

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

CITY OF COLUMBIA, SOUTH CAROLINA

FISCAL YEAR ENDED JUNE 30, 2011

**City Manager
Steven A. Gantt**

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

**Prepared by the
Finance Department**

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended June 30, 2011**

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INTRODUCTORY SECTION



**CITY OF COLUMBIA
SOUTH CAROLINA**

February 2, 2012

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, 2011 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, 2011, 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 136.79 square miles of land within the corporate boundaries of the City. The City's estimated population is 129,272 with 767,598 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 six 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 346,214 to 344,294 during fiscal year 2011. Even a regional decrease in employment did not prevent the City from increasing its 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 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, 2011, 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 June 2011

Mayor

Stephen K. Benjamin

Council Members

District 1	Sam Davis
District 2	Brian DeQuincey Newman
District 3	Belinda Gergel
District 4	Leona Plough
At Large	Tameika Isaac-Devine
At Large	Daniel J. Rickenmann

City Manager

Steven A. Gantt

Assistant City Managers

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

Department Directors

City Attorney	Ken Gaines
Community Development	Deborah Livingston, interim
Court Administrator	Judge Dana Turner
Development Services	Krista Hampton
Economic Development	James B. Gambrell
Emergency Communications	Kimberly Gathers
Finance	William Ellis, CPA
Fire	Aubrey Jenkins (interim)
General Services	David Knoche
Governmental Affairs & Community Relations	Teresa Florence
Human Resources	Gladys Brent
Information Technology	Vincent Simonowicz
Office of Business Opportunities	Deborah Livingston, interim
Parks and Recreation	John Connolly
Police	Randall Scott,
Public Relations	Leshia Utsey
Public Works	Melissa Smith Gentry, P.E.
Utilities & Engineering	Joseph Jaco

Development Corporation Directors

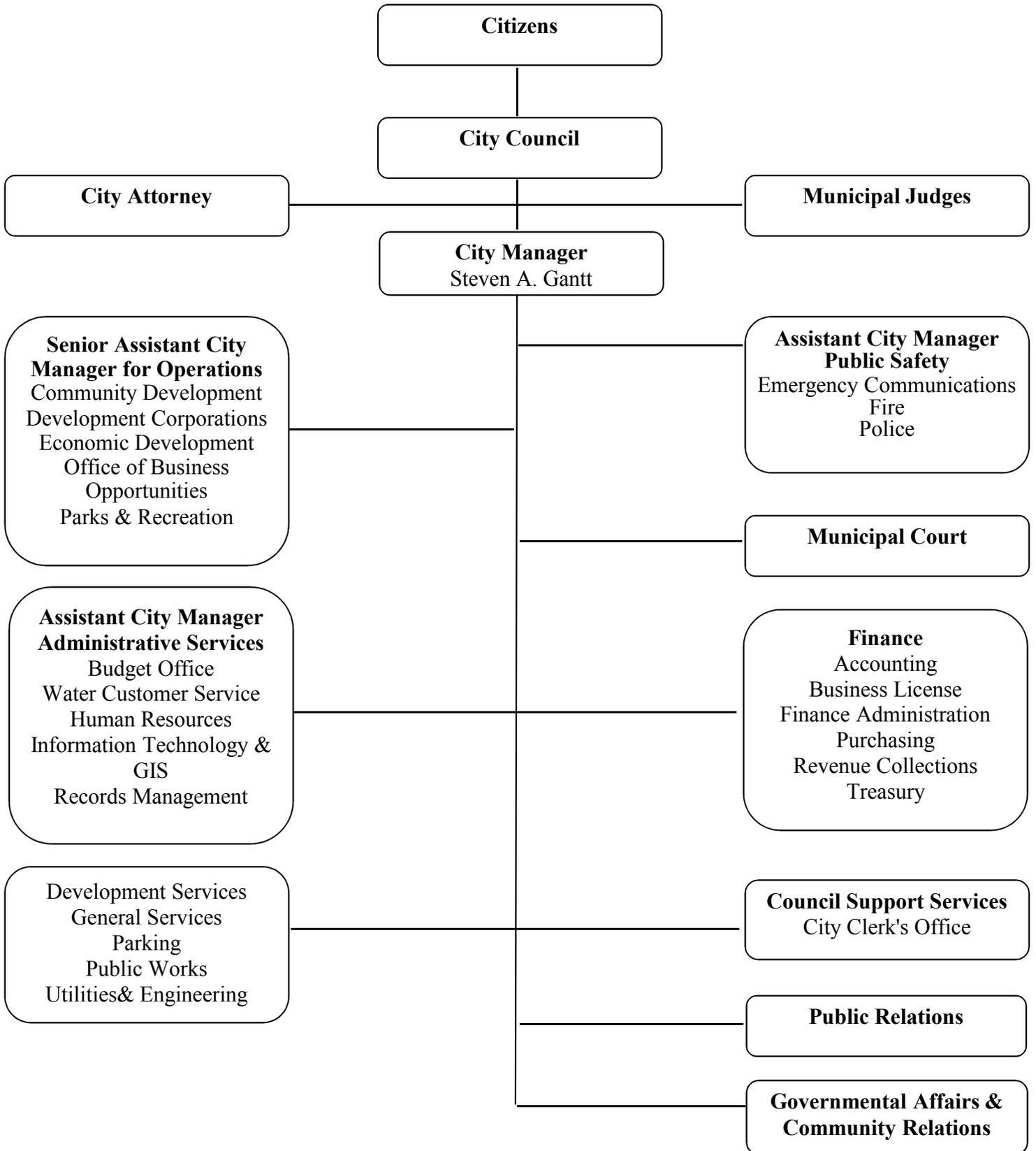
Columbia Development Corp	Fred Delk
Columbia Housing/TN Development Corp	Deborah Livingston
Eau Claire Development Corp	Vacant

Other Directors

Columbia Empowerment Zone, Inc.	Tina Herbert
Midlands Authority for Conventions, Sports, and Tourism	Ric Luber

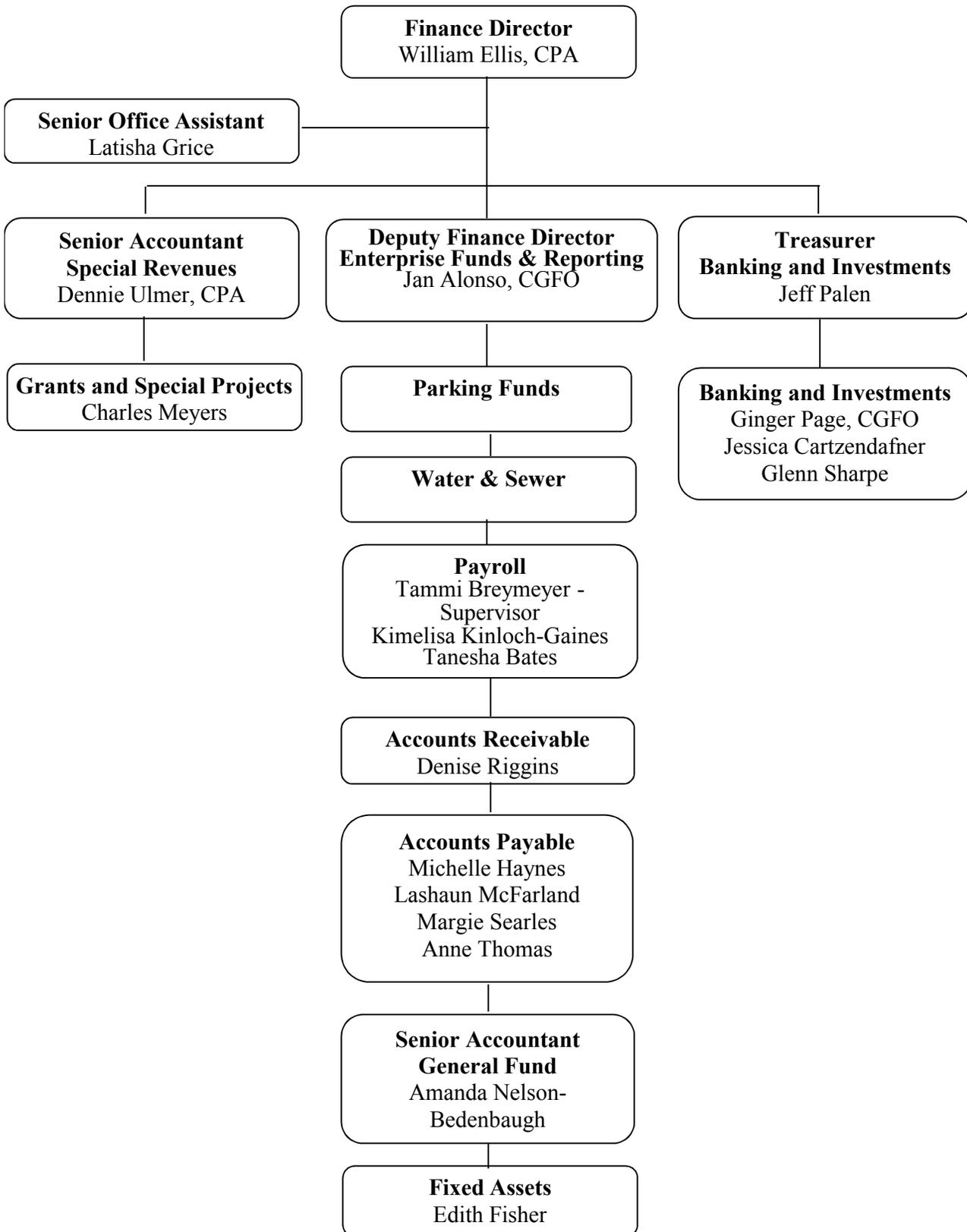
**City of Columbia
Organizational Chart**

As of June 2011



City of Columbia
Finance Department (Accounting and Treasury)
Organizational Chart

As of June 2011



FINANCIAL SECTION

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, 2011, 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2012, 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.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, 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.



Columbia, South Carolina
January 18, 2012

**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 \$790.9 million (net assets), including \$557.9 million invested in capital assets, net of related debt.
- The government's total net assets increased by \$5.5 million when compared to the net assets on June 30, 2010.
- \$79.8 million of improvements to water and sewer infrastructure were included in "construction in progress".

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: Governmental, 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, 2011 and 2010**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Assets						
Current and other assets	\$ 151,574,704	\$ 126,791,575	\$ 342,794,613	\$ 377,334,953	\$ 494,369,317	\$ 504,126,528
Capital assets	<u>209,885,396</u>	<u>206,955,612</u>	<u>647,707,620</u>	<u>598,606,876</u>	<u>857,593,016</u>	<u>805,562,488</u>
Total assets	<u><u>361,460,100</u></u>	<u><u>333,747,187</u></u>	<u><u>990,502,233</u></u>	<u><u>975,941,829</u></u>	<u><u>1,351,962,333</u></u>	<u><u>1,309,689,016</u></u>
Liabilities						
Long-term liabilities						
outstanding	91,985,498	85,432,136	351,037,353	348,140,425	443,022,851	433,572,561
Other liabilities	<u>75,356,621</u>	<u>60,158,426</u>	<u>42,705,656</u>	<u>30,579,650</u>	<u>118,062,277</u>	<u>90,738,076</u>
Total liabilities	<u><u>167,342,119</u></u>	<u><u>145,590,562</u></u>	<u><u>393,743,009</u></u>	<u><u>378,720,075</u></u>	<u><u>561,085,128</u></u>	<u><u>524,310,637</u></u>
Net assets						
Invested in capital assets, net of related debt	142,944,260	141,865,590	414,942,578	438,133,821	557,886,838	579,999,411
Restricted	27,905,320	24,099,819 *	9,231,571	9,231,571	37,136,891	33,331,390 *
Unrestricted	<u>23,268,401</u>	<u>22,191,216 *</u>	<u>172,585,075</u>	<u>149,856,362</u>	<u>195,853,476</u>	<u>172,047,578 *</u>
Total net assets	<u><u>\$ 194,117,981</u></u>	<u><u>\$ 188,156,625</u></u>	<u><u>\$ 596,759,224</u></u>	<u><u>\$ 597,221,754</u></u>	<u><u>\$ 790,877,205</u></u>	<u><u>\$ 785,378,379</u></u>

* Amounts have been reclassified to conform to current year presentation.

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, 2011 and 2010

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues						
Charges for services	\$ 53,502,663	\$ 50,199,048	\$ 120,920,888	\$ 122,046,529	\$ 174,423,551	\$ 172,245,577
Operating grants & contributions	35,000,087	33,896,504	0	0	35,000,087	33,896,504
Capital grants & contributions	3,618,198	5,851,833	4,038,585	5,154,530	7,656,783	11,006,363
General revenues						
Property taxes	35,775,181	34,096,781	0	0	35,775,181	34,096,781
Other taxes	24,915,526	26,974,144	0	0	24,915,526	26,974,144
Unrestricted investment income	1,068,106	417,459	3,389,883	5,146,089	4,457,989	5,563,548
Gain on disposal of capital assets	0	0	143,088	17,476	143,088	17,476
Total revenues	153,879,761	151,435,769	128,492,444	132,364,624	282,372,205	283,800,393
Expenses						
General government	35,131,885	53,883,052	0	0	35,131,885	53,883,052
Judicial	2,697,932	2,360,125	0	0	2,697,932	2,360,125
Finance department	2,235,981	1,986,467	0	0	2,235,981	1,986,467
Community development	4,365,542	4,017,482	0	0	4,365,542	4,017,482
Public safety	58,762,428	50,615,722	0	0	58,762,428	50,615,722
Parks & recreation	11,445,882	8,681,126	0	0	11,445,882	8,681,126
Public services	21,229,705	17,884,065	0	0	21,229,705	17,884,065
General services	3,924,144	3,598,839	0	0	3,924,144	3,598,839
Community promotion	7,843,093	8,990,842	0	0	7,843,093	8,990,842
Interest on bonds	3,763,963	3,413,317	0	0	3,763,963	3,413,317
Non departmental	2,644,113	1,936,148	0	0	2,644,113	1,936,148
Water/sewer facilities	0	0	107,934,251	103,530,941	107,934,251	103,530,941
Hydro electric plant	0	0	1,615,222	3,310,407	1,615,222	3,310,407
Storm water operating	0	0	5,169,916	4,117,396	5,169,916	4,117,396
Parking facilities	0	0	7,234,418	6,959,024	7,234,418	6,959,024
Redevelopment programs	0	0	606,265	4,704,419	606,265	4,704,419
Parks and recreation camp	0	0	268,639	248,705	268,639	248,705
Total expenses	154,044,668	157,367,185	122,828,711	122,870,892	276,873,379	280,238,077
Increase (decrease) in net assets before transfers	(164,907)	(5,931,416)	5,663,733	9,493,732	5,498,826	3,562,316
Transfers	6,126,263	4,838,083	(6,126,263)	(4,838,083)	0	0
Change in net assets	5,961,356	(1,093,333)	(462,530)	4,655,649	5,498,826	3,562,316
Net assets - beginning of year	188,156,625	189,249,958	597,221,754	592,566,105	785,378,379	781,816,063
Net assets - end of year	\$ 194,117,981	\$ 188,156,625	\$ 596,759,224	\$ 597,221,754	\$ 790,877,205	\$ 785,378,379

MANAGEMENT'S DISCUSSION & ANALYSIS – UNAUDITED (Continued)

In comparison to the prior year net assets, the City's net assets increased \$10.1 million in governmental activities and decreased \$4.8 million in business-type activities during the current fiscal year. The following tables and graphs provide information regarding the government's change in net assets for the year ended June 30, 2011.

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, 2011	\$194,118
Less: Net Assets June 30, 2010	<u>188,157</u>
Change in Assets	<u>\$ 5,961</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	\$92,121		
General Revenues	61,759		
Other Revenues/Transfers	6,126		
General Government		\$35,132	
Judicial		2,698	
Finance		2,236	
Community Development		4,366	
Public Safety		58,762	
Parks and Recreation		11,446	
Public Services		21,230	
General Services		3,924	
Community Promotions		7,843	
Interest on Bonds		3,764	
Other		2,644	
Net Revenues	<u>\$160,006</u>		
Less: Expenses		<u>\$154,045</u>	
Total Net Change in Assets			<u>\$ 5,961</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)

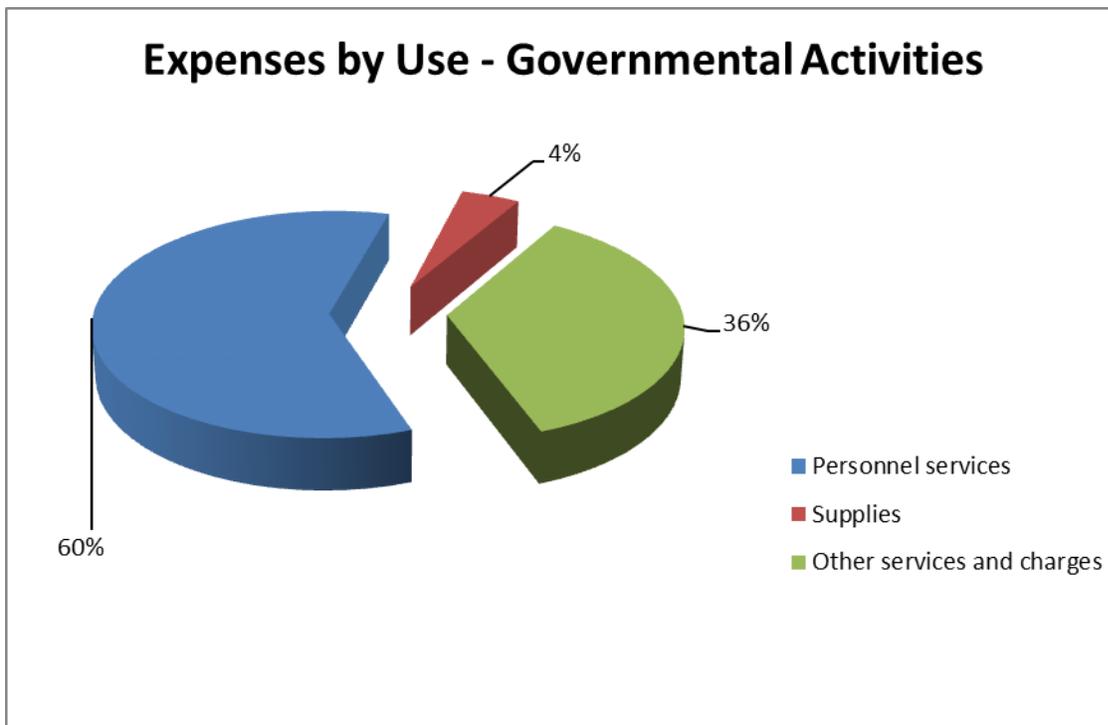
**Revenues by Source – Governmental Activities
(in thousands)**

Charges for services	\$ 53,503
Operating and capital grants and contributions	38,618
General property taxes	35,775
Other taxes	24,916
Unrestricted investment income	1,068
Other/Transfer	<u>6,126</u>
Total	<u><u>\$ 160,006</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	\$ 91,869
Supplies	6,914
Other services and charges	<u>55,262</u>
Total	<u><u>\$ 154,045</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)**

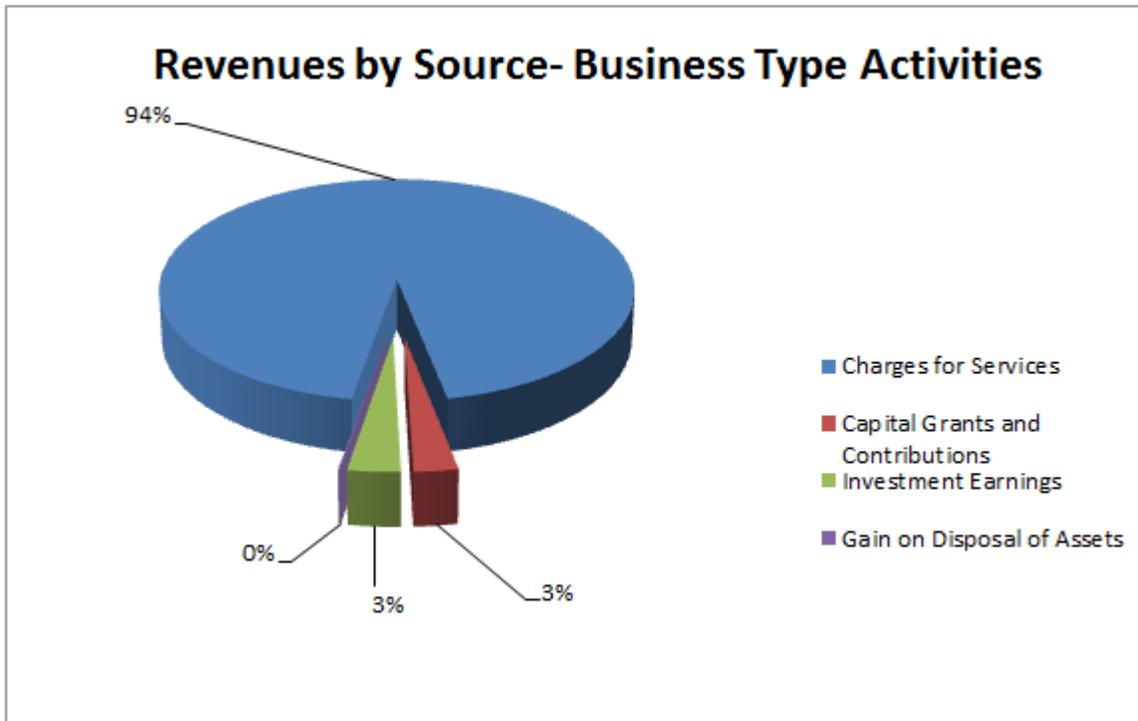
Net Assets June 30, 2011	\$ 596,759
Less: Net Assets June 30, 2010	<u>597,222</u>
Change in Assets	<u>\$ (463)</u>

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	\$120,921		
Capital Grants and Contributions	4,039		
Investment Income	3,389		
Gain on disposal	143		
Water & Sewer		\$107,934	
Hydro-Electric Plant		1,615	
Storm Water		5,169	
Parking Facilities		7,235	
Redevelopment		607	
Parks and Recreation Camp		269	
Other/Transfers		<u>6,126</u>	
Net Revenues	\$128,492		
Less: Expenses		<u>\$128,955</u>	
Total Net Change in Assets			<u>\$(463)</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.



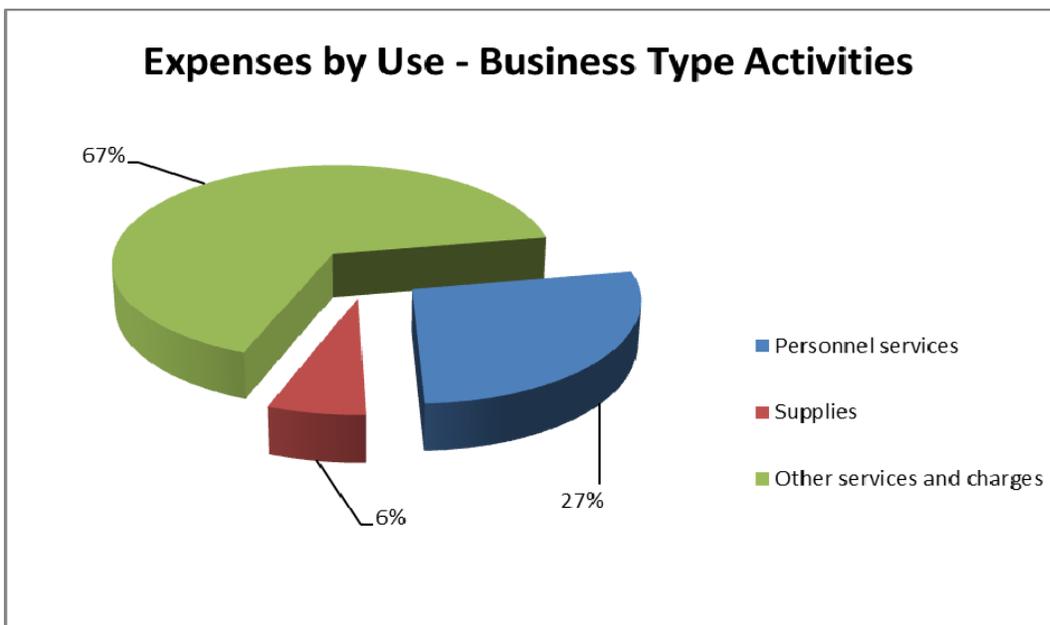
The previously displayed information shows that operating revenues are considerable and that the Water and Sewer department is the main contributor of total revenue for charges for services.

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	\$ 35,140
Supplies	8,116
Other services and charges	<u>85,699</u>
Total	<u>\$ 128,955</u>



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 \$7.7 million in comparison with the prior year increase of \$3.8 million. A portion of the total fund balance amount of \$62.7 million constitutes unassigned fund balance of \$11.4 million, which is available for allocation at the government's discretion. However, a significant part of the fund balance is assigned, committed, or restricted to indicate that it is not available because it has already been allocated to liquidate contracts and purchase orders of the prior period or restricted for its use by laws, regulations, or creditors.

The general fund is the main operating fund of the City. At the end of the current fiscal year, an unassigned fund balance of \$11.4 million existed, which is a measure of the general fund's liquidity. This is the result of a decrease of \$1.4 million during the current fiscal year. At the close of the same year the fund balance of the nonmajor special revenue funds increased by \$4.0 million. Also of note is the nonmajor Capital Project funds that increased by \$3.1 million due to the issuance of General Obligation Bonds 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 \$844.3 million and operating revenues of \$107.9 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, 2011 amounts to \$857.6 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:

- \$79.8 million of improvements made to the water and sewer infrastructure during the year were included in “construction in progress”.
- \$42.2 million of improvements to the water and sewer projects were completed during the year and added to capital assets.
- Approximately \$4 million additional capital was contributed to the Water and Sewer Facilities fund.

City’s Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 32,675,760	\$ 32,654,510	\$ 32,982,679	\$ 28,330,426	\$ 65,658,439	\$ 60,984,936
Construction						
work-in-progress	7,280,794	22,347,438	81,751,195	64,367,998	89,031,989	86,715,436
Infrastructure	12,739,903	12,040,179	0	0	12,739,903	12,040,179
Buildings	144,765,005	129,150,599	520,537,322	495,686,298	665,302,327	624,836,897
Equipment	12,423,934	10,762,886	12,436,424	10,222,154	24,860,358	20,985,040
Total	\$ 209,885,396	\$ 206,955,612	\$ 647,707,620	\$ 598,606,876	\$ 857,593,016	\$ 805,562,488

Additional information on the City's capital assets can be found in note III. F. on pages 58-60 of this report.

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

City’s Outstanding Debt - General Obligation and Revenue Bonds. The City’s total long-term debt decreased by \$10.9 million during the current fiscal year. This decrease in debt is attributed to the issuance of 2011A and 2011B series of General Obligation Bonds decreased by principal payments made during the year on outstanding debt. The 2011A series was issued in the amount of \$9.4 million and 2011B series was issued in the amount of \$9.9 million. The 2011B bonds were issued to refund a portion of the 2002 General Obligation Bonds.

At the end of the current fiscal year, the City had total debt outstanding of \$436.9 million. Of this amount, \$30.1 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 64-71 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 recognizes the Annual Required Contribution ("ARC") associated with Other Postemployment Benefits ("OPEB") as an expense and the Net OPEB Obligation as a liability. The current year ARC was \$16,520,860. 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 postemployment benefits on a pay-as-you-go basis. See Note III H. Other Postemployment 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, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 80,816,773	\$ 81,840,439	\$ 162,657,212	\$ 4,360,824
Investments	3,087,763	40,838,157	43,925,920	8,594,989
Receivables				
Property taxes	2,175,526	0	2,175,526	0
Federal government	4,743,570	0	4,743,570	0
State government	3,863,979	0	3,863,979	0
County government	61,659	0	61,659	0
Accounts	1,840,358	8,769,130	10,609,488	952,249
Accrued interest	55,466	446,557	502,023	3,912
Notes, net of allowance	0	556,765	556,765	178,842
Inventory	530,412	2,772,951	3,303,363	0
Due from component units	696,482	1,088,894	1,785,376	0
Internal balances	4,665,624	(4,665,624)	0	0
Security deposit	0	0	0	2,500
Prepaid expenses	1,053,437	37,462	1,090,899	172,122
Capital lease receivable	480,000	0	480,000	0
Real estate held for sale and development	0	166,770	166,770	1,308,932
Total current assets	104,071,049	131,851,501	235,922,550	15,574,370
Noncurrent assets				
Cash	7,093,747	0	7,093,747	0
Investments	18,853,146	167,958,364	186,811,510	0
Accounts receivable, net	0	3,500,000	3,500,000	0
Mortgage notes receivable, net	0	21,972,371	21,972,371	827,796
Deposits	78,745	0	78,745	0
Other assets				
Unamortized bond issue costs	2,305,283	4,143,946	6,449,229	0
Deferred loan costs	0	0	0	7,833
Real estate held for sale and development	0	0	0	1,773,687
Capital lease receivable	16,409,142	0	16,409,142	0
Deferred outflow - interest rate swap	2,763,592	13,368,431	16,132,023	0
Restricted assets				
Real estate held for sale and development	0	0	0	1,582,079
Capital assets not being depreciated:				
Land	32,675,760	32,982,679	65,658,439	764,167
Construction in progress	7,280,794	81,751,195	89,031,989	0
Capital assets net of accumulated depreciation:				
Buildings, improvements and utility plant	144,765,005	520,537,322	665,302,327	3,338,884
Office furniture and fixtures	0	0	0	519,256
Infrastructure	12,739,903	0	12,739,903	0
Machinery and equipment	12,423,934	12,436,424	24,860,358	0
Other capital assets	0	0	0	269
Total noncurrent assets	257,389,051	858,650,732	1,116,039,783	8,813,971
Total assets	\$ 361,460,100	\$ 990,502,233	\$ 1,351,962,333	\$ 24,388,341

(Continued)

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

June 30, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 6,800,401	\$ 13,023,951	\$ 19,824,352	\$ 733,791
Accrued salaries and benefits	3,121,333	1,142,561	4,263,894	0
OPEB liability	39,900,000	0	39,900,000	0
Accrued liability for claims	14,468,681	0	14,468,681	0
Accrued interest	531,790	6,642,945	7,174,735	0
Retainage payable	140,648	6,305,519	6,446,167	2,600
Deferred revenue	2,512,013	1,500,000	4,012,013	717,183
Due to primary government	0	0	0	1,785,376
Due to grantor agency	0	0	0	121,206
Compensated absences	1,316,755	370,083	1,686,838	224,466
Current notes and mortgages payable	195,000	0	195,000	1,389,683
Current contracts payable	0	645,601	645,601	0
General obligation bonds (due in one year)	3,485,000	0	3,485,000	0
Revenue bonds payable (due in one year)	2,885,000	13,070,000	15,955,000	0
Customer deposits	0	4,996	4,996	36,365
Total current liabilities	75,356,621	42,705,656	118,062,277	5,010,670
Noncurrent liabilities				
Line of credit	0	0	0	467,752
Noncurrent notes payable	5,619,142	0	5,619,142	0
Compensated absences	5,267,021	1,477,740	6,744,761	0
Deferred revenue	0	3,500,000	3,500,000	0
Bonds (due after one year)	78,335,743	331,399,980	409,735,723	4,609,088
Derivative instrument liability - interest rate swap	2,763,592	13,368,431	16,132,023	0
Contracts payable	0	1,291,202	1,291,202	0
Total noncurrent liabilities	91,985,498	351,037,353	443,022,851	5,076,840
Total liabilities	167,342,119	393,743,009	561,085,128	10,087,510
NET ASSETS				
Invested in capital assets, net of related debt	142,944,260	414,942,578	557,886,838	932,619
Restricted	27,905,320	9,231,571	37,136,891	1,056,354
Unrestricted	23,268,401	172,585,075	195,853,476	12,311,858
Total net assets	194,117,981	596,759,224	790,877,205	14,300,831
Total liabilities and net assets	\$ 361,460,100	\$ 990,502,233	\$ 1,351,962,333	\$ 24,388,341

See accompanying notes to financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

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			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 35,131,885	\$ 9,042,002	\$ 34,471,773	\$ 1,580,051	\$ 9,961,941	\$ 0	\$ 9,961,941	\$ 0
Judicial	2,697,932	0	0	0	(2,697,932)	0	(2,697,932)	0
Finance department	2,235,981	27,706,315	0	0	25,470,334	0	25,470,334	0
Community development	4,365,542	1,052,569	0	0	(3,312,973)	0	(3,312,973)	0
Public safety	58,762,428	14,123,994	0	0	(44,638,434)	0	(44,638,434)	0
Parks and recreation	11,445,882	644,895	0	0	(10,800,987)	0	(10,800,987)	0
Public services	21,229,705	762,632	528,314	2,038,147	(17,900,612)	0	(17,900,612)	0
General services	3,924,144	0	0	0	(3,924,144)	0	(3,924,144)	0
Community promotion	7,843,093	0	0	0	(7,843,093)	0	(7,843,093)	0
Interest expense	3,763,963	0	0	0	(3,763,963)	0	(3,763,963)	0
Non departmental	2,644,113	170,256	0	0	(2,473,857)	0	(2,473,857)	0
Total governmental activities	154,044,668	53,502,663	35,000,087	3,618,198	(61,923,720)	0	(61,923,721)	0
Business-type activities								
Water/sewer facilities	107,934,251	107,976,683	0	4,038,585	0	4,081,017	4,081,017	0
Hydro-electric plant	1,615,222	851,431	0	0	0	(763,791)	(763,791)	0
Storm water operating	5,169,916	4,778,442	0	0	0	(391,474)	(391,474)	0
Parking facilities	7,234,418	6,441,140	0	0	0	(793,278)	(793,278)	0
Redevelopment programs	606,265	646,954	0	0	0	40,689	40,689	0
Parks and recreation camp	268,639	226,238	0	0	0	(42,401)	(42,401)	0
Total business-type activities	122,828,711	120,920,888	0	4,038,585	0	2,130,762	2,130,762	0
Total primary government	\$ 276,873,379	\$ 174,423,551	\$ 35,000,087	\$ 7,656,783	(61,923,720)	2,130,762	(59,792,959)	0
COMPONENT UNITS	\$ 11,051,930	\$ 6,280,401	\$ 4,334,826	\$ 129,839	0	0	0	(306,864)
General revenues								
General property taxes					35,775,181	0	35,775,181	0
Local Option Sales Tax					13,947,099	0	13,947,099	0
Sales taxes					8,359,028	0	8,359,028	0
State shared revenue					2,604,423	0	2,604,423	0
Motor fuel taxes					4,976	0	4,976	0
Unrestricted investment earnings					1,068,106	3,389,883	4,457,989	123,812
Gain from disposal of capital assets					0	143,088	143,088	17,484
Transfers					6,126,263	(6,126,263)	0	0
Total general revenues and transfers					67,885,076	(2,593,292)	65,291,784	141,296
Change in net assets					5,961,356	(462,530)	5,498,826	(165,568)
Net assets - beginning					188,156,625	597,221,754	785,378,379	14,466,399
Net assets - ending					\$ 194,117,981	\$ 596,759,224	\$ 790,877,205	\$ 14,300,831

See accompanying notes to financial statements

**CITY OF COLUMBIA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2011

	<u>General</u>	<u>County Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 6,691,552	\$ 1,396,315	\$ 34,175,729	\$ 42,263,596
Investments	9,180,116	0	12,760,793	21,940,909
Receivables:				
Property taxes	2,175,526	0	0	2,175,526
Federal government	0	0	4,743,570	4,743,570
State government	3,235,051	0	628,928	3,863,979
County	0	0	61,659	61,659
Accounts, net	428,835	0	420,769	849,604
Accrued interest receivable	52,541	0	2,925	55,466
Capital lease receivable	16,889,142	0	0	16,889,142
Due from other funds	0	0	4,226,516	4,226,516
Due from component units	696,482	0	0	696,482
Prepaid charges	493,807	4,378	14,080	512,265
Total assets	\$ <u>39,843,052</u>	\$ <u>1,400,693</u>	\$ <u>57,034,969</u>	\$ <u>98,278,714</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,160,951	\$ 267,584	\$ 1,491,276	\$ 4,919,811
Accrued salaries and benefits	2,236,108	647,658	117,696	3,001,462
Retainage payable	0	0	140,648	140,648
Deferred revenue	20,401,642	0	249,261	20,650,903
Due to other funds	0	0	6,848,789	6,848,789
Total liabilities	<u>25,798,701</u>	<u>915,242</u>	<u>8,847,670</u>	<u>35,561,613</u>
 Fund balances:				
Nonspendable	493,807	4,378	19,080	517,265
Restricted	0	0	27,900,320	27,900,320
Committed	2,126,479	0	3,864,378	5,990,857
Assigned	0	481,073	16,417,601	16,898,674
Unassigned	11,424,065	0	(14,080)	11,409,985
Total fund balances	<u>14,044,351</u>	<u>485,451</u>	<u>48,187,299</u>	<u>62,717,101</u>
Total liabilities and fund balances	\$ <u>39,843,052</u>	\$ <u>1,400,693</u>	\$ <u>57,034,969</u>	\$ <u>98,278,714</u>

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, 2011

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

Fund balance - total governmental funds		\$ 62,717,101
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		
Unrestricted net assets of the internal service funds		(9,269,526)
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		7,730,334
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Land	\$ 32,675,760	
Construction in progress	7,280,794	
Buildings and improvements, net	144,765,005	
Infrastructure, net	12,739,903	
Machinery and equipment, net	<u>12,423,934</u>	209,885,396
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 \$584,165	1,495,702	
Unamortized bond costs	<u>2,305,283</u>	3,800,985
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	(6,583,776)	
Accrued interest	(531,790)	
Accrued bonds and notes payable	(88,014,142)	
Unamortized premium	<u>(2,505,743)</u>	(97,635,451)
Capital lease does not provide current financial resources and, therefore, is deferred in the funds		<u>16,889,142</u>
Net assets of governmental activities		<u>\$ 194,117,981</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, 2011

	General	County Services	Other Governmental Funds	Total Governmental Funds
REVENUES				
General property taxes	\$ 49,728,075	\$ 0	\$ 0	\$ 49,728,075
Sales taxes	0	0	8,359,028	8,359,028
License and permits	28,758,883	0	0	28,758,883
Intergovernmental revenue	11,734,994	0	0	11,734,994
Charges for services	6,945,419	318	0	6,945,737
Fines and forfeitures	889,048	0	0	889,048
Federal government	0	0	12,019,998	12,019,998
State government	0	0	1,971,391	1,971,391
County government	0	18,920,013	2,706,409	21,626,422
Promotions	0	0	220,148	220,148
Confiscated funds	0	0	671,961	671,961
Interest	998,081	0	70,025	1,068,106
Other revenues	1,038,331	0	7,240,774	8,279,105
Total revenues	100,092,831	18,920,331	33,259,734	152,272,896
EXPENDITURES				
Current:				
General government	6,090,968	17,220,673	9,779,935	33,091,576
Judicial	2,267,244	0	0	2,267,244
Finance department	1,974,835	0	0	1,974,835
Planning and development	3,635,412	0	0	3,635,412
Public safety	51,843,353	0	548,459	52,391,812
Parks and recreation	9,135,419	0	0	9,135,419
Public services	18,052,911	0	1,041,957	19,094,868
General services	3,644,002	0	0	3,644,002
Community promotion	172,450	0	7,670,643	7,843,093
Non departmental	1,666,009	0	0	1,666,009
Other charges	0	0	825,212	825,212
Debt service:				
Principal payment on bonds	440,000	0	5,215,000	5,655,000
Interest on bonds	976,393	0	2,800,354	3,776,747
Fiscal agent charges	0	0	9,040	9,040
Debt issuance costs	0	0	276,774	276,774
Capital outlay:				
Capital outlay	0	14,768	6,067,090	6,081,858
Total expenditures	99,898,996	17,235,441	34,234,464	151,368,901
Excess (deficiency) of revenues over (under) expenditures	193,835	1,684,890	(974,730)	903,995
OTHER FINANCING SOURCES (USES)				
Transfers in	13,153,729	0	15,043,580	28,197,309
Transfers (out)	(14,900,732)	(1,538,430)	(14,781,146)	(31,220,308)
Sale of capital assets	144,703	0	0	144,703
Bond issuance	0	0	19,320,000	19,320,000
Premium on bond issuance	0	0	662,383	662,383
Payments to refunded bonds escrow agent	0	0	(10,262,899)	(10,262,899)
Total other financing sources (uses)	(1,602,300)	(1,538,430)	9,981,918	6,841,188
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,408,465)	146,460	9,007,188	7,745,183
Beginning fund balance	15,452,816	338,991	39,180,111	54,971,918
Ending fund balance	\$ 14,044,351	\$ 485,451	\$ 48,187,299	\$ 62,717,101

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, 2011

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

Net change in fund balance - total governmental funds		\$ 7,745,183
Internal Service funds are used by management to charge the costs of fleet management, support services, and risk management to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities		
Operating loss in internal service funds	\$ (13,708,576)	
Transfers, net	9,149,262	
Internal service fund expenses allocated to business type activities	(647,565)	(5,206,879)
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	11,500,952	
Depreciation expense	(9,405,467)	
Disposition of capital assets	(853,068)	
Proceeds from the sale of capital assets	144,704	1,387,121
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	(248,936)	
Accrued interest	12,784	(236,152)
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		
		1,580,051
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		
		(5,795)
Transfer of capital assets from the internal service funds increases expenses in the proprietary fund statements but do not decrease net assets in the statement of activities as the capital assets are recognized on the government wide financial statements		
		4,484,421
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.		
Proceeds from bonds payable issued	(19,320,000)	
Proceeds from bond premium	(662,383)	
Principal retirement of long-term debt	5,655,000	
Amortization of premium	170,256	
Payment to refunded bond escrow agent	10,262,899	
Bond issue costs	276,774	
Amortization of bond issue costs	(169,140)	(3,786,594)
Net change in net assets - governmental activities		\$ 5,961,356

See accompanying notes to financial statements

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

June 30, 2011

	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	\$ 59,630,043	\$ 5,554,413	\$ 16,655,983	\$ 81,840,439	\$ 45,646,924
Investments	36,217,353	2,702,616	1,918,188	40,838,157	0
Accounts receivable, net	7,095,133	173,143	1,500,854	8,769,130	990,754
Mortgage notes receivable, net	105,892	0	450,873	556,765	0
Accrued interest receivable	356,691	38,520	51,346	446,557	0
Due from other funds	3,064,710	0	0	3,064,710	0
Due from component units	500,000	0	588,894	1,088,894	0
Inventory	2,649,313	123,638	0	2,772,951	530,412
Prepaid expenses	32,798	3,252	1,412	37,462	541,172
Real estate held for resale	0	0	166,770	166,770	0
Total current assets	109,651,933	8,595,582	21,334,320	139,581,835	47,709,262
Noncurrent assets:					
Investments	145,240,877	16,076,531	6,640,956	167,958,364	0
Accounts receivable, net	0	0	3,500,000	3,500,000	0
Mortgage notes receivable, net	0	0	21,972,371	21,972,371	0
Deposits	0	0	0	0	78,745
Unamortized bond costs	3,067,442	1,076,504	0	4,143,946	0
Deferred outflow - interest rate swap	13,368,431	0	0	13,368,431	0
Capital assets:					
Land	13,742,536	18,899,034	341,109	32,982,679	0
Construction in progress	79,829,080	1,439,848	482,267	81,751,195	0
Buildings, improvements and utility plant	755,932,585	42,641,813	24,188,057	822,762,455	903,586
Machinery and equipment	31,860,737	1,323,395	1,462,049	34,646,181	2,920,647
Less, accumulated depreciation	(308,434,029)	(11,340,651)	(4,660,210)	(324,434,890)	(2,977,584)
Net capital assets	572,930,909	52,963,439	21,813,272	647,707,620	846,649
Total noncurrent assets	734,607,659	70,116,474	53,926,599	858,650,732	925,394
Total assets	\$ 844,259,592	\$ 78,712,056	\$ 75,260,919	\$ 998,232,567	\$ 48,634,656

(Continued)

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

June 30, 2011

	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	\$ 11,872,181	\$ 724,020	\$ 427,750	\$ 13,023,951	\$ 1,880,590
Accrued salaries and benefits	953,023	67,840	121,698	1,142,561	119,871
OPEB liability	0	0	0	0	39,900,000
Compensated absences	329,231	20,795	20,057	370,083	109,687
Retainage	6,221,496	52,602	31,421	6,305,519	0
Due to other funds	0	0	0	0	442,437
Accrued liability for claims	0	0	0	0	14,468,681
Contracts payable	0	0	645,601	645,601	0
Deferred revenue	0	0	1,500,000	1,500,000	0
Accrued interest payable	5,736,572	906,373	0	6,642,945	0
Revenue bonds payable	12,150,000	920,000	0	13,070,000	0
Customer deposits	0	4,996	0	4,996	0
Total current liabilities payable from current assets	37,262,503	2,696,626	2,746,527	42,705,656	56,921,266
Long-term liabilities:					
Contracts payable	0	0	1,291,202	1,291,202	0
Compensated absences	1,316,924	83,178	77,638	1,477,740	136,267
Deferred revenue	0	0	3,500,000	3,500,000	0
Revenue bonds payable, net	286,218,748	45,181,232	0	331,399,980	0
Derivative instrument liability - interest rate swap	13,368,431	0	0	13,368,431	0
Total long-term liabilities	300,904,103	45,264,410	4,868,840	351,037,353	136,267
Total liabilities	338,166,606	47,961,036	7,615,367	393,743,009	57,057,533
Net Assets:					
Invested in capital assets, net of related debt	373,669,858	19,459,448	21,813,272	414,942,578	846,649
Restricted for debt service	9,231,571	0	0	9,231,571	0
Unrestricted	123,191,557	11,291,572	45,832,280	180,315,409	(9,269,526)
Total net assets/(deficits)	506,092,986	30,751,020	67,645,552	604,489,558	(8,422,877)
Total liabilities and net assets	\$ 844,259,592	\$ 78,712,056	\$ 75,260,919	998,232,567	\$ 48,634,656
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund				(7,730,334)	
Net assets of business type activities				\$ 596,759,224	

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, 2011

	Business-type Activities				Governmental Activities
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds	Total	Internal Service Funds
Operating revenues:					
Charges for services	\$ 107,548,181	\$ 4,047,006	\$ 5,004,680	\$ 116,599,867	\$ 43,858,395
Other operating revenue	<u>329,443</u>	<u>2,303,753</u>	<u>1,498,385</u>	<u>4,131,581</u>	<u>0</u>
Total operating revenues	<u>107,877,624</u>	<u>6,350,759</u>	<u>6,503,065</u>	<u>120,731,448</u>	<u>43,858,395</u>
Operating expenses:					
Personnel services	30,188,215	2,271,812	2,680,065	35,140,092	15,540,722
Materials and supplies	7,591,965	229,958	294,388	8,116,311	12,886,923
Contractual services	0	0	0	0	307,297
Other services and charges	34,925,623	882,183	2,095,056	37,902,862	3,618,439
Heat, light and power	6,010,496	300,142	1,291,756	7,602,394	49,664
Claims and premiums	0	0	0	0	24,981,817
Depreciation	21,045,247	1,244,904	807,592	23,097,743	182,109
Bad debt expense	<u>868,476</u>	<u>0</u>	<u>542,997</u>	<u>1,411,473</u>	<u>0</u>
Total operating expenses	<u>100,630,022</u>	<u>4,928,999</u>	<u>7,711,854</u>	<u>113,270,875</u>	<u>57,566,971</u>
Operating income (loss)	<u>7,247,602</u>	<u>1,421,760</u>	<u>(1,208,789)</u>	<u>7,460,573</u>	<u>(13,708,576)</u>
Nonoperating revenues (expenses):					
Investment income	2,943,855	179,079	266,949	3,389,883	0
Other nonoperating revenue	99,059	90,381	0	189,440	0
Gain (loss) from sale of assets	(171,161)	31,615	282,634	143,088	33,629
Interest expense	(7,406,382)	(2,252,455)	0	(9,658,837)	0
Amortization of bond costs	<u>(442,696)</u>	<u>(103,868)</u>	<u>0</u>	<u>(546,564)</u>	<u>0</u>
Total nonoperating revenues (expenses)	<u>(4,977,325)</u>	<u>(2,055,248)</u>	<u>549,583</u>	<u>(6,482,990)</u>	<u>33,629</u>
Income (loss) before contributions and transfers	<u>2,270,277</u>	<u>(633,488)</u>	<u>(659,206)</u>	<u>977,583</u>	<u>(13,674,947)</u>
Capital contributions and transfers:					
Transfers in	1,600,000	0	2,085,421	3,685,421	11,096,144
Transfers out	(7,908,862)	(180,489)	(1,722,333)	(9,811,684)	(1,946,882)
Development contributions	<u>4,038,585</u>	<u>0</u>	<u>0</u>	<u>4,038,585</u>	<u>0</u>
Total capital contributions and transfers:	<u>(2,270,277)</u>	<u>(180,489)</u>	<u>363,088</u>	<u>(2,087,678)</u>	<u>9,149,262</u>
Change in net assets	<u>0</u>	<u>(813,977)</u>	<u>(296,118)</u>	<u>(1,110,095)</u>	<u>(4,525,685)</u>
Net assets/(deficits) - beginning	<u>506,092,986</u>	<u>31,564,997</u>	<u>67,941,670</u>		<u>(3,897,192)</u>
Net assets/(deficits) - ending	<u>\$ 506,092,986</u>	<u>\$ 30,751,020</u>	<u>\$ 67,645,552</u>		<u>\$ (8,422,877)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund				<u>647,565</u>	
Change in net assets of business-type activities				<u>\$ (462,530)</u>	

See accompanying notes to financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2011

	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	\$ 108,068,264	\$ 6,338,153	\$ 8,502,211	\$ 122,908,628	\$ 43,793,232
Payments to suppliers	(42,896,232)	(779,221)	(7,190,250)	(50,865,703)	(35,110,097)
Payments to employees	(30,084,625)	(2,289,747)	(2,730,957)	(35,105,329)	(3,471,060)
Net cash provided by (used) operating activities	<u>35,087,407</u>	<u>3,269,185</u>	<u>(1,418,996)</u>	<u>36,937,596</u>	<u>5,212,075</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Due to (from) others	14,260,378	0	(3,585,270)	10,675,108	(4,918,999)
Transfers in	1,600,000	0	2,085,421	3,685,421	11,096,144
Transfers out	(7,908,862)	(180,489)	(1,722,333)	(9,811,684)	(1,946,882)
Net cash (used in) provided by noncapital financing activities	<u>7,951,516</u>	<u>(180,489)</u>	<u>(3,222,182)</u>	<u>4,548,845</u>	<u>4,230,263</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(62,873,882)	(1,597,886)	(255,638)	(64,727,406)	(150,401)
Proceeds from sale of capital assets	110,720	34,600	33,550	178,870	0
Principal paid on bonds and notes	(11,905,000)	(870,000)	0	(12,775,000)	0
Interest paid on debt	(6,449,869)	(2,261,588)	0	(8,711,457)	0
Net cash (used in) provided by capital and related financing activities	<u>(81,118,031)</u>	<u>(4,694,874)</u>	<u>(222,088)</u>	<u>(86,034,993)</u>	<u>(150,401)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of investments	78,177,585	3,081,382	1,352,334	82,611,301	0
Advances on mortgage receivable	0	0	(5,929,386)	(5,929,386)	0
Collections on mortgage receivable	2,464	0	6,413,731	6,416,195	0
Interest received	2,983,653	190,552	286,492	3,460,697	0
Rent received	99,059	90,381	0	189,440	0
Sale of real estate held for resale	0	0	870,196	870,196	0
Net cash provided by investing activities	<u>81,262,761</u>	<u>3,362,315</u>	<u>2,993,367</u>	<u>87,618,443</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents	43,183,653	1,756,137	(1,869,899)	43,069,891	9,291,937
Cash and cash equivalents, July 1, 2010	<u>16,446,390</u>	<u>3,798,276</u>	<u>18,525,882</u>	<u>38,770,548</u>	<u>36,354,987</u>
Cash and cash equivalents, June 30, 2011	<u>\$ 59,630,043</u>	<u>\$ 5,554,413</u>	<u>\$ 16,655,983</u>	<u>\$ 81,840,439</u>	<u>\$ 45,646,924</u>

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2011
(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)	\$ 7,247,602	\$ 1,421,760	\$ (1,208,789)	\$ 7,460,573	\$ (13,708,576)
Adjustment to reconcile operating income to net cash provided by (used in) operating activities					
Depreciation	21,045,247	1,244,904	807,592	23,097,743	182,109
Transfer of capital assets	0	0	0	0	4,484,421
Bad debt expense	868,476	0	542,997	1,411,473	0
Change in operating assets and liabilities					
Accounts receivable	(677,836)	(26,161)	(3,000,854)	(3,704,851)	(65,163)
Prepaid expenses	(4,592)	(424)	698	(4,318)	43,211
Accounts payable	6,702,543	633,485	(976,444)	6,359,584	842,447
Contracts payable	0	0	(2,645,601)	(2,645,601)	0
Accrued salaries and benefits	137,498	1,635	24,131	163,264	20,840
Compensated absences	(33,908)	(19,570)	37,274	(16,204)	4,368
OPEB liability	0	0	0	0	12,044,454
Accrued liability for claims	0	0	0	0	1,458,037
Deferred revenue			5,000,000		
Inventory	(197,623)	13,556	0	(184,067)	(94,073)
Total adjustments	<u>27,839,805</u>	<u>1,847,425</u>	<u>(210,207)</u>	<u>24,477,023</u>	<u>18,920,651</u>
Net cash provided by (used in) operating activities	<u>\$ 35,087,407</u>	<u>\$ 3,269,185</u>	<u>\$ (1,418,996)</u>	<u>\$ 36,937,596</u>	<u>\$ 5,212,075</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Water and Sewer development contributions	\$ 4,038,585	\$ 0	\$ 0	\$ 4,038,585	\$ 0

See accompanying notes to financial statements

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

June 30, 2011

Private-Purpose Trust Funds

	Breast Cancer Awareness	Police Canteen	Inspections Education Program	Commission on Domestic Violence	Mayor's Commission Employ People with Disabilities	Restricted Donations	Total Private- Purpose Trust Funds	Agency Funds
ASSETS								
Cash and cash equivalents	\$ 1,913	\$ 798	\$ 100	\$ 0	\$ 3,670	\$ 1,798	\$ 8,279	\$ 51,665
Total assets	<u>1,913</u>	<u>798</u>	<u>100</u>	<u>0</u>	<u>3,670</u>	<u>1,798</u>	<u>8,279</u>	<u>51,665</u>
LIABILITIES								
Accounts payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>51,665</u>
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>51,665</u>
NET ASSETS								
Held in trust - other purposes	<u>\$ 1,913</u>	<u>\$ 798</u>	<u>\$ 100</u>	<u>\$ 0</u>	<u>\$ 3,670</u>	<u>\$ 1,798</u>	<u>\$ 8,279</u>	

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, 2011

Private-Purpose Trust Funds

	Breast Cancer Awareness	Police Canteen	Inspections Education Program	Commission on Domestic Violence	Mayor's Commission Employ People with Disabilities	Restricted Donations	Total Private- Purpose Trust Funds
ADDITIONS							
Contributions:							
Private donations	\$ 5,067	\$ 3,630	\$ 3,540	\$ 688	\$ 0	\$ 12,425	\$ 25,350
Total contributions	<u>5,067</u>	<u>3,630</u>	<u>3,540</u>	<u>688</u>	<u>0</u>	<u>12,425</u>	<u>25,350</u>
DEDUCTIONS							
Administrative expenses	5,384	3,898	3,540	688	1,183	10,627	25,320
Total deductions	<u>5,384</u>	<u>3,898</u>	<u>3,540</u>	<u>688</u>	<u>1,183</u>	<u>10,627</u>	<u>25,320</u>
Change in net assets	(317)	(268)	0	0	(1,183)	1,798	30
Net assets - beginning	<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>
Net assets - ending	<u>\$ 1,913</u>	<u>\$ 798</u>	<u>\$ 100</u>	<u>\$ 0</u>	<u>\$ 3,670</u>	<u>\$ 1,798</u>	<u>\$ 8,279</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.

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 -
 BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS
 June 30, 2011

	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	\$ 1,108,107	\$ 264,260	\$ 261,050	\$ 1,759,346	\$ 468,061	\$ 3,860,824
Certificates of deposit	200,000	100,000	100,000	0	100,000	500,000
Investments	0	0	0	8,594,989	0	8,594,989
Accounts receivable	2,799	47,518	10,644	860,044	31,244	952,249
Accrued interest receivable	3,912	0	0	0	0	3,912
Mortgage notes receivable, current portion	99,842	79,000	0	0	0	178,842
Security deposits	0	0	0	2,500	0	2,500
Prepaid expenses	54,057	6,780	5,926	88,864	16,495	172,122
Real estate held for sale and development	901,728	407,204	0	0	0	1,308,932
Restricted assets:						
Real estate held for sale and development	0	1,576,084	5,995	0	0	1,582,079
Total current assets	<u>2,370,445</u>	<u>2,480,846</u>	<u>383,615</u>	<u>11,305,743</u>	<u>615,800</u>	<u>17,156,449</u>
Capital assets:						
Land	0	53,841	43,000	0	667,326	764,167
Buildings	0	454,659	378,500	0	4,242,604	5,075,763
Office furniture & fixtures	5,387	10,287	14,844	841,548	367,933	1,239,999
Other capital assets	0	0	0	0	24,093	24,093
Accumulated depreciation	(4,914)	(22,168)	(116,209)	(426,156)	(1,911,999)	(2,481,446)
Net capital assets	<u>473</u>	<u>496,619</u>	<u>320,135</u>	<u>415,392</u>	<u>3,389,957</u>	<u>4,622,576</u>
Other assets:						
Mortgage note receivable, net of allowance	87,496	740,300	0	0	0	827,796
Real estate held for sale and development	0	0	954,380	0	819,307	1,773,687
Other	0	0	0	0	7,833	7,833
Total other assets	<u>87,496</u>	<u>740,300</u>	<u>954,380</u>	<u>0</u>	<u>827,140</u>	<u>2,609,316</u>
Total assets	<u>\$ 2,458,414</u>	<u>\$ 3,717,765</u>	<u>\$ 1,658,130</u>	<u>\$ 11,721,135</u>	<u>\$ 4,832,897</u>	<u>\$ 24,388,341</u>

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF NET ASSETS -
 BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS
 (Continued)
 June 30, 2011

	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	TN Development Corporation	Total
LIABILITIES						
Current liabilities:						
Accounts payable and accrued expenses	\$ 18,458	\$ 71,928	\$ 17,059	\$ 572,889	\$ 53,457	\$ 733,791
Compensated absences	27,328	18,761	0	135,953	42,424	224,466
Retainage payable	0	2,600	0	0	0	2,600
Customer deposits	0	0	1,000	0	35,365	36,365
Due to primary government	200,000	100,000	100,000	696,482	100,000	1,196,482
Due to grantor agency	0	121,206	0	0	0	121,206
Mortgage/bonds/notes payable - current portion	0	0	1,017,726	0	371,957	1,389,683
Deferred revenue	0	145,438	0	564,726	7,019	717,183
Total current liabilities	245,786	459,933	1,135,785	1,970,050	610,222	4,421,776
Other liabilities:						
Lines of credit	0	467,752	0	0	0	467,752
Mortgage/bonds payable	0	0	444,771	0	4,164,317	4,609,088
Liabilities payable from restricted assets:						
Due to primary government	0	582,899	5,995	0	0	588,894
Total other liabilities	0	1,050,651	450,766	0	4,164,317	5,665,734
Total liabilities	245,786	1,510,584	1,586,551	1,970,050	4,774,539	10,087,510
NET ASSETS						
Invested in capital assets, net of related debt	473	496,619	20,135	415,392	0	932,619
Restricted	0	993,185	0	63,169	0	1,056,354
Unrestricted	2,212,155	717,377	51,444	9,272,524	58,358	12,311,858
Total net assets	2,212,628	2,207,181	71,579	9,751,085	58,358	14,300,831
Total liabilities and net assets	\$ 2,458,414	\$ 3,717,765	\$ 1,658,130	\$ 11,721,135	\$ 4,832,897	\$ 24,388,341

See accompanying notes to financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES -
BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS

For the Year Ended June 30, 2011

	Program Revenue				Net (Expense) Revenues and Changes in Net Assets					Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	TN Development Corporation	
Columbia Development Corporation Community development	\$ 430,863	\$ 11,007	\$ 307,341	129,839	\$ 17,324	0	0	0	0	17,324
Columbia Housing Development Corporation Community development	631,440	82,732	525,400	0	0	(23,308)	0	0	0	(23,308)
Eau Claire Development Corporation Community development	164,024	23,388	212,387	0	0	0	71,751	0	0	71,751
Midlands Authority for Conventions, Sports, and Tourism Community promotions	8,035,200	5,005,199	2,467,246	0	0	0	0	(562,755)	0	(562,755)
TN Development Corporation Community development	<u>1,790,403</u>	<u>1,158,075</u>	<u>822,452</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>190,124</u>	<u>190,124</u>
Total component units	<u>\$ 11,051,930</u>	<u>\$ 6,280,401</u>	<u>\$ 4,334,826</u>	<u>\$ 129,839</u>	<u>17,324</u>	<u>(23,308)</u>	<u>71,751</u>	<u>(562,755)</u>	<u>190,124</u>	<u>(306,864)</u>
General revenues:										
Investment earnings (losses)					86,543	82	1,308	35,272	607	123,812
Gain from disposal of capital assets					<u>0</u>	<u>0</u>	<u>17,484</u>	<u>0</u>	<u>0</u>	<u>17,484</u>
Total general revenues					<u>86,543</u>	<u>82</u>	<u>18,792</u>	<u>35,272</u>	<u>607</u>	<u>141,296</u>
Change in net assets					103,867	(23,226)	90,543	(527,483)	190,731	(165,568)
Beginning net assets (deficit)					<u>2,108,761</u>	<u>2,230,407</u>	<u>(18,964)</u>	<u>10,278,568</u>	<u>(132,373)</u>	<u>14,466,399</u>
Ending net assets					<u>\$ 2,212,628</u>	<u>\$ 2,207,181</u>	<u>\$ 71,579</u>	<u>\$ 9,751,085</u>	<u>\$ 58,358</u>	<u>\$ 14,300,831</u>

See accompanying notes to financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET ASSETS -
DISCRETELY PRESENTED COMPONENT UNIT
COLUMBIA EMPOWERMENT ZONE, INC.
June 30, 2011

ASSETS

Current assets:	
Cash and cash equivalents	\$ 332,167
Accounts receivable, net	8,373
Accrued interest receivable	45,313
Loans receivable - current portion	94,700
Prepaid expenses	<u>3,183</u>
Total current assets	<u>483,736</u>
Capital assets:	
Land	1,895,078
Buildings	1,526,929
Leasehold improvements	657,040
Office furniture & fixtures	45,459
Accumulated depreciation	<u>(67,623)</u>
Net capital assets	<u>4,056,883</u>
Other assets:	
Loans receivable, net of allowance	3,033,014
Organizational costs, net	7,607
Utility deposits	1,592
Cash and cash equivalents - restricted	<u>9,541</u>
Total other assets	<u>3,051,754</u>
Total assets	<u><u>\$ 7,592,373</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 8,675
Due to City of Columbia	48,066
Deferred revenue	1,192
Accrued property taxes	<u>15,065</u>
Total current liabilities	72,998
Long-term liabilities payable from restricted assets	<u>9,541</u>
Total liabilities	<u>82,539</u>
Net Assets	
Unrestricted	<u>7,509,834</u>
Total Net Assets	<u>7,509,834</u>
Total Liabilities and Net Assets	<u><u>\$ 7,592,373</u></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, 2011

UNRESTRICTED NET ASSETS

Support and revenues	
Grant and contract revenue	\$ 3,256,730
Rental income	111,953
Interest income mortgage loans	134,049
Loan related fee income	8,745
Interest income on deposits	5,491
Other income	<u>194</u>
Total unrestricted support and revenues	<u>3,517,162</u>
Expenses	
Program services	
Economic development	1,441,048
Supporting services	
Management and general	<u>130,199</u>
Total operating expenses	<u>1,571,247</u>
Change in unrestricted net assets	1,945,915
Net assets, beginning of period	<u>5,563,919</u>
Net assets, end of period	<u><u>\$ 7,509,834</u></u>

See accompanying notes to financial statements

INDEX TO NOTES TO FINANCIAL STATEMENTS

CITY OF COLUMBIA, SOUTH CAROLINA
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Year Ended June 30, 2011

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CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

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 129,272 living within an area of 136.79 square miles. The Greater Columbia Metropolitan Area consists of Lexington and Richland Counties and has an estimated population of 767,598. 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.

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, 2011

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 nonmajor 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 City Council members and six members appointed by City Council. Current funding is derived from 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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

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 City 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 nonmajor 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 non-fiduciary activities of the reporting government as a whole. 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. 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 governmental activities financial statements. These statements include all funds of the primary government except for fiduciary funds.

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, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (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 Convention Center -- accounts for the Tourism Development Fee imposed upon the rental of hotels, motels, and other lodging establishments in the City. This fee is dedicated to the attraction of and 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.
- Franchise Fee -- accounts for franchise fee receipts used to support the City public transportation system. This is a new fund for the fiscal year ended June 30, 2011.
- Other Programs -- provides for miscellaneous programs for special events.
- Community Development Grants and Awards -- accounts for the Community Development Block Grants and Emergency Shelter 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 Funds

These funds account 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, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (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:

- 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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (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, 2011

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, 2011

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, 2011

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. For assets acquired after 2008, the acquisition date is the actual date of purchase. 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, 2011

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. Revenue related to the lease receivable is deferred in the funds until earned.

Restricted Assets

The real estate held for development is only restricted on the component unit's statements. The real estate is not restricted as to the City.

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 government-wide, proprietary and fiduciary fund financial statements is calculated based upon recorded balances of unused leave for which the City would compensate employees if employment ended June 30, 2011. The change in this calculated amount from the previous year is expensed in current operations. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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. The face amount of debt issued is reported as other financing sources. Premiums received in debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. 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, 2011

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 September 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 general revenue separate from general property taxes. The tax generated approximately \$13.9 million during the year ended June 30, 2011, and was capped in order to prevent a windfall effect of taxes collected. This “cap” created deferred revenue of approximately \$2.3 million in the General Fund and Statement of Net Assets as of June 30, 2011.

Investment Income

The City has a policy of allocating interest income on pooled cash and investments to appropriate funds on a monthly 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 on both the fund and government-wide financial statements.

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.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. FUND BALANCE (Continued)

<u>Classification / Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable		
General Fund	Prepaid charges	\$ 493,807
County Services	Prepaid charges	4,378
Other Grants	Prepaid charges	14,080
Dickson Trust	Nonspendable principal	5,000
Total nonspendable		<u>517,265</u>
Restricted		
Accommodations Tax	City promotions	173,624
Tourism Development Convention Center	Tourism	2,198,456
Hospitality Tax	City promotions	2,022,908
Confiscated Drug Program	Law enforcement	701,467
Other Programs	Community service	922,774
G.O. Bonds	Debt service	790,043
Special District Bonds	Debt service	4,150,458
Tax Increment District	Construction of parks in Congaree Vista District	9,946,758
Miscellaneous Projects	General capital projects	6,993,254
Dickson Trust	Restricted investment	578
Total restricted		<u>27,900,320</u>
Assigned		
General Fund	Balancing 2012 budget	2,126,479
County Services	Fire department operations	481,073
Franchise Fee	Transportation system	3,864,378
Streetscaping	Streetscaping capital projects	12,646,609
General Capital Projects	General capital improvements	3,770,992
Total assigned		<u>22,889,531</u>
Unassigned		
General Fund		11,424,065
Other Grants		(14,080)
Total unassigned		<u>11,409,985</u>
Total fund balances		<u>\$ 62,717,101</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets are classified as invested in capital assets net of related debt, restricted, and unrestricted. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net assets component as the unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments

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

The Risk Management Internal Service Fund had a combined deficit fund balance of \$8,422,877 at June 30, 2011. Revenues and transfers from other funds in subsequent years will fund this deficit.

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, 2011. Some of these claims were reported at June 30, 2011, 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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. RISK MANAGEMENT (Continued)

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
2010	\$ 14,003,940	\$ 20,418,456	\$ (21,411,752)	\$ 13,010,644
2011	\$ 13,010,644	\$ 22,167,701	\$ (20,709,664)	\$ 14,468,681

Fiscal year 2011 aggregate liability includes the following amounts for legal claims: \$7,215,890 beginning liability, \$2,320,307 current year claims and changes in estimates, and \$1,981,333 claims payments. The ending liability for legal claims is \$7,554,864. See also Note VI. B.

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

III. DETAIL NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

As of June 30, 2011, 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	\$ 149,705	\$ 26,321	\$ 123,389
Treasuries	44,845	4,242	40,595
Agencies	35,872	13,363	22,512
Municipals	315	0	315
Total	\$ 230,737	\$ 43,926	\$ 186,811

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, 2011 are classified as current while those with maturity dates of greater than one year from June 30, 2011 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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

III. DETAIL NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

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.

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, 2011 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, 2011 are as follows:

General Fund	\$ 1,056,815
Water/Sewer Facilities	\$ 2,595,962
Parking Facilities	\$ 1,547,560
Nonmajor Business-type activities	\$ 2,294,010

Receivables for the governmental entity Component Units consist of items totaling \$952,249 and CEZ, Inc. held receivables of \$8,373 at June 30, 2011 which are net of allowances for doubtful accounts. As of June 30, 2011, the allowance for doubtful accounts was approximately \$903 and \$18,016 for governmental entity Component Units and CEZ, Inc., respectively.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At June 30, 2011, the various components of deferred revenue in the governmental funds were as follows:

Capital lease receivable (General Fund)	\$ 16,889,142
Delinquent property taxes (General Fund)	1,249,748
Amounts received but not yet expended (General Fund, Confiscated Drug Program Fund, Community Development Grants and Awards Fund, Other Grants Fund)	2,512,013
Total deferred revenue	<u>\$ 20,650,903</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

III. DETAIL NOTES ON ALL FUNDS (Continued)

B. RECEIVABLES (Continued)

Contractual rights and related obligations

During the year ended June 30, 2004 the City acquired the contractual right to receive approximately \$1,000,000 per year for seven years in monthly installments. At the same time, the City contracted to pay \$1,000,000 per year annually for seven years to an unrelated governmental entity. No interest was specified in either contract. 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 was paid to the Hydro-Electric Facilities Fund. 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 \$2,415,512 of the total net mortgage notes receivable of \$23,118,030 as of June 30, 2011.

Component units

The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of \$819,300, which is net of allowance for uncollectible loans of \$81,609. Mortgage notes receivable consist of loans to individuals under various federal housing lending programs and have various interest rates and maturity dates. The CHDC 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 \$187,338. Mortgage notes receivable consist of two loans to corporations for the purpose of community development and have various interest rates and maturity dates. The CDC is considered a community development corporation and revenue recognition is applied under the cost recovery method.

CEZ, Inc. has loans receivable amounting to \$3,127,714, which is net of allowance for uncollectible loans of \$1,610,732. Mortgage notes receivable consist of loans to businesses within the Columbia Empowerment Zone and have various interest rates and maturity dates. CEZ, Inc. is a non-profit corporation and revenue recognition is applied under the accrual method.

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The interfund receivables and payables at June 30, 2011 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Funds:		
Water/Sewer Facilities	\$ 3,064,710	\$ 0
Other Governmental	4,226,516	6,848,789
Internal Service	0	442,437
Total	<u>\$ 7,291,226</u>	<u>\$ 7,291,226</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

III. DETAIL NOTES ON ALL FUNDS (Continued)

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

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, 2011 are as follows:

	Transfers <u>In</u>		Transfers <u>Out</u>
General	\$ 13,153,729	\$	14,900,732
County Services	0		1,538,430
Nonmajor governmental funds	15,043,580		14,781,146
Water/Sewer	1,600,000		7,908,862
Parking	0		180,489
Nonmajor proprietary funds	2,085,421		1,722,333
Internal service funds	11,096,144		1,946,882
	\$ 42,978,874	\$	42,978,874

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, 2011, were \$1,064,859. Future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 682,975
2013	254,667
2014	257,220
2015	262,327
2016	121,893
2017-2021	252,000
2022-2026	252,000
2027-2031	252,000
2032-2036	252,000
2037-2040	163,800
Total	\$ 2,750,882

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

III. DETAIL NOTES ON ALL FUNDS (Continued)

F. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011, is as follows (in thousands):

Governmental activities	Balance				Balance
	June 30, 2010	Increases	Transfers	Decreases	June 30, 2011
Capital assets, not being depreciated:					
Land	\$ 32,654	\$ 44	\$ 0	\$ (22)	\$ 32,676
Construction in progress	22,348	6,612	0	(21,679)	7,281
Total capital assets, not being depreciated	<u>55,002</u>	<u>6,656</u>	<u>0</u>	<u>(21,701)</u>	<u>39,957</u>
Capital assets, being depreciated:					
Buildings and improvements	164,271	21,691	(54)	(1,423)	184,485
Machinery and equipment	38,999	5,120	120	(2,186)	42,053
Infrastructure	19,647	1,580	0	0	21,227
Total capital assets, being depreciated	<u>222,917</u>	<u>28,391</u>	<u>66</u>	<u>(3,609)</u>	<u>247,765</u>
Less accumulated depreciation:					
Buildings and improvements	(35,121)	(5,253)	17	636	(39,721)
Machinery and equipment	(28,235)	(3,454)	(81)	2,142	(29,628)
Infrastructure	(7,606)	(880)	0	0	(8,486)
Total accumulated depreciation	<u>(70,962)</u>	<u>(9,587)</u>	<u>(64)</u>	<u>2,778</u>	<u>(77,835)</u>
Total capital assets, being depreciated, net	<u>151,955</u>	<u>18,804</u>	<u>2</u>	<u>(831)</u>	<u>169,930</u>
Governmental activities capital assets, net	<u>\$ 206,957</u>	<u>\$ 25,460</u>	<u>\$ 2</u>	<u>\$ (22,532)</u>	<u>\$ 209,887</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

III. DETAIL NOTES ON ALL FUNDS (Continued)

H. CAPITAL ASSETS (Continued)

Business-type activities	Balance				Balance
	June 30, 2010	Increases	Transfers	Decreases	June 30, 2011
Capital assets, not being depreciated:					
Land	\$ 28,330	\$ 4,654	\$ 0	\$ (1)	\$ 32,983
Construction in progress	64,367	59,596	0	(42,213)	81,750
Total capital assets, not being depreciated	<u>92,697</u>	<u>64,250</u>	<u>0</u>	<u>(42,214)</u>	<u>114,733</u>
Capital assets, being depreciated:					
Buildings and improvements	779,002	46,219	(754)	(1,703)	822,764
Machinery and equipment	31,072	4,232	688	(1,346)	34,646
Total capital assets, being depreciated	<u>810,074</u>	<u>50,451</u>	<u>(66)</u>	<u>(3,049)</u>	<u>857,410</u>
Less accumulated depreciation:					
Buildings and improvements	(283,315)	(20,819)	431	1,477	(302,226)
Machinery and equipment	(20,850)	(2,279)	(367)	1,286	(22,210)
Total accumulated depreciation	<u>(304,165)</u>	<u>(23,098)</u>	<u>64</u>	<u>2,763</u>	<u>(324,436)</u>
Total capital assets, being depreciated, net	<u>505,909</u>	<u>27,353</u>	<u>(2)</u>	<u>(286)</u>	<u>532,974</u>
Business-type activities capital assets, net	<u>\$ 598,606</u>	<u>\$ 91,603</u>	<u>\$ (2)</u>	<u>\$ (42,500)</u>	<u>\$ 647,707</u>

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

Governmental activities:

General government	\$ 5,231,321
Public safety	2,148,508
Parks and recreation	1,013,160
Public services	884,366
Judicial	50,161
Community development	28,855
General services	30,632
Non departmental	16,276
Finance department	2,188
Internal service funds	182,109
Total depreciation expense – governmental activities	<u>\$ 9,587,576</u>

Business-type activities:

Water/Sewer facilities	\$ 21,045,247
Storm Water facilities	484,126
Parking facilities	1,244,904
Hydro electric plant	323,466
Total depreciation expense – business-type activities	<u>\$ 23,097,743</u>

During the year ended June 30, 2011, \$6,314,107 of interest expense in the Business-type activities was capitalized. Construction commitments as of June 30, 2011 totaled approximately \$120,858,000.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

III. DETAIL NOTES ON ALL FUNDS (Continued)

F. CAPITAL ASSETS (Continued)

Capital Lease Receivable

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 \$16,889,142.

Future capital lease payments to be received from the University are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 845,000
2013	865,000
2014	905,000
2015	905,000
2016	945,000
2017-2021	7,914,142
2022-2026	4,495,000
2027-2031	<u>5,215,000</u>
Total	22,089,142
Less: Amounts representing interest	<u>5,200,000</u>
Total minimum future rentals	<u>\$ 16,889,142</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, 698 retirees meet those requirements. The City pays all Medicare supplemental insurance premiums for all qualifying retirees. For the year ended June 30, 2011 premiums totaled \$1,720,235. Retirees paid dependent coverage of \$618,859. 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, 2011

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, 2011</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Participants:					
Active	2,039	2,234	2,179	2,197	2,162
Retired	702	662	589	650	610
Total Employee Claims					
Active	\$11,903,954	\$13,043,628	\$11,714,190	\$11,156,966	\$10,754,287
Retired	3,557,000	5,811,854	5,219,495	5,524,277	4,909,064
% of Active Payroll:					
Active	13.47%	15.04%	12.61%	12.32%	12.73%
Retired	<u>4.03%</u>	<u>6.70%</u>	<u>5.62%</u>	<u>6.10%</u>	<u>5.81%</u>
Total	<u>17.50%</u>	<u>21.74%</u>	<u>18.23%</u>	<u>18.42%</u>	<u>18.54%</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, 2011

III. DETAIL NOTES ON ALL FUNDS (Continued)

H. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB costs and Net OPEB Obligation

The City had an actuarial valuation performed for the plan as of July 1, 2010 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, 2011. The City's annual OPEB costs and the net OPEB obligation for the year ended June 30, 2011 on the Statement of Net Assets was as follows:

Employer Normal Cost	\$ 7,355,162
Amortization of UAAL*	9,165,698
Annual Required Contribution (ARC)	16,520,860
Interest on Net Obligation	1,462,416
Adjustment to the ARC	(1,280,446)
Annual OPEB Cost	16,702,830
Contributions made	(4,658,376)
Increase in Net OPEB Obligation	12,044,454
Net OPEB Obligation, July 1, 2010	27,855,546
Net OPEB Obligation, June 30, 2011	\$ 39,900,000

* 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, 2011 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
2009	\$ 16,308,628	30.63%	\$ 16,716,085
2010	16,308,628	49.25	27,855,546
2011	16,702,830	27.89	39,900,000

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

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, 2011 was as follows:

Present Value of Future Benefits:	
Retirees & Beneficiaries	\$ 97,231,906
Participants Fully Eligible for Benefits	18,194,231
Participants Not Fully Eligible for Benefits	89,112,918
Total Present Value of Future Benefits	<u>\$ 204,539,055</u>
Present Value of Future Normal Costs	<u>\$ 7,355,162</u>
Actuarial Accrued Liabilities (AAL)	\$ 204,539,055
Actuarial Value of Plan Assets	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$ 204,539,055
Funded Ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 87,650,526
UAAL as a percentage of covered payroll	233.36%

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, 2011 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, 2011, 26 years of amortization remain on the UAAL. The actuarial assumptions included 5.25% rate of investment return. The valuation assumes a 8% health care trend inflation rate for 2011 and decreases 0.5% each year until 2017. General inflation is assumed to be 3% per year.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT

	Balance 6/30/2010	Additions	Reductions	Balance 6/30/2011	Amount Due in 2012
Governmental Activities:					
Notes Payable	\$ 6,009,142	\$ -	\$ (195,000)	\$ 5,814,142	\$ 195,000
GO Bonds	23,125,000	19,320,000	(12,390,000)	30,055,000	3,485,000
Revenue Bonds	54,875,000	-	(2,730,000)	52,145,000	2,885,000
Unamortized bond premiums	2,013,616	662,383	(170,256)	2,505,743	-
Compensated absences	6,330,472	6,583,776	(6,330,472)	6,583,776	1,316,755
Derivative instrument liability	-	2,763,592	-	2,763,592	-
	<u>92,353,230</u>	<u>29,329,751</u>	<u>(21,815,728)</u>	<u>99,867,253</u>	<u>7,881,755</u>
Total governmental activities					
Business-Type Activities:					
Revenue Bonds	348,240,000	-	(12,775,000)	335,465,000	13,070,000
Contracts Payable	4,582,404	-	(2,645,601)	1,936,803	645,601
Unamortized bond premiums	10,873,472	-	(459,575)	10,413,897	-
Compensated absences	1,864,027	1,847,823	(1,864,027)	1,847,823	370,083
Deferred loss on refunding	(1,626,071)	-	217,154	(1,408,917)	-
Derivative instrument liability	-	13,368,431	-	13,368,431	-
	<u>363,933,832</u>	<u>15,216,254</u>	<u>(17,527,049)</u>	<u>361,623,037</u>	<u>14,085,684</u>
Total business-type activities					
Total all long term debt	<u>\$ 456,287,062</u>	<u>\$ 44,546,005</u>	<u>\$ (39,342,777)</u>	<u>\$ 461,490,290</u>	<u>\$ 21,967,439</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for the internal service funds are included as part of the above totals for governmental activities. At year-end, \$245,954 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, 2011

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, 2011, 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 Principal	Total Interest
	Bonds	Interest	Bonds	Interest				
2012	\$ 3,485,000	\$ 649,120	\$ 2,885,000	\$ 2,000,126	\$ 195,000	\$ 8,499	\$ 6,565,000	\$ 2,657,745
2013	2,725,000	513,050	3,020,000	1,881,105	195,000	8,275	5,940,000	2,402,430
2014	2,775,000	468,113	3,195,000	1,748,363	195,000	8,052	6,165,000	2,224,528
2015	2,840,000	422,225	3,325,000	1,615,359	195,000	7,829	6,360,000	2,045,413
2016	2,930,000	375,475	3,470,000	1,489,381	215,000	7,569	6,615,000	1,872,425
2017-2021	9,995,000	1,286,274	20,335,000	4,884,493	4,444,142	7,569	34,774,142	6,178,336
2022-2026	4,535,000	572,963	11,775,000	871,681	375,000	0	16,685,000	1,444,644
2027-2031	770,000	31,185	4,140,000	14,489	0	0	4,910,000	45,674
	<u>\$ 30,055,000</u>	<u>\$ 4,318,405</u>	<u>\$ 52,145,000</u>	<u>\$ 14,504,997</u>	<u>\$ 5,814,142</u>	<u>\$ 47,793</u>	<u>\$ 88,014,142</u>	<u>\$ 18,871,195</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

Business-type activities:

Year Ending June 30,	Revenue Bonds	Interest
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	6,610,000	14,505,380
2017-2021	38,265,000	67,322,281
2022-2026	48,680,000	56,972,068
2027-2031	61,880,000	43,976,253
2032-2036	79,320,000	27,965,874
2037-2040	69,440,000	8,452,893
	<u>\$ 335,465,000</u>	<u>\$ 280,361,375</u>

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.

In March 2011, the City issued the 2011A General Obligation Bonds. The 2011A bonds were issued in the amount of \$9,375,000 and the proceeds will be used to fund the purchase of capital assets and infrastructure. The 2011A bonds were issued at a premium of \$184,280 and net of bond issuance costs of \$130,922 which have been capitalized in the Statement of Net Assets.

Also in March 2011, the City issued the 2011B General Obligation Bonds. The 2011B bonds were issued to advance refund a portion of the 2002 General Obligation Bonds. The refunding resulted in an economic gain of \$576,085 and total net debt service savings of \$621,856. The 2011B bonds were issued at a premium of \$478,103 and net of bond issuance costs of \$748,750 which have been capitalized in the Statement of Net Assets.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

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.

General Obligation Bonds outstanding as of June 30, 2011, 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 \$745,000 through June 1, 2012; a portion of the series was refunded with the 2011B series as described below Interest Rate: 2.75 to 4.625%	\$ 745,000
\$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
\$3,625,000 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%	905,000
\$9,375,000 City of Columbia General Obligation Bonds, Series 2011A Proceeds for: Acquisition of capital assets Annual principal installments of \$225,000 to \$1,505,000 through February 1, 2021 Interest Rate: 2.00-3.00%	9,375,000
\$9,945,000 City of Columbia General Obligation Bonds, Series 2011B Proceeds for: Refund Series 2002 General Obligation Bonds Annual principal installments of \$10,000 to \$1,160,000 through February 1, 2022 Interest Rate: 2.00-3.00%	<u>9,945,000</u>
<i>Total Governmental Activities General Obligation Bonds</i>	<u>\$ 30,055,000</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

Revenue Bonds, Notes and Certificates of Participation

Revenue bonds, notes and certificates of participation are special obligations of the City payable from revenues derived from certain operations. The City's revenue bond ordinances stipulate that the City maintain certain debt service, operations, and renewal and replacement funds.

The construction of the second of two Innovista garages 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 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 0.186% at June 30, 2011. The Corporation entered into an 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 (0.186%, at June 30, 2011). At June 30, 2011, \$4,689,142 was outstanding on the term loan. The Corporation entered into an interest rate swap agreement to the bond issue as detailed in Note VII.

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.

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%	\$ 1,125,000
\$5,185,000 Construction note secured for the construction of a 1,450 parking space parking deck for Innovista	
Annual principal installments of \$120,000-\$140,000	
through March 1, 2017 with balloon payment at maturity	
Interest rate: Adjusted LIBOR rate (0.186%)	
Maximum draw amount: \$5,185,000	<u>4,689,142</u>
<i>Total Governmental Activities Notes Payable</i>	<u>\$ 5,814,142</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

Revenue bonds outstanding as of June 30, 2011 are as follows:

Governmental Activities:

<p>\$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%</p>	\$ 15,390,000
<p>\$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%</p>	24,555,000
<p>\$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 (0.186%)</p>	12,200,000
<p><i>Total Governmental Activities Revenue Bonds</i></p>	\$ <u>52,145,000</u>

Business-type Activities:

Parking Facilities Fund:

<p>\$8,605,000 Parking Facilities Revenue Bonds, Series 1994 Payable from revenues derived by the City from operation of off-street and on-street parking facilities. Proceeds for: Refund Series 1987 Parking Facilities Revenue Bonds Annual principal installments of \$265,000 to \$680,000 through December 1, 2013 Interest rate: 3.2 to 5.875%</p>	\$ 1,930,000
<p>\$39,895,000 Parking Facilities Revenue Bonds, Series 2005A Payable from revenues derived by the City from operation of off-street and on-street parking facilities. Proceeds for: Expand City parking facilities. Annual principal installments of \$1,240,000 to \$3,015,000 through February 1, 2037 Interest rate: 4.375 to 5.0%</p>	39,895,000
<p>\$5,380,000 Parking Facilities Revenue Bonds, Series 2005B Payable from revenues derived by the City from operation of off-street and on-street parking facilities. Proceeds for: Expand City parking facilities. Annual principal installments of \$255,000 to \$1,120,000 through February 1, 2017 Interest rate: 4.88 to 5.2%</p>	4,285,000
<p><i>Total Parking Facilities Revenue Bonds</i></p>	46,110,000

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

Water and Sewer Fund Continued:

Water and Sewer Fund:

<p>\$74,765,000 Waterworks and Sewer System Revenue Bonds, Series 1993 Payable from revenues derived from the City's water and sewer system. Proceeds for: Refunding all Series 1989 (\$31,984,646) and all allocated 1991 Series (\$34,935,000 in May 1993) Annual principal installments of \$960,000 to \$8,590,000 through February 1, 2012 Interest rate: 3.5 to 5.7%</p>	<p>\$ 8,590,000</p>
<p>\$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, 2019 Interest rate: 3.6 to 6.0%</p>	<p>33,905,000</p>
<p>\$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%</p>	<p>60,000,000</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% See Note VII for details regarding the interest rate swap related to this bond issue.</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>289,355,000</u></p>
<p><i>Total Business-type Activities Revenue Bonds</i></p>	<p><u>\$ 335,465,000</u></p>

Defeasance Debt

In the current year, the City defeased a portion of the 2002 General Obligation Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for 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, 2011, general obligation bonds outstanding, considered defeased in the current year, are approximately \$9,660,000.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

Conduit Debt

Resolution 2006-027 passed June 28, 2006 was issued in support of the issuance of not exceeding \$4,500,000 in revenue bonds by JEDA for the Palmetto Health Foundation Project. While the City is not obligated for the repayment of conduit type debt, disclosure is required in the notes to the financial statements. As of June 30, 2011, the balance of this conduit debt was \$3,284,505.

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. For the year ended June 30, 2011, the City did not have any arbitrage profits due to the federal government.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

IV. PENSION PLANS (Continued)

Basic Provisions (Continued)

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, 2010, 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, 2009, 2010 and 2011 were \$5,253,110, \$5,038,156 and \$4,864,387, respectively, equal to the actuarially required contributions for each year.

Police Officers Retirement System (SCPORS)

Effective July 1, 2010, the employer contribution rate became 11.33 percent which includes 0.20 percent towards group life insurance. Contributions to SCPORS for the years ended June 30, 2009, 2010 and 2011 were \$4,144,042, \$3,860,867, and \$4,232,847, respectively, equal to the actuarially required contribution rates for each year.

V. RECENT ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" for periods beginning after June 15, 2009. The City implemented the Statement during the year ended June 30, 2011. The Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. By implementing the Statement, the City recognized a deferred outflow (asset) of \$2,763,592 and an offsetting derivative instrument liability of \$2,763,592 which resulted in no effect to net assets for governmental activities in the Statement of Net Assets. The Statement also resulted in the City recognizing a deferred outflow (asset) of \$13,368,431 and offsetting derivative instrument liability of \$13,368,431 which resulted in no effect to net assets for business-type activities in the Statement of Net Assets and Statement of Fund Net Assets – Proprietary Funds. See Note VII. for further details regarding the derivative instruments.

The GASB has issued Statement No. 61, "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34." The objective of this statement is to improve financial reporting for a government financial reporting entity. The requirements of Statement No. 14, "The Financial Reporting Entity" and the related financial reporting requirements of Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." were amended to better meet user needs and to address reporting issues that have arisen since the issuance of those Statements. The Statement is effective for periods beginning after June 15, 2012. The City is currently evaluating the future effect of this Statement on its financial statements.

The GASB has issued Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The objective of this statement is to incorporate Financial Accounting Standards Board standards, Accounting Principles Board standards, and Accounting Research Bulletins, not conflicting with GASB pronouncements, and issued on or before November 30, 1989 in the GASB authoritative literature. The Statement is effective for periods beginning after December 15, 2011. The City is currently evaluating the future effect of this Statement on its financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

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:

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, 2011, 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, 2011, 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 was made during the current fiscal year. If needed, these payments will be available for payment to CMRTA.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

VII. INTEREST RATE SWAP AGREEMENTS

Swap One – The City maintains an interest rate swap to hedge exposure against rising interest rates. The City entered into an interest rate swap agreement related to the 2009 Waterworks and Sewer Bonds on September 20, 2007 with an effective date of September 15, 2009. The counterparty is J.P. Morgan. The City agreed to pay a fixed rate to J.P. Morgan and receive a variable rate while paying a variable rate to bond holders. Semi-annually, the City pays a fixed rate of 4.354% to J.P. Morgan and monthly, receives a variable rate based on the average Securities Industry and Financial Markets Association (“SIFMA”) index rate. J.P. Morgan makes the interest payments to the bondholders out of the amount received from the City. The purpose of the swaps was to effectively change the variable rate bonds to fixed rate bonds. The bonds and related swap agreement mature February 2038. The notional amount of the swap equals the principal amount of the associated bonds and decreases simultaneously with the reduction in the principal amount of the associated bonds. As of June 30, 2011, the notional amount was \$81,860,000.

The obligation of the City to make regularly scheduled payments under the interest rate swap agreement is junior and subordinate to the City’s obligation to make debt service payments on its outstanding revenue bonds. The obligation of the City to make any termination payments under the swaps is junior and subordinate to the obligation to make debt service payments on bonds. Under the swap agreement, if the City modifies the bond ordinance, the counterparty has certain limited rights to consent to modifications to the swap agreement, which would affect the rights of the counterparty under the swap. J.P Morgan does not require collateral to be posted to reduce credit risk exposure.

During the year ended June 30, 2011, the City made variable bond interest payments in the amount of \$152,088 and fixed rate payments on the swap in the amount of \$3,564,184. The City also received variable payments on the swap in the amount of \$208,304. The net of variable payments on the bonds and receipts on the swap was \$56,216.

Swap Two and Three - One of the City’s blended component units, the Columbia Parking Facilities Corporation (the “Corporation”) maintains two interest rate swaps to hedge exposure to rising interest rates. 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 bonds to fixed rate bonds. The swap agreements mature on March 1, 2017 and the related bonds mature in 2037. 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, 2011, the notional amounts were \$12,200,000 and \$4,689,142.

The swaps provide for monthly 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) and LIBOR plus 1.50% on each swaps’ respective notional amount. At June 30, 2011, 95% of LIBOR was 0.177% and LIBOR plus 1.50% was 1.686%. The Corporation also makes interest payments to the bondholders at 95% of LIBOR and LIBOR, respectively (0.177% and 0.186% at June 30, 2011) on the outstanding principal amount.

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 swap relates, in which event the Corporation may be obligated to make a substantial payment to the counterparty ("Termination Payments"). During fiscal year 2011, the Corporation made variable interest payments of \$118,185 and the net settlement of variable receiver and fixed payer payments of \$858,208. The market value of the swaps was (\$1,943,612) and (\$819,980) at June 30, 2011, respectively.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

VII. INTEREST RATE SWAP AGREEMENTS (Continued)

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.

Swap	Cash-flow hedges:	Fair Value at June 30, 2011		Change in fair value	Notional
		Classification	Amount		
1	Pay fixed interest rate swaps	Debt	\$(13,368,431)	\$1,931,630	\$81,860,000
2&3	Pay fixed interest rate swaps	Debt	\$(1,943,612) and \$(819,980)	\$198,395 and \$79,577	\$12,200,000 and \$4,689,142

Swap	Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating*
1	Pay fixed interest rate swaps	Hedge of changes in cash flows of debt obligations	\$81,860,000	September 15, 2009	February 1, 2038	Receive monthly average SIFMA rate and pay fixed rate of 4.354%	Aa1 / A+ / AA-
2&3	Pay fixed interest rate swaps	Hedge of changes in cash flows of debt obligations	\$12,200,000 and \$4,689,142	February 23, 2007 and March 1, 2007	March 1, 2017	Receive 95% of one month LIBOR and LIBOR plus 1.50% and pay fixed rates of 5.085% and 6.815%, respectively	A2 / A- / A+

* Moody's, S&P, and Fitch, respectively

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

VII. INTEREST RATE SWAP AGREEMENTS (Continued)

Future debt service requirements

The following schedules detail the debt service requirements to maturity for the underlying debt instruments related to the interest rate swaps. The interest rates in effect at June 30, 2011 have been used for all future periods. The interest rates are variable and any changes will affect the interest paid and received under the swaps.

Waterworks and Sewer Bonds

Series 2009 (Swap One)

	Bondholder		Interest Rate	
	Principal	Interest	Swaps, Net	Total
2012	\$ -	\$ -	\$ 3,490,510	\$ 3,490,510
2013	-	-	3,490,510	3,490,510
2014	-	-	3,490,510	3,490,510
2015	-	-	3,490,510	3,490,510
2016	-	-	3,490,510	3,490,510
2017-2021	-	-	17,452,552	17,452,552
2022-2026	2,870,000	-	17,096,082	19,966,082
2027-2031	12,130,000	-	15,925,187	28,055,187
2032-2036	45,640,000	-	8,584,711	54,224,711
2037-2038	21,220,000	-	462,218	21,682,218
	<u>\$ 81,860,000</u>	<u>\$ -</u>	<u>\$ 76,973,300</u>	<u>\$ 158,833,300</u>

Parking Facilities Corporation

South Carolina JEDA Bond 2007 (Swap Two)

	Bondholder		Interest Rate	
	Principal	Interest	Swaps, Net	Total
2012	\$ 360,000	\$ 20,921	\$ 581,143	\$ 962,064
2013	380,000	20,250	562,491	962,741
2014	420,000	19,508	541,876	981,384
2015	420,000	18,766	521,261	960,027
2016	440,000	17,988	499,665	957,653
2017-2021	2,620,000	76,405	2,122,349	4,818,754
2022-2026	3,420,000	49,511	1,375,306	4,844,817
2027-2031	4,140,000	14,489	402,481	4,556,970
	<u>\$ 12,200,000</u>	<u>\$ 237,838</u>	<u>\$ 6,606,572</u>	<u>\$ 19,044,410</u>

Parking Facilities Corporation

Innovista Bonds Payable (Swap Three)

	Bondholder		Interest Rate	
	Principal	Interest	Swaps, Net	Total
2012	\$ 120,000	\$ 8,499	\$ 234,351	\$ 362,850
2013	120,000	8,275	228,196	356,471
2014	120,000	8,052	222,042	350,094
2015	120,000	7,829	215,887	343,716
2016	140,000	7,569	208,706	356,275
2017-2021	4,069,142	7,569	-	4,076,711
	<u>\$ 4,689,142</u>	<u>\$ 47,793</u>	<u>\$ 1,109,182</u>	<u>\$ 5,846,117</u>

VII. INTEREST RATE SWAP AGREEMENTS (Continued)

Risks

Credit Risk – Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2011, the three swaps were in liability positions; therefore, the City is not exposed to credit risks. However, should interest rates change and the fair market value of the swaps becomes an asset position, the City would be exposed to credit risks. Credit ratings of the counterparties are summarized in the table at the table above.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the City’s financial instruments or its cash flows. The city is exposed to interest rate risk on its pay-fixed, receive-variable interest rate swaps. As LIBOR or the SIMFA swap index decreases, the City’s liability upon early termination of the swaps increases.

Basis Risk - Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedge item are based on different reference rates. The City is exposed to basis risk on the interest rate swap hedging instrument related to the Waterworks and Sewer bonds because the variable-rate payments received by the City on these hedging derivative instruments are based on a rate or index other than interest rates the City pays on its hedge variable-rate debt. As of June 30, 2011 the interest rate on the City’s hedged variable-rate debt was 0.06 percent, while the SIFMA swap index rate was 0.09 percent.

Termination Risk - Termination risk is the risk that a hedging derivative instrument's unscheduled end will affect the City’s asset and liability strategy or will present the City with potentially significant unscheduled termination payments to the counterparty. Termination events exist for the interest rate swaps. Under the City’s interest rate swap (Swap One), a decline in either party’s credit rating below BBB or Baa2 in the case of S&P and Moody’s, respectively, can trigger termination in addition to events that are customary for these types of transactions. The Corporation’s interest rate swaps (Swaps Two and Three) may be terminated if the counterparty ceases to be a party to the credit support documents and the Corporation fails to replace the counterparty with a credit support provider acceptable to the counterparty.

Rollover Risk - Rollover risk is the risk that a hedging instrument associated with hedgeable item does not extend to the maturity of that hedgeable item. The Corporation is exposed to rollover risk because the hedging derivative instrument (Swap Two) associated with the hedgeable debt items do not extend to the maturity of the hedgeable debt items.

The City is not required to post collateral under any of the interest rate swap agreements.

VIII. SUBSEQUENT EVENTS

In August 2011, the City was authorized to issue and sell up to \$18,000,000 of Revenue Bonds of which the pledged revenues will be derived from the hospitality fee. These bonds will be used to refund the 2004 Certificates of Participation as described in Note III. I. This refunding has not yet occurred as of the date of issuance of these financial statements.

In addition to the normal legal proceedings undertaken by the City, a class action lawsuit was filed in October 2011 alleging the City of Columbia used water and sewer system fees for purposes other than operations and improvement of the water and sewer system. The Plaintiffs are requesting an Order of the Court to return “all the money it took from the water/sewer fund for other purposes.” The City does not believe the Plaintiff’s position is meritorious.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2011

VIII. SUBSEQUENT EVENTS

On December 8, 2011, the City issued \$127,265,000 of Waterworks and Sewer System Revenue Bonds. The bonds are to be repaid from revenues derived from the City's water and sewer system. Of the proceeds from the bonds, \$100,000,000 (Series 2011A) is for improving and enlarging the sewer system. \$27,265,000 (Series 2011B) is to refund a portion of the system's 2001 bond issue. Annual principal installments for Series 2011A range from \$1,955,000 to \$23,520,000 with interest rates of 2.0% to 5.0%. Payments will commence on 2/1/2013 and end on 2/1/2041. Periodic interest payments will be paid semi-annually through 2/1/2013 until principal payments begin at that time. Annual principal installments for Series 2011B range from \$3,420,000 to \$4,455,000 with interest rates of 4.0% to 5.0%. Payments will commence on 2/1/2013 and end on 2/1/2019. Periodic interest payments will be paid semi-annually through 2/1/2013 until principal payments begin at that time.

Also subsequent to year end, the City had made preliminary plans to authorize up to \$6,000,000 of General Obligation Bonds. An ordinance permitting this bond issue had not been enacted at the date of issuance of these financial statements.

Lastly, subsequent to year end, City Council approved a modification of the retiree health benefit program. The City changed from a defined benefit to a defined contribution plan.

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.

Budgetary Comparison Schedule - General Fund provides information regarding the original budget, final budget, and actual results as compared to the final budget for the 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.

Notes to Budgetary Comparison Schedule provides information related to the budgetary basis of accounting used by the City as well as budget amendments made to the appropriated budget.

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS -
OTHER POSTEMPLOYMENT BENEFITS
FOR THE FISCAL YEAR ENDED JUNE 30,
(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						
7/1/2010	\$ -	\$204,539,055	\$204,539,055	0%	\$ 87,650,526	233.36%
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%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30	Annual Required Contribution	Actual Contribution	Net OPEB Liability	Percent Contributed
Primary Government				
2011	\$ 16,520,860	\$ 4,658,376	\$39,900,000	28.20%
2010	15,431,034	5,169,167	27,855,546	33.50%
2009	15,431,034	4,726,349	16,716,085	30.63%

CITY OF COLUMBIA, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (UNAUDITED)

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property taxes	\$ 49,273,135	\$ 49,273,126	\$ 49,728,075	\$ 454,949
License and permits	27,470,800	27,470,800	28,758,883	1,288,083
Intergovernmental revenue	11,087,058	11,087,058	11,734,994	647,936
Charges for services	9,032,605	9,032,605	6,945,419	(2,087,186)
Fines and forfeitures	913,611	913,611	889,048	(24,563)
Interest	129,050	129,050	998,081	869,031
Other revenues	125,935	145,908	1,038,331	892,423
Total revenues	<u>98,032,194</u>	<u>98,052,158</u>	<u>100,092,831</u>	<u>2,040,673</u>
EXPENDITURES				
General government	6,698,697	6,722,673	6,090,968	631,705
Judicial	2,515,924	2,515,924	2,267,244	248,680
Finance department	2,097,911	2,097,911	1,974,835	123,076
Development services and planning	4,007,142	4,007,142	3,635,412	371,730
Public safety	50,167,837	52,836,303	51,843,353	992,950
Parks and recreation	9,275,095	9,247,564	9,135,419	112,145
Public works	17,439,980	19,155,486	18,052,911	1,102,575
General services	4,193,076	4,220,607	3,644,002	576,605
Community promotion	175,000	175,000	172,450	2,550
Nondepartmental	2,951,129	2,923,929	3,082,402	(158,473)
Total expenditures	<u>99,521,791</u>	<u>103,902,539</u>	<u>99,898,996</u>	<u>4,003,543</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,489,597)</u>	<u>(5,850,381)</u>	<u>193,835</u>	<u>6,044,216</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,363,430	13,724,214	13,153,729	(570,485)
Transfers (out)	(7,873,833)	(7,873,833)	(14,900,732)	(7,026,899)
Sale of capital assets	0	0	144,703	144,703
Total other financing sources (uses)	<u>1,489,597</u>	<u>5,850,381</u>	<u>(1,602,300)</u>	<u>(7,452,681)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	0	0	(1,408,465)	(1,408,465)
Fund balance-beginning	15,452,816	15,452,816	15,452,816	0
Fund balance- ending	<u>\$ 15,452,816</u>	<u>\$ 15,452,816</u>	<u>\$ 14,044,351</u>	<u>\$ (1,408,465)</u>

See accompanying notes to budgetary comparison schedule

**CITY OF COLUMBIA, SOUTH CAROLINA
 NOTES TO BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2011**

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, 2011**

	Original Adopted Budget		Final Budget Amendments		Revised Budget
General Fund	\$ 107,395,624	\$	4,380,748	\$	111,776,372

**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, 2011

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property taxes				
General property taxes - current	\$ 45,041,499	\$ 45,041,490	\$ 45,301,055	\$ 259,565
Real estate tax - Lexington County - current	2,422,539	2,422,539	2,540,229	117,690
Real estate tax - Lexington County - prior	0	0	21,801	21,801
Personal tax - Lexington County - current	0	0	31,886	31,886
Homestead exemption	1,050,000	1,050,000	1,058,944	8,944
Payment in lieu of taxes	56,145	56,145	58,624	2,479
Merchants inventory tax	702,952	702,952	715,536	12,584
Total general property taxes	49,273,135	49,273,126	49,728,075	454,949
License and permits				
Business license	7,400,000	7,400,000	7,893,322	493,322
Business license - Telecommunications	1,150,000	1,150,000	1,022,309	(127,691)
Business license - Insurance	9,800,000	9,800,000	10,095,114	295,114
Delinquent business license	975,000	975,000	891,998	(83,002)
Delinquent business license - prior year	80,000	80,000	73,028	(6,972)
Business license franchise fees	6,850,000	6,850,000	7,576,515	726,515
Franchise fees - vendors	1,200	1,200	2,400	1,200
Business license sales tax audit	9,000	9,000	13,333	4,333
Audited license fees	60,000	60,000	105,554	45,554
Arts and craft permits	2,300	2,300	1,681	(619)
New business list sales	600	600	415	(185)
Business license ordinance sales	0	0	450	450
Business license contractor's decals	20,000	20,000	23,675	3,675
Group event license/permit	5,700	5,700	6,520	820
Building permits	708,000	708,000	623,178	(84,822)
Electrical permits	132,000	132,000	131,318	(682)
Plumbing permits	33,000	33,000	35,117	2,117
Gas permits	7,800	7,800	8,368	568
Sign permits	10,000	10,000	16,023	6,023
Heat permits	76,800	76,800	67,144	(9,656)
Zoning permits	36,000	36,000	45,832	9,832
Dog license	30,000	30,000	34,619	4,619
Chauffeur license	0	0	4,366	4,366
Other miscellaneous - business	81,300	81,300	84,558	3,258
Other miscellaneous - non business	2,100	2,100	2,046	(54)
Total license and permits	27,470,800	27,470,800	28,758,883	1,288,083
Intergovernmental revenues				
State shared	2,698,150	2,698,150	2,604,423	(93,727)
School resource officer services	0	0	183,070	183,070
SC Motor fuel tax reimbursement	0	0	4,976	4,976
State road improvements	0	0	56,336	56,336
Highway signal maintenance	288,908	288,908	288,908	0
Fire Rebate - Richland County	8,100,000	8,100,000	8,597,281	497,281
Total intergovernmental revenues	11,087,058	11,087,058	11,734,994	647,936

(Continued)

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

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Charges for services				
Trade publication renewals	\$ 6,700	\$ 6,700	\$ 9,166	\$ 2,466
Support services	2,270,000	2,270,000	0	(2,270,000)
Return check service charges	0	0	2,171	2,171
Regulation code books	75	75	0	(75)
Duplicated business licenses	350	350	480	130
Project work	0	0	(320)	(320)
Compost sales	5,000	5,000	17,496	12,496
Recycling sales	85,000	85,000	102,833	17,833
Solid waste disposal fees	15,000	15,000	22,266	7,266
Commercial bulk container collection	0	0	2,195	2,195
Commercial bulk container disposal	0	0	145	145
Commercial roll cart disposal	59,000	59,000	43,669	(15,331)
Eleemosynary bulk container collection	0	0	29,556	29,556
Eleemosynary bulk container disposal	0	0	7,324	7,324
Eleemosynary roll cart collection	35,000	35,000	7,853	(27,147)
Eleemosynary roll cart disposal	10,000	10,000	1,946	(8,054)
Eleemosynary homeowner collection	10,000	10,000	0	(10,000)
Eleemosynary homeowner disposal	2,500	2,500	0	(2,500)
Six night service disposal	23,000	23,000	18,574	(4,426)
Tree and forestry lot clearance fees	0	0	39,129	39,129
Animal shelter fees - Richland County	325,000	325,000	328,245	3,245
Animal shelter fees	175,000	175,000	140,610	(34,390)
Employee animal clinic fees	1,000	1,000	791	(209)
Hydrant fees	5,485,500	5,485,500	5,427,046	(58,454)
Police accident report copies	25,000	25,000	27,347	2,347
Reimbursement police services	550	550	55,801	55,251
False fire alarm charges	20,000	20,000	16,201	(3,799)
Maxcy Gregg admissions fees	25,000	25,000	25,201	201
Drew Park admissions fees	300,000	300,000	387,594	87,594
Greenview pool admissions fees	15,000	15,000	14,666	(334)
Recreation athletics	45,800	45,800	66,038	20,238
Tennis court fees	25,000	25,000	41,009	16,009
Golf center	14,000	14,000	14,081	81
Other parks/recreation fees	50,000	50,000	84,306	34,306
Ticket rebate - Capital City Ball Park	0	0	12,000	12,000
Finlay Park ground reservation	4,130	4,130	0	(4,130)
Total charges for services	9,032,605	9,032,605	6,945,419	(2,087,186)
Fines and forfeitures				
Criminal court fines	100,000	100,000	124,506	24,506
Traffic court fines	775,000	775,000	722,388	(52,612)
Bond forfeiture from county courts	0	0	5,808	5,808
Late fees	197	197	56	(141)
Uniform ordinance inspections	6,374	6,374	2,763	(3,611)
Uniform ordinance animal control	8,000	8,000	1,712	(6,288)
Uniform ordinance business license	13,216	13,216	8,244	(4,972)
Uniform ordinance fire department	10,824	10,824	23,087	12,263
Uniform ordinance environmental health	0	0	314	314
Uniform ordinance zoning	0	0	170	170
Total fines and forfeitures	913,611	913,611	889,048	(24,563)
Revenues from use of money and property				
Interest on investments general	50,000	50,000	137,959	87,959
Interest gain/loss cost /market	0	0	506,385	506,385
Rents and royalties	79,050	79,050	353,737	274,687
Total revenues from use of money and property	129,050	129,050	998,081	869,031

(Continued)

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

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Other revenues				
Miscellaneous revenue	\$ 7,700	\$ 7,700	\$ 1,020,425	\$ 1,012,725
Reimbursement property damage	1,845	21,818	0	(21,818)
Collection agency	16,240	16,240	0	(16,240)
Police revolvers	150	150	0	(150)
Auction sales	100,000	100,000	0	(100,000)
Donations	0	0	17,906	17,906
Total other revenues	<u>125,935</u>	<u>145,908</u>	<u>1,038,331</u>	<u>892,423</u>
Total revenues	<u>98,032,194</u>	<u>98,052,158</u>	<u>100,092,831</u>	<u>2,040,673</u>
OTHER FINANCING SOURCES				
Sale of property	<u>0</u>	<u>0</u>	<u>144,703</u>	<u>144,703</u>
Transfers from				
Water and sewer operating fund	4,500,000	4,500,000	4,730,131	230,131
Parking operating fund	1,000,000	1,000,000	0	(1,000,000)
Hospitality fund	2,300,000	2,300,000	2,303,459	3,459
Accommodations fund	25,000	25,000	339,371	314,371
Other funds	1,538,430	5,675,238	5,780,768	105,530
Unappropriated surplus transfer	0	223,976	0	(223,976)
Total Transfers	<u>9,363,430</u>	<u>13,724,214</u>	<u>13,153,729</u>	<u>(570,485)</u>
Total other financing sources	<u>9,363,430</u>	<u>13,724,214</u>	<u>13,298,432</u>	<u>(425,782)</u>
Total revenues and other financing sources	<u>\$ 107,395,624</u>	<u>\$ 111,776,372</u>	<u>\$ 113,391,263</u>	<u>\$ 1,614,891</u>

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

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
General Government				
Legislative				
Personnel services	\$ 334,815	\$ 334,815	\$ 482,687	\$ (147,872)
Supplies	12,550	22,587	17,064	5,523
Other services and charges	190,172	204,111	100,243	103,868
Total Legislative	537,537	561,513	599,994	(38,481)
Executive/Administration				
Personnel services	490,648	490,648	457,778	32,870
Supplies	16,700	16,700	6,660	10,040
Other services and charges	61,500	61,500	23,312	38,188
Total Executive/Administration	568,848	568,848	487,750	81,098
Governmental Affairs				
Personnel services	221,475	221,475	223,796	(2,321)
Supplies	14,600	14,600	6,830	7,770
Other services and charges	185,462	185,462	165,932	19,530
Total Governmental Affairs	421,537	421,537	396,558	24,979
Assistant City Manager of Public Safety				
Personnel services	209,467	209,467	204,921	4,546
Supplies	9,200	9,200	2,175	7,025
Other services and charges	9,800	9,800	1,098	8,702
Total Administrative Operations	228,467	228,467	208,194	20,273
Assistant City Manager				
Personnel services	395,010	389,510	444,830	(55,320)
Supplies	4,750	4,750	2,383	2,367
Other services and charges	20,890	26,390	18,678	7,712
Total Administrative Services	420,650	420,650	465,891	(45,241)
Assistant City Manager for Administrative Services				
Personnel services	402,999	402,999	325,105	77,894
Supplies	6,655	2,355	1,702	653
Other services and charges	21,456	27,756	26,792	964
Total Neighborhood and Community Service Administration	431,110	433,110	353,599	79,511
Citizen's Support Services				
Personnel services	286,912	286,912	328,446	(41,534)
Supplies	16,530	16,530	13,922	2,608
Other services and charges	6,815	6,815	7,212	(397)
Total Citizen's Support Services	310,257	310,257	349,580	(39,323)
Office of Business Opportunities				
Personnel services	380,541	380,541	379,699	842
Supplies	10,550	19,550	15,340	4,210
Other services and charges	71,420	62,420	78,439	(16,019)
Total Business Enterprise Office	462,511	462,511	473,478	(10,967)

(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, 2011

	Original Budget	Final Budget	Actual	Variance
Human Resources and Training				
Personnel services	\$ 725,894	\$ 725,894	\$ 738,727	\$ (12,833)
Supplies	38,437	36,437	37,526	(1,089)
Other services and charges	31,153	31,153	17,962	13,191
Total Human Resources and Training	795,484	793,484	794,215	(731)
Legal				
Personnel services	930,755	930,755	936,597	(5,842)
Supplies	55,412	57,412	41,196	16,216
Other services and charges	1,063,740	1,063,740	538,142	525,598
Capital outlay	5,000	3,000	689	2,311
Total Legal	2,054,907	2,054,907	1,516,624	538,283
Public Information				
Personnel services	375,917	375,917	392,053	(16,136)
Supplies	55,603	24,603	14,894	9,709
Other services and charges	35,869	66,869	38,138	28,731
Total Public Information	467,389	467,389	445,085	22,304
Total General Government	6,698,697	6,722,673	6,090,968	631,705
Judicial				
Municipal Court				
Personnel services	2,165,940	2,166,840	2,128,144	38,696
Supplies	62,879	68,359	50,112	18,247
Other services and charges	279,105	278,725	88,988	189,737
Capital outlay	8,000	2,000	0	2,000
Total Municipal Court	2,515,924	2,515,924	2,267,244	248,680
Total Judicial	2,515,924	2,515,924	2,267,244	248,680
Finance Department				
Administration				
Personnel services	137,755	137,755	138,784	(1,029)
Supplies	5,000	10,000	8,091	1,909
Other services and charges	75,816	70,816	3,576	67,240
Total Administration	218,571	218,571	150,451	68,120
Accounting				
Personnel services	817,763	817,763	741,750	76,013
Supplies	25,092	25,092	24,103	989
Other services and charges	115,533	115,533	143,158	(27,625)
Total Accounting	958,388	958,388	909,011	49,377

(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, 2011

	Original Budget	Final Budget	Actual	Variance
Business License				
Personnel services	\$ 630,697	\$ 630,697	\$ 660,397	\$ (29,700)
Supplies	23,750	23,750	17,480	6,270
Other services and charges	29,790	29,790	28,426	1,364
Total Business License	684,237	684,237	706,303	(22,066)
Treasury				
Personnel services	153,734	153,734	155,628	(1,894)
Supplies	3,353	3,353	1,500	1,853
Other services and charges	79,628	79,628	51,942	27,686
Total Treasury	236,715	236,715	209,070	27,645
Total Finance Department	2,097,911	2,097,911	1,974,835	123,076
Development Services and Planning				
Development Services				
Personnel services	3,628,267	3,628,267	3,296,149	332,118
Supplies	166,675	167,751	143,925	23,826
Other services and charges	210,400	210,400	195,338	15,062
Capital outlay	1,800	724	0	724
Total Development Services	4,007,142	4,007,142	3,635,412	371,730
Total Development Services and Planning	4,007,142	4,007,142	3,635,412	371,730
Public Safety				
Police Department				
Administrative Services				
Personnel services	2,539,905	2,539,905	2,397,583	142,322
Supplies	446,983	447,621	416,418	31,203
Other services and charges	812,758	779,284	822,763	(43,479)
Total Administrative Services	3,799,646	3,766,810	3,636,764	130,046
Operations				
Personnel services	16,754,193	16,926,193	16,584,636	341,557
Supplies	618,585	847,727	1,010,286	(162,559)
Other services and charges	783,511	795,665	925,433	(129,768)
Capital outlay	0	1,041,092	1,041,092	0
Total Operations	18,156,289	19,610,677	19,561,447	49,230
Total Police Department	28,202,836	29,940,319	29,271,063	669,256
Special Services				
Personnel services	6,037,720	6,037,720	5,530,208	507,512
Supplies	129,150	160,517	182,023	(21,506)
Other services and charges	80,031	135,990	130,140	5,850
Capital outlay	0	228,605	230,481	(1,876)
Total Special Services	6,246,901	6,562,832	6,072,852	489,980
Total Police Department	28,202,836	29,940,319	29,271,063	669,256

(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, 2011

	Original Budget	Final Budget	Actual	Variance
Fire Department - City Administration				
Personnel services	\$ 543,963	\$ 543,963	\$ 572,646	\$ (28,683)
Supplies	22,044	22,334	16,489	5,845
Other services and charges	19,000	23,800	15,041	8,759
Capital outlay	21,300	16,200	7,980	8,220
Total Administration	606,307	606,297	612,156	(5,859)
Fire Prevention				
Personnel services	1,210,019	1,210,019	1,116,848	93,171
Supplies	40,300	36,430	31,408	5,022
Other services and charges	40,700	37,520	33,923	3,597
Total Fire Prevention	1,291,019	1,283,969	1,182,179	101,790
Fire Suppression				
Personnel services	15,489,863	15,489,863	15,556,253	(66,390)
Supplies	615,432	653,972	602,813	51,159
Other services and charges	1,095,697	1,125,757	1,118,274	7,483
Capital outlay	89,220	958,663	957,114	1,549
Total Fire Suppression	17,290,212	18,228,255	18,234,454	(6,199)
Fire Logistics				
Personnel services	304,537	304,537	299,595	4,942
Supplies	92,650	91,790	54,812	36,978
Other services and charges	79,915	80,775	77,370	3,405
Capital outlay	2,000	2,000	0	2,000
Total Fire Logistics	479,102	479,102	431,777	47,325
Total Fire Department - City	19,666,640	20,597,623	20,460,566	137,057
911 Emergency and 311 Center				
Personnel services	2,149,920	2,149,920	2,040,140	109,780
Supplies	34,725	34,725	22,232	12,493
Other services and charges	107,641	107,641	49,352	58,289
Capital outlay	6,075	6,075	0	6,075
Total 911 Emergency and 311 Center	2,298,361	2,298,361	2,111,724	186,637
Total Public Safety	50,167,837	52,836,303	51,843,353	992,950
Parks and Recreation Recreation				
Personnel services	5,306,315	5,105,223	4,975,553	129,670
Supplies	173,813	202,073	217,524	(15,451)
Other services and charges	871,594	988,415	968,520	19,895
Capital outlay	0	0	63,647	(63,647)
Total Recreation	6,351,722	6,295,711	6,225,244	70,467

(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, 2011

	Original Budget	Final Budget	Actual	Variance
Parks				
Personnel services	\$ 2,298,925	\$ 2,258,925	\$ 2,087,110	\$ 171,815
Supplies	74,998	78,265	115,599	(37,334)
Other services and charges	236,683	303,163	345,193	(42,030)
Capital outlay	1,267	0	20,100	(20,100)
Special events	0	0	22,778	(22,778)
Total Parks	2,611,873	2,640,353	2,590,780	49,573
Swimming Pools				
Personnel services	126,112	126,112	134,354	(8,242)
Supplies	2,087	2,337	2,427	(90)
Other services and charges	600	350	1,051	(701)
Total Swimming Pools	128,799	128,799	137,832	(9,033)
Tennis Courts				
Personnel services	181,701	181,701	179,998	1,703
Supplies	1,000	1,000	725	275
Other services and charges	0	0	840	(840)
Total Tennis Courts	182,701	182,701	181,563	1,138
Total Parks and Recreation	9,275,095	9,247,564	9,135,419	112,145
Public Works				
Administration				
Personnel services	326,677	326,677	338,769	(12,092)
Supplies	32,900	32,430	17,042	15,388
Other services and charges	104,700	101,470	99,836	1,634
Total Administration	464,277	460,577	455,647	4,930
Solid Waste				
Personnel services	5,044,169	5,044,169	4,752,067	292,102
Supplies	1,221,175	1,228,875	910,344	318,531
Other services and charges	2,359,181	2,172,481	2,101,351	71,130
Capital outlay	15,000	1,423,519	1,732,609	(309,090)
Total Solid Waste	8,639,525	9,869,044	9,496,371	372,673
Streets and Storm Drains				
Personnel services	985,936	985,928	992,162	(6,234)
Supplies	198,746	214,706	188,464	26,242
Other services and charges	107,750	119,150	100,440	18,710
Capital outlay	30,000	353,662	319,492	34,170
Total Street and Storm Drains	1,322,432	1,673,446	1,600,558	72,888
Animal Control				
Personnel services	1,000,368	1,000,368	952,853	47,515
Supplies	157,525	148,195	120,510	27,685
Other services and charges	132,770	138,073	110,188	27,885
Capital outlay	15,000	116,227	127,835	(11,608)
Total Animal Control	1,305,663	1,402,863	1,311,386	91,477

(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, 2011

	Original Budget	Final Budget	Actual	Variance
Forestry and Beautification				
Personnel services	\$ 1,737,704	\$ 1,737,704	\$ 1,360,997	\$ 376,707
Supplies	218,569	214,169	162,279	51,890
Other services and charges	250,925	226,825	206,340	20,485
Capital outlay	8,000	55,500	54,977	523
Total Forestry and Beautification	2,215,198	2,234,198	1,784,593	449,605
Traffic Engineering				
Personnel services	1,290,676	1,290,676	1,198,927	91,749
Supplies	152,004	189,128	145,625	43,503
Other services and charges	2,004,276	1,998,626	1,947,514	51,112
Capital outlay	45,929	36,928	112,290	(75,362)
Total Traffic Engineering	3,492,885	3,515,358	3,404,356	111,002
Total Public Works	17,439,980	19,155,486	18,052,911	1,102,575
General Services				
Information Technology				
Personnel services	1,560,138	1,619,679	1,574,865	44,814
Supplies	124,308	105,157	78,692	26,465
Other services and charges	983,367	942,977	746,623	196,354
Capital outlay	98,228	98,228	45,142	53,086
Total Information Technology	2,766,041	2,766,041	2,445,322	320,719
Public Buildings				
Personnel services	324,557	352,088	303,718	48,370
Supplies	55,750	55,750	27,759	27,991
Other services and charges	996,728	996,728	854,308	142,420
Capital outlay	50,000	50,000	12,895	37,105
Total Public Buildings	1,427,035	1,454,566	1,198,680	255,886
Total General Services	4,193,076	4,220,607	3,644,002	576,605
Community Promotion				
Other services and charges	2,900	0	0	0
Community promotion	172,100	175,000	172,450	2,550
Total Community Promotion	175,000	175,000	172,450	2,550
Nondepartmental Contingencies				
Other services and charges	2,381,129	2,325,929	1,113,998	1,211,931
Community promotions	65,000	93,000	45,881	47,119
Total Contingencies	2,446,129	2,418,929	1,159,879	1,259,050
Administration				
Other services and charges	505,000	505,000	502,632	2,368
Total Administration	505,000	505,000	502,632	2,368

(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, 2011

	Original Budget	Final Budget	Actual	Variance
Bank Service Charges				
Other services and charges	\$ 0	\$ 0	\$ (2,591)	\$ 2,591
Total Bank Service Charges	<u>0</u>	<u>0</u>	<u>(2,591)</u>	<u>2,591</u>
Land Transactions				
Other services and charges	0	0	592,895	(592,895)
Total Land Transactions	<u>0</u>	<u>0</u>	<u>592,895</u>	<u>(592,895)</u>
Parking Facilities				
Other services and charges	0	0	829,587	(829,587)
Total Parking Facilities	<u>0</u>	<u>0</u>	<u>829,587</u>	<u>(829,587)</u>
Total Nondepartmental	<u>2,951,129</u>	<u>2,923,929</u>	<u>3,082,402</u>	<u>(158,473)</u>
Total Expenditures	<u>99,521,791</u>	<u>103,902,539</u>	<u>99,898,996</u>	<u>4,003,543</u>
OTHER FINANCING USES				
Transfers to Other Funds				
Debt service	5,421,114	5,421,114	5,421,114	0
Transfers interfund	2,452,719	2,452,719	9,479,618	(7,026,899)
Total Transfers to Other Funds	<u>7,873,833</u>	<u>7,873,833</u>	<u>14,900,732</u>	<u>(7,026,899)</u>
Total Expenditures and Other Financing Uses	<u>\$ 107,395,624</u>	<u>\$ 111,776,372</u>	<u>\$ 114,799,728</u>	<u>\$ (3,023,356)</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.

Franchise Fee accounts for a portion of franchise fee receipts used to support the transportation system.

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.

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, 2011

	Special Revenue										
	Accommodations Tax	Tourism Development Convention Center	Business Improvement District	Hospitality Tax	Confiscated Drug Program	Franchise Fee	Other Programs	Community Development Grants and Awards	Justice Department Grants	Other Grants	Totals
ASSETS											
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 502,264	\$ 717,353	\$ 3,864,378	\$ 866,609	\$ 0	\$ 0	\$ 21,247	\$ 5,971,851
Investments	0	1,799,605	0	481,704	221,380	0	0	0	0	0	2,502,689
Receivables, net:											
Federal government	0	0	0	0	0	0	0	1,487,176	102,902	1,368,372	2,958,450
State government	514,956	0	0	0	0	0	113,972	0	0	0	628,928
County	0	0	0	0	0	0	0	0	0	0	0
Accounts	0	406,938	0	0	0	0	10,347	0	0	3,484	420,769
Accrued interest	0	15	0	2,890	0	0	0	0	0	0	2,905
Prepaid charges	0	0	0	0	0	0	0	0	0	14,080	14,080
Due from other funds	0	0	0	1,042,244	0	0	0	0	0	0	1,042,244
Total assets	\$ 514,956	\$ 2,206,558	\$ 0	\$ 2,029,102	\$ 938,733	\$ 3,864,378	\$ 990,928	\$ 1,487,176	\$ 102,902	\$ 1,407,183	\$ 13,541,916
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ 250,068	\$ 8,102	\$ 0	\$ 6,194	\$ 15,886	\$ 0	\$ 10,076	\$ 223,187	\$ 21,509	\$ 134,058	\$ 669,080
Accrued salaries and benefits	0	0	0	0	0	0	10,397	18,236	13,852	75,211	117,696
Retainage payable	0	0	0	0	0	0	0	0	0	0	0
Deferred revenue	0	0	0	0	221,380	0	0	727	0	27,154	249,261
Due to other funds	91,264	0	0	0	0	0	47,681	1,245,026	67,541	1,170,760	2,622,272
Total liabilities	341,332	8,102	0	6,194	237,266	0	68,154	1,487,176	102,902	1,407,183	3,658,309
Fund balances:											
Nonspendable	0	0	0	0	0	0	0	0	0	14,080	14,080
Restricted	173,624	2,198,456	0	2,022,908	701,467	0	922,774	0	0	0	6,019,229
Committed	0	0	0	0	0	3,864,378	0	0	0	0	3,864,378
Assigned	0	0	0	0	0	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0	0	0	0	(14,080)	(14,080)
Total fund balances	173,624	2,198,456	0	2,022,908	701,467	3,864,378	922,774	0	0	0	9,883,607
Total liabilities and fund balances	\$ 514,956	\$ 2,206,558	\$ 0	\$ 2,029,102	\$ 938,733	\$ 3,864,378	\$ 990,928	\$ 1,487,176	\$ 102,902	\$ 1,407,183	\$ 13,541,916

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 June 30, 2011

	Debt Service			Capital Projects					Permanent Trust	Total Nonmajor Governmental Funds
	G. O. Bonds	Special District Bonds	Total	Tax Increment District	Streetscaping	General Capital Projects	Miscellaneous Projects	Total	Dickson Trust	
ASSETS										
Cash and cash equivalents	\$ 0	\$ 4,150,458	\$ 4,150,458	\$ 10,237,043	\$ 11,431,689	\$ 1,905,012	\$ 479,676	\$ 24,053,420	\$ 0	\$ 34,175,729
Investments	790,043	0	790,043	0	0	0	9,462,483	9,462,483	5,578	12,760,793
Receivables, net:										
Federal government	0	0	0	0	1,785,120	0	0	1,785,120	0	4,743,570
State government	0	0	0	0	0	0	0	0	0	628,928
County	0	0	0	0	0	0	61,659	61,659	0	61,659
Accounts	0	0	0	0	0	0	0	0	0	420,769
Accrued interest	0	0	0	0	0	0	20	20	0	2,925
Prepaid charges	0	0	0	0	0	0	0	0	0	14,080
Due from other funds	0	0	0	0	0	1,957,670	1,226,602	3,184,272	0	4,226,516
Total assets	\$ 790,043	\$ 4,150,458	\$ 4,940,501	\$ 10,237,043	\$ 13,216,809	\$ 3,862,682	\$ 11,230,440	\$ 38,546,974	\$ 5,578	\$ 57,034,969
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 201,105	\$ 570,200	\$ 40,222	\$ 10,669	\$ 822,196	\$ 0	\$ 1,491,276
Accrued salaries and benefits	0	0	0	0	0	0	0	0	0	117,696
Retainage payable	0	0	0	89,180	0	51,468	0	140,648	0	140,648
Deferred revenue	0	0	0	0	0	0	0	0	0	249,261
Due to other funds	0	0	0	0	0	0	4,226,517	4,226,517	0	6,848,789
Total liabilities	0	0	0	290,285	570,200	91,690	4,237,186	5,189,361	0	8,847,670
Fund balances:										
Nonspendable	0	0	0	0	0	0	0	0	5,000	19,080
Restricted	790,043	4,150,458	4,940,501	9,946,758	0	0	6,993,254	16,940,012	578	27,900,320
Committed	0	0	0	0	0	0	0	0	0	3,864,378
Assigned	0	0	0	0	12,646,609	3,770,992	0	16,417,601	0	16,417,601
Unassigned	0	0	0	0	0	0	0	0	0	(14,080)
Total fund balances	790,043	4,150,458	4,940,501	9,946,758	12,646,609	3,770,992	6,993,254	33,357,613	5,578	48,187,299
Total liabilities and fund balances	\$ 790,043	\$ 4,150,458	\$ 4,940,501	\$ 10,237,043	\$ 13,216,809	\$ 3,862,682	\$ 11,230,440	\$ 38,546,974	\$ 5,578	\$ 57,034,969

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2011

	Special Revenue									
	Accommodation Tax	Tourism Development Convention Center	Business Improvement District	Hospitality Tax	Confiscated Drug Program	Franchise Fee	Other Programs	Community Development Grants and Awards	Justice Department Grants	Other Grants
REVENUES										
Federal government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,839,111	\$ 423,550	\$ 3,863,579	\$ 10,126,240
State government	1,442,612	0	0	0	0	0	384,390	0	0	1,827,002
County government	0	1,884,344	822,065	0	0	0	0	0	0	2,706,409
Promotions	0	0	0	0	0	0	220,148	0	0	220,148
Confiscated funds	0	0	0	0	671,961	0	0	0	0	671,961
Sales taxes	0	0	0	8,359,028	0	0	0	0	0	8,359,028
Interest	0	596	0	39,694	0	0	0	0	0	40,290
Other revenues	0	2,592,081	0	0	176,781	3,864,378	607,534	0	0	7,240,774
Total revenues	1,442,612	4,477,021	822,065	8,398,722	848,742	3,864,378	1,212,072	5,839,111	423,550	31,191,852
EXPENDITURES										
Current										
General government	0	0	0	35,787	0	0	684,773	5,194,581	0	9,726,587
Public safety	0	0	0	0	168,148	0	0	380,311	0	548,459
Public services	0	0	0	0	0	0	0	0	0	0
Community promotion	1,364,729	1,505,182	0	4,800,732	0	0	0	0	0	7,670,643
Other charges	0	0	822,275	0	0	0	0	0	0	822,275
Debt Service										
Principal payment on bonds	0	1,650,000	0	0	0	0	0	0	0	1,650,000
Interest on bonds	0	1,286,776	0	0	0	0	0	0	0	1,286,776
Fiscal agent charges	0	6,465	0	0	0	0	0	0	0	6,465
Debt issuance costs	0	0	0	0	0	0	0	0	0	0
Capital outlay										
Capital outlay	0	0	0	0	122,803	0	0	53,548	120,976	297,327
Total expenditures	1,364,729	4,448,423	822,275	4,836,519	290,951	0	684,773	5,194,581	433,859	22,008,532
Excess (deficiency) of revenues over (under) expenditures	77,883	28,598	(210)	3,562,203	557,791	3,864,378	527,299	644,530	(10,309)	9,183,320
OTHER FINANCING SOURCES (USES)										
Transfers in	0	0	210	0	0	0	279,237	214,898	10,309	573,977
Transfers (out)	(339,371)	0	0	(4,379,703)	0	0	(200,026)	(859,428)	0	(5,779,008)
Bond issuance	0	0	0	0	0	0	0	0	0	0
Premium on bond issuance	0	0	0	0	0	0	0	0	0	0
Payments to refunded bond escrow agent	0	0	0	0	0	0	0	0	0	0
Total other financing sources (uses)	(339,371)	0	210	(4,379,703)	0	0	79,211	(644,530)	10,309	(5,205,031)
Net change in fund balances	(261,488)	28,598	0	(817,500)	557,791	3,864,378	606,510	0	0	3,978,289
Beginning fund balances(deficits)	435,112	2,169,858	0	2,840,408	143,676	0	316,264	0	0	5,905,318
Ending fund balances (deficits)	\$ 173,624	\$ 2,198,456	\$ 0	\$ 2,022,908	\$ 701,467	\$ 3,864,378	\$ 922,774	\$ 0	\$ 0	\$ 9,883,607

(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, 2011

	Debt Service			Capital Projects				Total 2011	Permanent Trust Dickson Trust	Total Nonmajor Governmental Funds
	G. O. Bonds	Special District Bonds	Total	Tax Increment District	Streetscaping	General Capital Projects	Miscellaneous Projects			
REVENUES										
Federal government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,893,758	\$ 0	\$ 0	\$ 1,893,758	\$ 0	\$ 12,019,998
State government	0	0	0	0	0	0	144,389	144,389	0	1,971,391
County government	0	0	0	0	0	0	0	0	0	2,706,409
Promotions	0	0	0	0	0	0	0	0	0	220,148
Confiscated funds	0	0	0	0	0	0	0	0	0	671,961
Sales taxes	0	0	0	0	0	0	0	0	0	8,359,028
Interest	0	28,828	28,828	0	0	0	904	904	3	70,025
Other revenues	0	0	0	0	0	0	0	0	0	7,240,774
Total revenues	0	28,828	28,828	0	1,893,758	0	145,293	2,039,051	3	33,259,734
EXPENDITURES										
Current										
General government	0	0	0	0	0	48,602	4,746	53,348	0	9,779,935
Public safety	0	0	0	0	0	0	0	0	0	548,459
Public services	0	0	0	0	0	548,882	493,075	1,041,957	0	1,041,957
Community promotion	0	0	0	0	0	0	0	0	0	7,670,643
Other charges	0	0	0	0	0	0	2,937	2,937	0	825,212
Debt Service										
Principal payment on bonds	2,730,000	835,000	3,565,000	0	0	0	0	0	0	5,215,000
Interest on bonds	852,987	660,591	1,513,578	0	0	0	0	0	0	2,800,354
Fiscal agent charges	0	2,575	2,575	0	0	0	0	0	0	9,040
Debt issuance costs	0	0	0	0	0	0	276,774	276,774	0	276,774
Capital outlay										
Capital outlay	0	0	0	1,528,541	3,689,339	551,883	0	5,769,763	0	6,067,090
Total expenditures	3,582,987	1,498,166	5,081,153	1,528,541	3,689,339	1,149,367	777,532	7,144,779	0	34,234,464
Excess (deficiency) of revenues over (under) expenditures	(3,582,987)	(1,469,338)	(5,052,325)	(1,528,541)	(1,795,581)	(1,149,367)	(632,239)	(5,105,728)	3	(974,730)
OTHER FINANCING SOURCES (USES)										
Transfers in	3,584,705	3,394,989	6,979,694	1,885,713	1,857,821	2,419,065	1,327,310	7,489,909	0	15,043,580
Transfers (out)	0	0	0	0	0	(18,754)	(8,983,384)	(9,002,138)	0	(14,781,146)
Bond proceeds	0	0	0	0	0	0	19,320,000	19,320,000	0	19,320,000
Premium on bond issuance	0	0	0	0	0	0	662,383	662,383	0	662,383
Payments to refunded bond escrow agent	0	0	0	0	0	0	(10,262,899)	(10,262,899)	0	(10,262,899)
Total other financing sources (uses)	3,584,705	3,394,989	6,979,694	1,885,713	1,857,821	2,400,311	2,063,410	8,207,255	0	9,981,918
Net change in fund balances	1,718	1,925,651	1,927,369	357,172	62,240	1,250,944	1,431,171	3,101,527	3	9,007,188
Beginning fund balances(deficits)	788,325	2,224,807	3,013,132	9,589,586	12,584,369	2,520,048	5,562,083	30,256,086	5,575	39,180,111
Ending fund balances (deficits)	\$ 790,043	\$ 4,150,458	\$ 4,940,501	\$ 9,946,758	\$ 12,646,609	\$ 3,770,992	\$ 6,993,254	\$ 33,357,613	\$ 5,578	\$ 48,187,299

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, 2011

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,393,251	\$ 8,924,460	\$ 6,048,582	\$ 289,690	\$ 16,655,983
Investments	0	1,918,188	0	0	1,918,188
Accounts receivable, net	1,500,000	854	0	0	1,500,854
Mortgage notes receivable, net	0	0	450,873	0	450,873
Accrued interest receivable	0	51,346	0	0	51,346
Due from component units	0	0	588,894	0	588,894
Prepaid expenses	0	958	0	454	1,412
Real estate held for resale	0	0	166,770	0	166,770
Total current assets	2,893,251	10,895,806	7,255,119	290,144	21,334,320
Noncurrent assets:					
Mortgage notes receivable, net	0	0	21,972,371	0	21,972,371
Investments	0	6,640,956	0	0	6,640,956
Accounts receivable, net	3,500,000	0	0	0	3,500,000
Capital assets:					
Land	327,169	13,940	0	0	341,109
Buildings, improvements and utility plant	16,173,300	8,014,757	0	0	24,188,057
Machinery and equipment	0	1,462,049	0	0	1,462,049
Less, accumulated depreciation	(2,830,328)	(1,829,882)	0	0	(4,660,210)
Construction in progress	0	482,267	0	0	482,267
Net capital assets	13,670,141	8,143,131	0	0	21,813,272
Total noncurrent assets	17,170,141	14,784,087	21,972,371	0	53,926,599
Total assets	\$ 20,063,392	\$ 25,679,893	\$ 29,227,490	\$ 290,144	\$ 75,260,919
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 34,219	\$ 232,611	\$ 151,403	\$ 9,517	\$ 427,750
Accrued salaries and benefits	0	85,080	0	36,618	121,698
Compensated absences	0	19,409	0	648	20,057
Retainage payable	0	31,421	0	0	31,421
Contract payable	645,601	0	0	0	645,601
Deferred revenue	1,500,000	0	0	0	1,500,000
Total current liabilities	2,179,820	368,521	151,403	46,783	2,746,527
Noncurrent liabilities:					
Contract payable	1,291,202	0	0	0	1,291,202
Compensated absences	0	77,638	0	0	77,638
Deferred revenue	3,500,000	0	0	0	3,500,000
Total non-current liabilities	4,791,202	77,638	0	0	4,868,840
Total liabilities	6,971,022	446,159	151,403	46,783	7,615,367
Net Assets:					
Investment in capital assets, net of related debt	13,670,141	8,143,131	0	0	21,813,272
Unrestricted	(577,771)	17,090,603	29,076,087	243,361	45,832,280
Total net assets	13,092,370	25,233,734	29,076,087	243,361	67,645,552
Total liabilities and net assets	\$ 20,063,392	\$ 25,679,893	\$ 29,227,490	\$ 290,144	\$ 75,260,919

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, 2011

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Totals
Operating revenues:					
Charges for services	\$ 0	\$ 4,778,442	\$ 0	\$ 226,238	\$ 5,004,680
Other operating revenue	851,431	0	646,954	0	1,498,385
Total operating revenue	<u>851,431</u>	<u>4,778,442</u>	<u>646,954</u>	<u>226,238</u>	<u>6,503,065</u>
Operating expenses:					
Personnel services	0	2,480,489	0	199,576	2,680,065
Materials and supplies	0	258,689	0	35,699	294,388
Other services and charges	0	1,998,424	63,268	33,364	2,095,056
Heat, light and power	1,291,756	0	0	0	1,291,756
Depreciation	323,466	484,126	0	0	807,592
Bad debt expense	0	0	542,997	0	542,997
Total operating expenses	<u>1,615,222</u>	<u>5,221,728</u>	<u>606,265</u>	<u>268,639</u>	<u>7,711,854</u>
Operating income (loss)	<u>(763,791)</u>	<u>(443,286)</u>	<u>40,689</u>	<u>(42,401)</u>	<u>(1,208,789)</u>
Nonoperating revenues (expenses):					
Investment income (loss)	0	251,981	14,968	0	266,949
Gain (loss) from sale of assets	0	19,471	263,163	0	282,634
Total nonoperating revenues (expenses)	<u>0</u>	<u>271,452</u>	<u>278,131</u>	<u>0</u>	<u>549,583</u>
Income (loss) before transfers	<u>(763,791)</u>	<u>(171,834)</u>	<u>318,820</u>	<u>(42,401)</u>	<u>(659,206)</u>
Transfers:					
Transfers in	0	1,745,404	266,411	73,606	2,085,421
Transfers out	0	0	(1,722,333)	0	(1,722,333)
Total transfers:	<u>0</u>	<u>1,745,404</u>	<u>(1,455,922)</u>	<u>73,606</u>	<u>363,088</u>
Change in net assets	<u>(763,791)</u>	<u>1,573,570</u>	<u>(1,137,102)</u>	<u>31,205</u>	<u>(296,118)</u>
Net assets - beginning	<u>13,856,161</u>	<u>23,660,164</u>	<u>30,213,189</u>	<u>212,156</u>	<u>67,941,670</u>
Net assets - ending	<u>\$ 13,092,370</u>	<u>\$ 25,233,734</u>	<u>\$ 29,076,087</u>	<u>\$ 243,361</u>	<u>\$ 67,645,552</u>

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 For the Year Ended June 30, 2011

	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	\$ 2,851,431	\$ 4,777,588	\$ 646,954	\$ 226,238	\$ 8,502,211
Payments to suppliers	(3,909,093)	(2,344,441)	(872,536)	(64,180)	(7,190,250)
Payments to employees	0	(2,539,168)	0	(191,789)	(2,730,957)
Net cash provided by (used in) operating activities	(1,057,662)	(106,021)	(225,582)	(29,731)	(1,418,996)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Due to (from) others	0	(3,585,270)	0	0	(3,585,270)
Transfers in	0	1,745,404	266,411	73,606	2,085,421
Transfers out	0	0	(1,722,333)	0	(1,722,333)
Net cash provided by (used in) noncapital and related financing activities	0	(1,839,866)	(1,455,922)	73,606	(3,222,182)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	0	(255,638)	0	0	(255,638)
Proceeds from sale of capital assets	0	33,550	0	0	33,550
Net cash used by capital and related financing activities	0	(222,088)	0	0	(222,088)
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of investments, net	0	1,089,171	263,163	0	1,352,334
Advances of mortgage notes receivable	0	0	6,413,731	0	6,413,731
Collections of mortgage notes receivable	0	0	(5,929,386)	0	(5,929,386)
Interest received	0	271,524	14,968	0	286,492
Sale of real estate held for resale	0	0	870,196	0	870,196
Net cash provided by investing activities	0	1,360,695	1,632,672	0	2,993,367
Net increase (decrease) in cash and cash equivalents	(1,057,662)	(807,280)	(48,832)	43,875	(1,869,899)
Cash and cash equivalents, July 1, 2010	2,450,913	9,731,740	6,097,414	245,815	18,525,882
Cash and cash equivalents, June 30, 2011	\$ 1,393,251	\$ 8,924,460	\$ 6,048,582	\$ 289,690	\$ 16,655,983
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ (763,791)	\$ (443,286)	\$ 40,689	\$ (42,401)	\$ (1,208,789)
Adjustment to reconcile operating income to net cash provided by (used in) operating activities					
Depreciation	323,466	484,126	0	0	807,592
Bad debt expense	0	0	542,997	0	542,997
Change in operating assets and liabilities					
Accounts receivable	(3,000,000)	(854)	0	0	(3,000,854)
Prepaid expenses	0	698	0	0	698
Accounts payable	28,264	(200,323)	(809,268)	4,883	(976,444)
Contracts payable	(2,645,601)	0	0	0	(2,645,601)
Accrued salaries	0	16,992	0	7,139	24,131
Accrued compensated absences	0	36,626	0	648	37,274
Deferred revenue	5,000,000	0	0	0	5,000,000
Total adjustments	(293,871)	337,265	(266,271)	12,670	(210,207)
Net cash provided by (used in) operating activities	\$ (1,057,662)	\$ (106,021)	\$ (225,582)	\$ (29,731)	\$ (1,418,996)

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, 2011

	Fleet Management	Support Services	Risk Management	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 756	\$ 114,557	\$ 45,531,611	\$ 45,646,924
Accounts receivable	88,496	0	902,258	990,754
Prepaid expenses	200,944	84,557	255,671	541,172
Inventory	<u>0</u>	<u>530,412</u>	<u>0</u>	<u>530,412</u>
Total current assets	<u>290,196</u>	<u>729,526</u>	<u>46,689,540</u>	<u>47,709,262</u>
Noncurrent assets:				
Deposits	0	0	78,745	78,745
Capital assets				
Buildings	903,586	0	0	903,586
Machinery and equipment	2,153,008	749,211	18,428	2,920,647
Less, accumulated depreciation	<u>(2,384,241)</u>	<u>(574,915)</u>	<u>(18,428)</u>	<u>(2,977,584)</u>
Total capital assets (net of accumulated depreciation)	<u>672,353</u>	<u>174,296</u>	<u>0</u>	<u>846,649</u>
Total noncurrent assets	<u>672,353</u>	<u>174,296</u>	<u>78,745</u>	<u>925,394</u>
Total assets	<u>\$ 962,549</u>	<u>\$ 903,822</u>	<u>\$ 46,768,285</u>	<u>\$ 48,634,656</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 682,966	\$ 411,458	\$ 786,166	\$ 1,880,590
Accrued salaries and benefits	78,945	29,530	11,396	119,871
OPEB liability	0	0	39,900,000	39,900,000
Accrued compensated absences	27,591	58,700	23,396	109,687
Due to other funds	61,927	380,510	0	442,437
Accrued liability for claims	<u>0</u>	<u>0</u>	<u>14,468,681</u>	<u>14,468,681</u>
Total current liabilities	<u>851,429</u>	<u>880,198</u>	<u>55,189,639</u>	<u>56,921,266</u>
Non-Current Liabilities:				
Accrued compensated absences	<u>110,364</u>	<u>23,624</u>	<u>2,279</u>	<u>136,267</u>
Total non-current liabilities	<u>110,364</u>	<u>23,624</u>	<u>2,279</u>	<u>136,267</u>
Total liabilities	<u>961,793</u>	<u>903,822</u>	<u>55,191,918</u>	<u>57,057,533</u>
NET ASSETS				
Investment in capital assets	672,353	174,296	0	846,649
Unrestricted	<u>(671,597)</u>	<u>(174,296)</u>	<u>(8,423,633)</u>	<u>(9,269,526)</u>
Total net assets (deficit)	<u>756</u>	<u>0</u>	<u>(8,423,633)</u>	<u>(8,422,877)</u>
Total liabilities and net assets	<u>\$ 962,549</u>	<u>\$ 903,822</u>	<u>\$ 46,768,285</u>	<u>\$ 48,634,656</u>

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS/(DEFICITS)
 INTERNAL SERVICE FUNDS
 Year Ended June 30, 2011

	Fleet Management	Support Services	Risk Management	Total
Operating revenues:				
Charges for services	\$ 9,917,759	\$ 1,449,153	\$ 32,491,483	\$ 43,858,395
Total operating revenues	<u>9,917,759</u>	<u>1,449,153</u>	<u>32,491,483</u>	<u>43,858,395</u>
Operating expenses:				
Personnel services	2,320,104	822,146	12,398,472	15,540,722
Materials and supplies	12,184,808	686,693	15,422	12,886,923
Contractual services	25,042	282,255	0	307,297
Heat, light and power	49,664	0	0	49,664
Other charges and services	238,466	929,852	2,450,121	3,618,439
Claims and premiums	0	0	24,981,817	24,981,817
Depreciation	118,732	63,377	0	182,109
Total operating expenses	<u>14,936,816</u>	<u>2,784,323</u>	<u>39,845,832</u>	<u>57,566,971</u>
Operating loss	<u>(5,019,057)</u>	<u>(1,335,170)</u>	<u>(7,354,349)</u>	<u>(13,708,576)</u>
Non-operating revenues:				
Gain on sale of assets	8,055	25,574	0	33,629
Total non-operating revenues	<u>8,055</u>	<u>25,574</u>	<u>0</u>	<u>33,629</u>
Loss before transfers	<u>(5,011,002)</u>	<u>(1,309,596)</u>	<u>(7,354,349)</u>	<u>(13,674,947)</u>
Transfers in	5,011,758	1,331,045	4,753,341	11,096,144
Transfers out	0	(21,449)	(1,925,433)	(1,946,882)
Net Transfers	<u>5,011,758</u>	<u>1,309,596</u>	<u>2,827,908</u>	<u>9,149,262</u>
Change in net assets	756	0	(4,526,441)	(4,525,685)
Net assets (deficit) - beginning	<u>0</u>	<u>0</u>	<u>(3,897,192)</u>	<u>(3,897,192)</u>
Net assets (deficit) - ending	\$ <u><u>756</u></u>	\$ <u><u>0</u></u>	\$ <u><u>(8,423,633)</u></u>	\$ <u><u>(8,422,877)</u></u>

CITY OF COLUMBIA, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 Year Ended June 30, 2011

	Fleet Management	Support Services	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 9,860,468	\$ 1,449,153	\$ 32,483,611	\$ 43,793,232
Payments to suppliers	(7,679,539)	(1,679,861)	(25,750,697)	(35,110,097)
Payments to employees	(2,313,310)	(808,852)	(348,898)	(3,471,060)
Net cash (used in) provided by operating activities	<u>(132,381)</u>	<u>(1,039,560)</u>	<u>6,384,016</u>	<u>5,212,075</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to (from) others	(4,878,621)	(40,378)	0	(4,918,999)
Transfers in	5,011,758	1,331,045	4,753,341	11,096,144
Transfers out	0	(21,449)	(1,925,433)	(1,946,882)
Net cash provided by noncapital financing activities	<u>133,137</u>	<u>1,269,218</u>	<u>2,827,908</u>	<u>4,230,263</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	0	(150,401)	0	(150,401)
Net cash provided by (used in) capital and related financing activities	<u>0</u>	<u>(150,401)</u>	<u>0</u>	<u>(150,401)</u>
Net increase in cash and cash equivalents	756	79,257	9,211,924	9,291,937
Cash and cash equivalents, July 1, 2010	<u>0</u>	<u>35,300</u>	<u>36,319,687</u>	<u>36,354,987</u>
Cash and cash equivalents, June 30, 2011	\$ <u>756</u>	\$ <u>114,557</u>	\$ <u>45,531,611</u>	\$ <u>45,646,924</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES				
Operating loss	\$ (5,019,057)	\$ (1,335,170)	\$ (7,354,349)	\$ (13,708,576)
Adjustment to reconcile operating loss to net cash (used in) provided by operating activities				
Depreciation	118,732	63,377	0	182,109
Transfer of capital assets	4,458,847	25,574	0	4,484,421
Change in operating assets and liabilities				
Accounts receivable	(57,291)	0	(7,872)	(65,163)
Inventory	0	(94,073)	0	(94,073)
Prepaid expenses	0	0	43,211	43,211
Accounts payable	359,594	287,438	195,415	842,447
Accrued salaries	11,127	8,392	1,321	20,840
Accrued compensated absences	(4,333)	4,902	3,799	4,368
OPEB liability	0	0	12,044,454	12,044,454
Accrued liability for claims	0	0	1,458,037	1,458,037
Total adjustments	<u>4,886,676</u>	<u>295,610</u>	<u>13,738,365</u>	<u>18,920,651</u>
Net cash (used in) provided by operating activities	<u>\$ (132,381)</u>	<u>\$ (1,039,560)</u>	<u>\$ 6,384,016</u>	<u>\$ 5,212,075</u>

SUPPLEMENTARY INFORMATION

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
YEAR ENDED JUNE 30, 2011**

Court Fines and Assessments

Fines Collected	\$ 822,525
Assessments	817,991
Surcharges	411,233
Total Court Fines and Assessments Collected	<u>\$ 2,051,749</u>

Surcharges and Assessments Remitted to State Treasurer

Fines, Fees and Filing Fee / Assessment	
Municipal Conditional Discharge Fee	\$ 5,250
DUI/DUS/BUI	
Municipal DUI Assessment	2,436
Municipal DUI Surcharge	3,600
DUI/DUAC Breathalyzer Test Conviction Fee - SLED	75
Surcharges	
Municipal Drug Surcharge	2,750
Municipal Law Enforcement Surcharge	311,110
Criminal Justice Academy Surcharge	56,565
Other Assessments - State Shared	719,153
Total Revenue Remitted to State Treasurer	<u>\$ 1,100,939</u>

Fines, Surcharges and Assessments Retained by City

Fines	\$ 822,525
Assessments	91,077
Surcharges	37,208
Total Revenue Retained by City	<u>\$ 950,810</u>

Funds Allocated to Victims Assistance

Carryover Funds from Prior Year	\$ 0
Assessments Retained	91,077
Surcharges Retained	37,208
Expenditures	(259,127)
Transfers from General Fund	130,842
Total Unexpended Victims 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
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
2011	35,358,820	1,974,835	52,391,812	19,094,868	9,135,419	3,644,002	0	20,051,584	9,440,787	151,092,127

(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)	Hospitality 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
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
2011	49,728,075	8,359,028	28,758,883	889,048	1,068,106	47,352,805	6,945,737	9,171,214	152,272,896

- (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
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
2011	49,454,262	47,105,225	95.25	2,622,850	49,728,075	100.55	2,260,636	4.57

(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%.

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	
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
2011	2010	395,897,190	8,042,557,033	101,465,789	1,231,433,192	497,362,979	9,273,990,225	5.36

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

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

(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.

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
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
2010	98.1	79.7	311.5	489.3	366.4	544.2	289.4	467.2

(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, 2011

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
South Carolina Electric & Gas	Electric & Gas Utility	\$ 12,346,110	2.48%
Bellsouth Telecom Inc.	Communications	8,022,550	1.61%
UnumProvident Corporation	Insurance	3,134,952	0.63%
US REIF/MJW Capital Center Fee	Real Estate	2,740,240	0.55%
Colonial Life & Accident	Insurance	1,949,966	0.39%
Time Warner Ent.-Advance	Communications	1,874,120	0.38%
SC Heritage Assoc	Tourism	1,559,250	0.31%
Assembly Station Columbia LLC	Real Estate	1,484,450	0.30%
Parkway Properties LP	Real Estate	1,469,490	0.30%
B of A Plaza Columbia LLC	Real Estate	1,440,370	0.29%
Totals		\$ <u>36,021,498</u>	<u>7.24%</u>

CITY OF COLUMBIA, SOUTH CAROLINA

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

Year Ended June 30, 2011

Assessed value as of January 1, 2011	
City limits Richland County	\$ 470,578,819
City limits Lexington County	<u>26,784,160</u>
Total	<u>497,362,979</u>
Business inventory 1987 assessed value	<u>6,667,290</u>
Total assessed value (see note)	\$ <u><u>504,030,269</u></u>
Debt limit - Eight (8%) percent of assessed value, without voters' approval	\$ 40,322,422
Amount of debt applicable to debt limit:	
Total general bonded debt	<u>30,055,000</u>
Legal debt margin without a referendum	\$ <u><u>10,267,422</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
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	1,291,202	26,863,798	6.38	215.22
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
2011	129,272	497,362,979	30,055,000	0	30,055,000	6.04	232.49

(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.

* Change from prior year amount

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
2002	\$ 595,000	\$ 385,398	\$ 980,398	\$ 95,858,067	1.0
2003	595,000	667,546	1,262,546	105,298,901	1.2
2004	1,170,000	955,943	2,125,943	113,119,371	1.9
2005	1,270,000	914,545	2,184,545	119,787,994	1.8
2006	1,280,000	868,318	2,148,318	148,855,158	1.4
2007	1,400,000	810,798	2,210,798	160,750,119	1.4
2008 *	1,410,000	986,607	2,396,607	187,362,646	1.3
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
2011	2,730,000	714,998	3,444,998	151,092,127	2.3

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

(2) Excludes bond issuance and other costs.

(3) Includes total governmental funds.

* Change from prior year amount

CITY OF COLUMBIA, SOUTH CAROLINA

**Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
(Unaudited)
Year Ended June 30, 2011**

Jurisdiction	City of Columbia Direct General Obligation Bonded Debt Outstanding	Estimated Applicable Percentage	Overlapping General Obligation Bonded Debt Outstanding
Direct:			
City of Columbia	\$ 30,055,000	100.00%	\$ 30,055,000
Overlapping:			
Richland County School District No. 1	496,865,000	53.56%	266,136,321
Richland County School District No. 2	418,170,000	5.95%	24,864,274
Richland County School District No. 5	129,705,000	9.78%	12,688,138
General purposes - Richland County	43,940,000	31.78%	13,965,319
General purposes - Lexington County	40,496,993	2.50%	1,011,418
Riverbanks Park District	10,125,000	19.48%	1,972,467
Total Overlapping	1,139,301,993		320,637,937
Total	\$ 1,169,356,993		\$ 350,692,937

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	
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
2011	110,749,377	79,584,775	31,164,602	11,905,000	12,724,467	24,629,467	1.27

(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 \$25,917,772 for fiscal year ending June 30, 2012

CITY OF COLUMBIA, SOUTH CAROLINA

**Revenue Bond Coverage
Parking Bonds**

**Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Revenue Base (1)	Expense Base (2)	Net Revenue Available for Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
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 *	5,091,104	(621,433)	5,712,537	440,000	2,455,384	2,895,384	1.97
2007 *	4,859,393	(1,282,446)	6,141,839	460,000	2,455,384	2,915,384	2.11
2008 *	5,765,193	490,704	5,274,489	740,000	2,429,153	3,169,153	1.66
2009 *	6,190,809	(445,684)	6,636,493	780,000	2,388,322	3,168,322	2.09
2010 *	4,549,663	(403,643)	4,953,306	825,000	2,344,732	3,169,732	1.56
2011 *	4,365,608	756,006	3,609,602	870,000	2,298,059	3,168,059	1.14

(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 less non-moving violations and late fees.

(2) Direct operating expenses include all operating and maintenance expenses except depreciation, interest expense, and transfers.

* These amounts have changed from prior years based on the bond coverage formula that was recalculated by the City. These changes involved adding back certain expenses to total operating expenses and removing certain revenues from gross revenues as described in the above notes.

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)
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%
2011	129,272	35,096	22,898	10.5%

- 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	
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
2011	3,538,722,894	4,503,829,137	8,042,552,031	13	8,504,058	232	28,881,790	9,526,000

(1) Inspection Division of the City of Columbia.

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

CITY OF COLUMBIA, SOUTH CAROLINA

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

	2011	2010	2009
Governmental activities			
Invested in capital assets, net of related debt	\$ 142,944,260	\$ 141,865,590	\$ 150,922,216
Restricted	27,905,320	24,099,819	29,048,807
Unrestricted	23,268,401	22,191,216	9,278,935
Total governmental activities net assets	\$ <u>194,117,981</u>	\$ <u>188,156,625</u>	\$ <u>189,249,958</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 414,942,578	\$ 438,133,821	\$ 445,685,893
Restricted	9,231,571	9,231,571	0
Unrestricted	172,585,075	149,856,362	146,880,212
Total business-type activities net assets	\$ <u>596,759,224</u>	\$ <u>597,221,754</u>	\$ <u>592,566,105</u>
Primary Government			
Invested in capital assets, net of related debt	\$ 557,886,838	\$ 579,999,411	\$ 596,608,109
Restricted	37,136,891	33,331,390	29,048,807
Unrestricted	195,853,476	172,047,578	156,159,147
Total primary government net assets	\$ <u>790,877,205</u>	\$ <u>785,378,379</u>	\$ <u>781,816,063</u>

CITY OF COLUMBIA, SOUTH CAROLINA

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

	2011	2010	2009
Expenses			
Governmental activities:			
General government	\$ 35,131,885	\$ 53,883,052	\$ 41,427,388
Judicial	2,697,932	2,360,125	2,364,353
Finance department	2,235,981	1,986,467	2,647,689
Community development	4,365,542	4,017,482	4,192,966
Public safety	58,762,428	50,615,722	57,138,835
Parks and recreation	11,445,882	8,681,126	11,142,423
Public services	21,229,705	17,884,065	20,798,283
General services	3,924,144	3,598,839	3,919,228
Community promotions	7,843,093	8,990,842	8,321,723
Interest on bonds	3,763,963	3,413,317	3,824,725
Non departmental	2,644,113	1,936,148	1,694,525
Total governmental activities expenses	154,044,669	157,367,185	157,472,138
Business-type activities:			
Water/sewer facilities	107,934,251	103,530,941	85,747,245
Hydro-electric plant	1,615,222	3,310,407	5,989,066
Storm water operating	5,169,916	4,117,396	3,148,296
Parking facilities	7,234,418	6,959,024	5,740,304
Redevelopment programs	606,265	4,704,419	960,872
Parks and recreation camp	268,639	248,705	0
Total business-type expenses	122,828,711	122,870,892	101,585,783
Total primary government expenses	\$ 276,873,380	\$ 280,238,077	\$ 259,057,921
Program revenues			
Governmental activities:			
Charges for services	\$ 53,502,663	\$ 49,479,409	\$ 53,314,387
Operating grants and contributions	35,000,087	34,616,143	29,022,624
Capital grants and contributions	3,618,198	5,851,833	11,318,774
Total governmental program revenues	92,120,948	89,947,385	93,655,785
Business-type activities:			
Charges for services	120,920,888	122,046,529	122,439,045
Capital grants and contributions	4,038,585	5,154,530	8,358,175
Total business-type program revenues:	124,959,473	127,201,059	130,797,220
Total primary government revenues	\$ 217,080,421	\$ 217,148,444	\$ 224,453,005
Net (Expense)/Revenue			
Governmental activities	\$ (61,923,721)	\$ (67,419,800)	\$ (63,816,353)
Business-type activities	2,130,762	4,330,167	29,211,437
Total primary government net revenue (expense)	\$ (59,792,959)	\$ (63,089,633)	\$ (34,604,916)
General Revenues			
Governmental activities:			
Taxes	\$ 35,775,181	\$ 34,096,781	\$ 35,042,668
LOST revenue	13,947,099	15,722,327	13,616,717
Sales taxes	8,359,028	7,941,705	8,070,790
Alcoholic beverages taxes	-	261,200	323,644
State shared revenue	2,604,423	3,037,888	3,622,407
Motor fuel taxes	4,976	11,024	1,059
Unrestricted investment earnings	1,068,106	417,459	1,282,669
Gain/Loss from disposal of capital assets	-	-	1,891,037
Transfers	6,126,263	4,838,083	8,580,988
Total general government revenues/transfers	\$ 67,885,076	\$ 66,326,467	\$ 72,431,979
Business-type activities:			
Unrestricted investment earnings	3,389,883	5,146,089	5,589,423
Gain/Loss from disposal of capital assets	143,088	17,476	3,843,432
Transfers	(6,126,263)	(4,838,083)	(8,580,988)
Total business-type activities:	(2,593,292)	325,482	851,867
Total primary government general revenues	\$ 65,291,784	\$ 66,651,949	\$ 73,283,846
Change in Net Assets			
Governmental activities	\$ 5,961,355	\$ (1,093,333)	\$ 8,615,626
Business-type activities	(462,530)	4,655,649	30,063,304
Total primary government	\$ 5,498,825	\$ 3,562,316	\$ 38,678,930

CITY OF COLUMBIA, SOUTH CAROLINA

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

	2011	2010	2009
General Fund			
Reserved for encumbrances	**	**	\$ 1,334,927
Reserved for prepaid charges	**	**	188,343
Unreserved	**	**	5,300,625
Total General Fund	**	**	\$ 6,823,895
General Fund			
Nonspendable	\$ 493,807	\$ 246,160	**
Committed	2,126,479	**	**
Assigned	-	1,538,430	**
Unassigned	11,424,065	13,668,226	**
Total General Fund	\$ 14,044,351	\$ 15,452,816	**
All Other Governmental Funds			
Reserved for encumbrances	**	**	\$ 16,501,855
Reserved for prepaid charges	**	**	3,731
Reserved			
Nonexpendable	**	**	5,000
Expendable	**	**	528
Unreserved, reported in:			
Special revenue funds	**	**	7,173,627
Debt service funds	**	**	1,288,755
Capital projects funds	**	**	19,334,852
Total all other governmental funds	**	**	\$ 44,308,348
All Other Governmental Funds			
Nonspendable	\$ 23,458	\$ 42,317	**
Restricted	27,900,320	24,099,819	* **
Committed	3,864,378	-	**
Assigned	16,898,674	39,198,661	**
Unassigned, reported in:			
County Services fund	0	303,617	**
Special revenue funds	(14,080)	(31,068)	**
Total all other governmental funds	\$ 48,672,750	\$ 63,613,346	**

* Amounts have been reclassified to conform to current year presentation.

**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 years 2010 and 2011 do not apply to fiscal year 2009.

CITY OF COLUMBIA, SOUTH CAROLINA

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

	2011	2010	2009
Revenues			
General property taxes	\$ 49,728,075	\$ 48,930,564	\$ 48,292,387
Hospitality taxes	8,359,028	7,941,705	8,070,790
Licenses and permits	28,758,883	27,418,693	29,591,085
Intergovernmental revenue	11,734,994	11,961,868	11,689,903
Charges for services	6,945,737	7,004,163	7,166,064
Fines and forfeitures	889,048	864,112	922,675
Federal government	12,019,998	16,205,021	15,391,313
State government	1,971,391	1,634,625	2,002,864
County government	21,626,422	21,084,511	20,093,357
Promotions	220,148	144,639	192,721
Confiscated drugs	671,961	74,057	291,003
Interest	1,068,106	417,458	1,282,669
Other revenues	8,279,105	3,355,276	4,789,277
Cost recovery fees	0	2,270,000	2,270,000
Total revenues	<u>152,272,896</u>	<u>149,306,692</u>	<u>152,046,108</u>
Expenditures			
Current			
General government	33,091,576	32,931,032	32,129,878
Judicial	2,267,244	2,264,446	2,279,449
Finance department	1,974,835	1,953,988	2,601,962
Community development	3,635,412	3,898,247	4,027,245
Public safety	52,391,812	48,782,688	54,665,050
Parks and recreation	9,135,419	9,133,653	9,889,048
Public services	19,094,868	17,257,530	19,926,127
General services	3,644,002	3,537,722	3,847,700
Community promotions	7,843,093	8,990,842	8,321,723
Non departmental	1,666,009	1,066,644	1,395,676
Other charges	825,212	729,482	8,357
Debt service			
Principle payment	5,655,000	5,205,034	9,144,966
Interest on bonds	3,776,747	3,444,234	3,899,408
Fiscal agent charges	9,040	8,040	27,424
Capital outlay			
Capital outlay	6,081,858	9,410,916	16,773,619
Total expenditures	<u>151,092,127</u>	<u>148,614,498</u>	<u>168,937,632</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,180,769</u>	<u>692,194</u>	<u>(16,891,524)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	28,197,309	22,801,863	25,317,909
Transfers (out)	(31,220,308)	(19,811,164)	(22,775,520)
Proceeds from disposal of capital assets	144,703	156,782	2,531,802
Bond issuance	19,320,000	0	3,625,000
Premium on bond issuance	662,383	0	0
Payments to refunded bonds escrow agent	(10,262,899)	0	(3,540,000)
Proceeds from note payable issued	0	0	2,429,249
Total other financing sources (uses)	<u>6,841,188</u>	<u>3,147,481</u>	<u>7,588,440</u>
Net change in fund balances	<u>\$ 8,021,957</u>	<u>\$ 3,839,675</u>	<u>\$ (9,303,084)</u>
Debt service as a percentage of noncapital expenses	<u>7%</u>	<u>6%</u>	<u>9%</u>

CITY OF COLUMBIA, SOUTH CAROLINA

Miscellaneous Statistics

(UNAUDITED)

Year Ended June 30, 2011

Date of Incorporation			
Town			December 21, 1805
City			December 21, 1854
Form of Government			Council-Manager
Area - Square Miles			136.79
Miles of Streets and Sidewalks			
Streets			185
Sidewalks			120
Miles of Sanitary Sewers			1,100
Building Permits			
Permits issued			4,129
Estimated Cost - taxable property			198,096,315
Estimated Cost - nontaxable property			2,123,100
Fire Protection			
Number of stations			12
Number of employees			284
Police Protection			
Number of Stations			14
Authorized strength:			
Full-time sworn			383
Part-time civilians			7
Full-time civilians			71
Recreation			
Parks and playgrounds - acres			648
City owned parks and playgrounds			52
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	40,226	95,908	136,134
Sewer	32,585	36,974	69,559
Daily Average			
consumption billed			63,000,000
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, 2011

Election Data	
Registered voters in the City (District 1C)	63,108
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	10,190
Education (Public School System Only)	
City school system (Richland County School District 1)	
Number of school buildings	49
Number of teachers	2,022
Number of students registered	22,898
Average daily attendance:	
Elementary schools	10,727
Middle schools	4,944
High schools	6,458
Universities and Colleges	
Number of locations	8
Number of students registered	40,407
City of Columbia Permanent Employees	
Full-time	2,240
Part-time	78