1,433,830	0.29%
SC Heritage Association	Tourism	1,302,840	0.26%
Totals		\$ 37,233,658	7.50%

CITY OF COLUMBIA, SOUTH CAROLINA

**Computation of Legal Debt Margin
(Unaudited)**

Year Ended June 30, 2010

Assessed value as of January 1, 2010	
City limits Richland County	\$ 472,986,989
City limits Lexington County	24,586,250
Total	<u>497,573,239</u>
Business inventory 1987 assessed value	<u>6,667,290</u>
Total assessed value (see note)	\$ <u><u>504,240,529</u></u>
Debt limit - Eight (8%) percent of assessed value, without voters' approval	\$ 40,339,242
Amount of debt applicable to debt limit:	
Total general bonded debt	<u>23,125,000</u>
Legal debt margin without a referendum	\$ <u><u>17,214,242</u></u>

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

CITY OF COLUMBIA, SOUTH CAROLINA

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Payable From Enterprise Revenues (4)	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
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
2009	128,299	457,598,892	25,695,000	0	25,695,000	5.62	200.27
2010	129,333	497,573,239	23,125,000	0	23,125,000	4.65	178.80

(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 General Governmental Expenditures (3)	Ratio of Debt Service to General Governmental Expenditures
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	8,010,000	986,607	8,996,607	187,362,646	4.8
2009	2,545,000	1,098,634	3,643,634	168,937,632	2.2
2010	2,570,000	1,017,659	3,587,659	148,614,498	2.4

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

(2) Excludes bond issuance and other costs.

(3) Includes total governmental funds.

* 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, 2010**

Jurisdiction	City of Columbia Direct General Obligation Bonded Debt Outstanding	Estimated Applicable Percentage	Overlapping General Obligation Bonded Debt Outstanding
Direct:			
City of Columbia	\$ 23,125,000	100.00%	\$ 23,125,000
Overlapping:			
Richland County School District No. 1	511,860,000	53.83%	275,529,870
Richland County School District No. 2	351,190,000	5.67%	19,902,518
Richland County School District No. 5	59,860,000	9.73%	5,823,045
General purposes - Richland County	42,880,000	31.80%	13,636,112
Riverbanks Park District	11,310,000	19.98%	2,259,922
Total Overlapping	977,100,000		317,151,467
Total	\$ 1,000,225,000		\$ 340,276,467

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	
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	61,347,698	56,666,523	9,865,000	7,419,673	17,284,673	3.28
2009	110,181,495	58,541,111	51,640,384	10,410,000	6,880,982	17,290,982	2.99
2010	113,389,385	76,393,887	36,995,498	11,295,000	7,673,174	18,968,174	1.95

(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 \$24,304,467 for fiscal year ending June 30, 2011

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	
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
2009	7,558,090	3,102,774	4,455,316	780,000	2,388,322	3,168,322	1.41
2010	6,117,437	3,206,453	2,910,984	825,000	2,344,732	3,169,732	0.92

(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)
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%
2009	127,029	34,600	24,590	9.8%
2010	129,333	34,847	23,119	9.2%

- Sources:**
- (1) Bureau of the Census and Current Planning Department of the City of Columbia.
 - (2) US Department of Commerce, Bureau of Economic Analysis
 - (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	Real 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	
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
*2009	3,088,016,303	3,972,813,500	7,060,829,803	32	115,323,008	783	76,178,625	10,119,806
2010	3,452,034,130	4,481,363,577	7,933,397,707	18	19,787,832	310	32,840,575	9,638,304

(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.

* Change from prior year amount

CITY OF COLUMBIA, SOUTH CAROLINA

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

	2010	2009	2008
Governmental activities			
Invested in capital assets, net of related debt	\$ 141,865,590	\$ 150,922,216	\$ 133,392,515
Restricted	5,575	5,528	5,435
Unrestricted	46,285,460	38,322,214	47,236,381
Total governmental activities net assets	\$ 188,156,625	\$ 189,249,958	\$ 180,634,331
Business-type activities			
Invested in capital assets, net of related debt	\$ 438,133,821	\$ 445,685,893	\$ 402,973,904
Restricted	9,231,571	0	0
Unrestricted	149,856,362	146,880,212	159,528,897
Total business-type activities net assets	\$ 597,221,754	\$ 592,566,105	\$ 562,502,801
Primary Government			
Invested in capital assets, net of related debt	\$ 579,999,411	\$ 596,608,109	\$ 536,366,419
Restricted	9,237,146	5,528	5,435
Unrestricted	196,141,822	185,202,426	206,765,278
Total primary government net assets	\$ 785,378,379	\$ 781,816,063	\$ 743,137,132

CITY OF COLUMBIA, SOUTH CAROLINA

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

	2010	2009	2008
Expenses			
Governmental activities:			
General government	\$ 53,883,052	\$ 41,427,388	\$ 37,178,955
Judicial	2,360,125	2,364,353	2,131,608
Finance department	1,986,467	2,647,689	2,474,302
Community development	4,017,482	4,192,966	4,012,966
Public safety	50,615,722	57,138,835	55,514,924
Parks and recreation	8,681,126	11,142,423	11,544,030
Public services	17,884,065	20,798,283	20,835,435
General services	3,598,839	3,919,228	4,018,322
Community promotions	8,990,842	8,321,723	9,744,750
Interest on bonds	3,413,317	3,824,725	4,459,396
Intergovernmental	0	0	6,462,450
Loss on disposal of capital assets	0	0	1,159,745
Non departmental	1,936,148	1,694,525	5,441,552
Total governmental activities expenses	157,367,185	157,472,138	164,978,435
Business-type activities:			
Water/sewer facilities	103,530,941	85,747,245	85,963,177
Hydro-electric plant	3,310,407	5,989,066	3,037,803
Storm water operating	4,117,396	3,148,296	3,383,853
Parking facilities	6,959,024	5,740,304	5,213,105
Transportation operating	0	0	433,773
Redevelopment programs	4,704,419	960,872	3,611,769
Parks and recreation camp	248,705	0	0
Total business-type expenses	122,870,892	101,585,783	101,643,480
Total primary government expenses	\$ 280,238,077	\$ 259,057,921	\$ 266,621,915
Program revenues			
Governmental activities:			
Charges for services	\$ 49,479,409	\$ 53,314,387	\$ 57,359,483
Operating grants and contributions	34,616,143	29,022,624	27,663,920
Capital grants and contributions	5,851,833	11,318,774	5,649,457
Total governmental program revenues	89,947,385	93,655,785	90,672,860
Business-type activities:			
Charges for services	122,046,529	122,439,045	125,406,366
Capital grants and contributions	5,154,530	8,358,175	12,847,905
Total business-type program revenues:	127,201,059	130,797,220	138,254,271
Total primary government revenues	\$ 217,148,444	\$ 224,453,005	\$ 228,927,131
Net (Expense)/Revenue			
Governmental activities	\$ (67,419,800)	\$ (63,816,353)	\$ (74,305,575)
Business-type activities	4,330,167	29,211,437	36,610,791
Total primary government net revenue (expense)	\$ (63,089,633)	\$ (34,604,916)	\$ (37,694,784)
General Revenues			
Governmental activities:			
Taxes	\$ 34,096,781	\$ 35,042,668	\$ 30,888,940
LOST revenue	15,722,327	13,616,717	14,988,418
Sales taxes	7,941,705	8,070,790	8,061,364
Alcoholic beverages taxes	261,200	323,644	254,562
State shared revenue	3,037,888	3,622,407	3,796,780
Motor fuel taxes	11,024	1,059	1,275
Unrestricted investment earnings	417,459	1,282,669	3,481,543
Gain/Loss from disposal of capital assets	-	1,891,037	-
Transfers	4,838,083	8,580,988	2,788,348
Total general government revenues/transfers	\$ 66,326,467	\$ 72,431,979	\$ 64,261,230
Business-type activities:			
Unrestricted investment earnings	5,146,089	5,589,423	8,194,017
Gain/Loss from disposal of capital assets	17,476	3,843,432	(228,140)
Transfers	(4,838,083)	(8,580,988)	(2,788,348)
Total business-type activities:	325,482	851,867	5,177,529
Total primary government general revenues	\$ 66,651,949	\$ 73,283,846	\$ 69,438,759
Change in Net Assets			
Governmental activities	\$ (1,093,333)	\$ 8,615,626	\$ (10,044,345)
Business-type activities	4,655,649	30,063,304	41,788,320
Total primary government	\$ 3,562,316	\$ 38,678,930	\$ 31,743,975

CITY OF COLUMBIA, SOUTH CAROLINA

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

	2010	2009	2008
General Fund			
Reserved for encumbrances	** \$	1,334,927 \$	1,901,955
Reserved for prepaid charges	**	188,343	181,481
Unreserved	**	5,300,625	10,463,453
Total General Fund	** \$	<u>6,823,895</u> \$	<u>12,546,889</u>
General Fund			
Nonspendable	\$	246,160	**
Assigned		1,538,430	**
Unassigned		13,668,226	**
Total General Fund	\$	<u>15,452,816</u>	<u>**</u>
All Other Governmental Funds			
Reserved for encumbrances	** \$	16,501,855 \$	7,664,534
Reserved for prepaid charges	**	3,731	858
Reserved			
Nonexpendable	**	5,000	5,000
Expendable	**	528	435
Unreserved, reported in:			
Special revenue funds	**	7,173,627	7,018,168
Debt service funds	**	1,288,755	4,687,280
Capital projects funds	**	19,334,852	28,512,163
Total all other governmental funds	** \$	<u>44,308,348</u> \$	<u>47,888,438</u>
All Other Governmental Funds			
Nonspendable	\$	42,317	**
Restricted		5,575	**
Assigned		39,198,661	**
Unassigned, reported in:			
County Services fund		303,617	**
Special revenue funds		(31,068)	**
Total all other governmental funds	\$	<u>39,519,102</u>	<u>**</u>

**In 2010, the City adopted the provisions of GASB 54. The pronouncement did not require retrospective presentation and therefore, the categories of Fund Balance presented for fiscal year 2010 do not apply to fiscal years 2008 and 2009.

CITY OF COLUMBIA, SOUTH CAROLINA

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

	2010	2009	2008
Revenues			
General property taxes	\$ 48,930,564	\$ 48,292,387	\$ 45,540,299
Sales taxes	7,941,705	8,070,790	8,061,364
Licenses and permits	27,418,693	29,591,085	29,961,967
Intergovernmental revenue	11,961,868	11,689,903	11,401,560
Charges for services	7,004,163	7,166,064	7,200,753
Fines and forfeitures	864,112	922,675	910,061
Federal government	16,205,021	15,391,313	8,143,042
State government	1,634,625	2,002,864	2,988,092
County government	21,084,511	20,093,357	18,674,699
Promotions	144,639	192,721	148,073
Confiscated drugs	74,057	291,003	192,623
Interest	417,458	1,282,669	3,451,240
Other revenues	3,355,276	4,789,277	5,158,653
Cost recovery fees	2,270,000	2,270,000	2,735,000
Total revenues	149,306,692	152,046,108	144,567,426
Expenditures			
Current			
General government	32,931,032	32,129,878	30,673,629
Judicial	2,264,446	2,279,449	2,276,204
Finance department	1,953,988	2,601,962	2,583,820
Community development	3,898,247	4,027,245	4,311,401
Public safety	48,782,688	54,665,050	56,694,907
Parks and recreation	9,133,653	9,889,048	11,172,199
Public services	17,257,530	19,926,127	21,341,887
General services	3,537,722	3,847,700	3,873,214
Community promotions	8,990,842	8,321,723	9,744,750
Intergovernmental	0	0	6,462,450
Non departmental	1,066,644	1,395,676	5,348,207
Other charges	729,482	8,357	1,983
Debt service			
Principle retirement	0	0	16,741,585
Principle payment	5,205,034	9,144,966	
Interest on bonds	3,444,234	3,899,408	4,838,956
Fiscal agent charges	8,040	27,424	4,072
Capital outlay			
Capital outlay	9,410,916	16,773,619	11,293,382
Total expenditures	148,614,498	168,937,632	187,362,646
Excess (deficiency) of revenues over (under) expenditures	692,194	(16,891,524)	(42,795,220)
OTHER FINANCING SOURCES (USES)			
Transfers in	22,801,863	25,317,909	57,336,108
Transfers (out)	(19,811,164)	(22,775,520)	(46,409,322)
Proceeds from disposal of capital assets	156,782	2,531,802	9,021,764
Refunding bond proceeds	0	3,625,000	0
Payments to refunded bonds escrow agent	0	(3,540,000)	0
Proceeds from note payable issued	0	2,429,249	13,143,195
Total other financing sources (uses)	3,147,481	7,588,440	33,091,745
Net change in fund balances	\$ 3,839,675	\$ (9,303,084)	\$ (9,703,475)
Debt service as a percentage of noncapital expenses	6%	9%	12%

CITY OF COLUMBIA, SOUTH CAROLINA

Miscellaneous Statistics

(UNAUDITED)

Year Ended June 30, 2010

<hr/>			
Date of Incorporation			
Town			December 21, 1805
City			December 21, 1854
Form of Government			Council-Manager
Area - Square Miles			136.23
Miles of Streets and Sidewalks			
Streets			476.70
Sidewalks			306.50
Miles of Sanitary Sewers			1,053.75
Building Permits			
Permits issued			4,204
Estimated Cost - taxable property			222,128,486
Estimated Cost - nontaxable property			2,114,562
Fire Protection			
Number of stations			12
Number of employees			238
Police Protection			
Number of Stations			14
Authorized strength:			
Full-time sworn			378
Part-time civilians			7
Full-time civilians			67
Recreation			
Parks and playgrounds - acres			648
City owned parks and playgrounds			56
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	40,187	95,382	135,569
Sewer	32,601	36,690	69,291
Daily Average			
consumption billed			71,793,984
Plant Capacity			146,000,000
Miles of water mains			1,966.58
Number of fire hydrants (in-City)			5,300

CITY OF COLUMBIA, SOUTH CAROLINA

Miscellaneous Statistics (continued)

(UNAUDITED)

Year Ended June 30, 2010

Election Data	
Registered voters in the City (District 1C)	63,098
Number of votes cast last election	19,829
Percentage of registered voters voting	31.42%
Traffic Signals and Street Lights	
Controlled traffic signal intersections	262
Four-way flashing signal at intersections	16
School flashing signals	45
Number of street lights	9,859
Education (Public School System Only)	
City school system (Richland County School District 1)	
Number of school buildings	49
Number of teachers	2,115
Number of students registered	23,119
Average daily attendance:	
Elementary schools	11,078
Middle schools	5,022
High schools	6,511
Universities and Colleges	
Number of locations	8
Number of students registered	41,548
City of Columbia Permanent Employees	
Full-time	2,129
Part-time	74